

HOUSE OF COMMONS DEBATES

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HOUSE OF COMMONS

Friday, November 14, 1980

The House met at 11 a.m.

● (1105)

ROUTINE PROCEEDINGS

[*English*]

THE BUDGET

CALL FOR MORE REALISTIC PROJECTIONS—MOTION UNDER S.O. 43

Mr. Don Blenkarn (Mississauga South): Madam Speaker, I rise under the provisions of Standing Order 43 to move a motion. The consumer price index increase now stands year over year at 10.9 per cent. Food is likely to increase by 12 per cent next year, energy costs by nearly 22 per cent, the dollar is now in the 84-cent range—2 per cent less than forecast—and interest rates are at least 1 per cent higher than they were on budget day. Therefore I move, seconded by the hon. member for Simcoe North (Mr. Lewis):

That the Minister of Finance forthwith produce an amended budget background paper setting out projections that are more realistic for the coming years, so that Canadians will realize how badly they are served by this government and by its most inept fiscal management.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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HOUSING

INTRODUCTION OF SHELTER ALLOWANCE PROGRAM—MOTION UNDER S.O. 43

Mr. Doug Lewis (Simcoe North): Madam Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43. Whereas the consumer price index rose 0.9 per cent yesterday reflecting even greater hardship for Canadians on fixed incomes and those in lower income brackets; and whereas the Liberal government has no housing policies designed adequately to assist Canadians requiring shelter, I move, seconded by the hon. member for St. Catharines (Mr. Reid):

That this House urge the government to bring in a shelter allowance program designed to provide all Canadians with decent, affordable housing.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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PENSION ACT

CALL FOR INCREASE IN WAR DISABILITY PENSION—MOTION UNDER S.O. 43

Hon. Stanley Knowles (Winnipeg North Centre): Madam Speaker, under the provisions of Standing Order 43, and seconded by the hon. member for Beaches (Mr. Young), I move:

That this House notes that the cost of living increase in the basic rate of the war disability pension now scheduled for January, 1981, will still leave veterans behind the average take-home pay of the five categories in the public service that were designated in 1972, and this House therefore calls on the Acting Minister of Veterans Affairs to introduce an amendment to the Pension Act that will automatically tie the pensions of disabled veterans to the standard promised to them by Parliament eight years ago, a commitment this House must not fail to keep.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

NATIONAL UNITY

POSITION OF CONSERVATIVE PARTY ON QUEBEC SEPARATION—MOTION UNDER S.O. 43

Mr. Pierre Gimaïel (Lac-Saint-Jean): Madam Speaker, I rise under the provisions of Standing Order 43 to move a motion of pressing and urgent necessity. Considering that during his visit in Chicoutimi earlier this week the Progressive Conservative leader mixed with the Quebec separatists; considering that the only Quebec Progressive Conservative Party member was conspicuous by his inertia all along the last referendum debate, I move, seconded by the hon. member for Chicoutimi (Mr. Dionne):

S.O. 43

That this House direct the Leader of the Official Opposition to tell us whether his party is separatist or whether it is in favour of the survival and development of Canada.

Madam Speaker: The presentation of such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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[*English*]

GARRISON DIVERSION

REPRESENTATIONS TO UNITED STATES CONCERNING CANADIAN OPPOSITION TO PROJECT—MOTION UNDER S.O. 43

Mr. Charles Mayer (Portage-Marquette): Madam Speaker, I rise under the provisions of Standing Order 43. The Garrison diversion project in North Dakota, if completed as planned, will cause irreparable harm to the waters of Manitoba and result in serious damage to Manitoba's fishing industry. The project is moving closer to completion each year, and recently additional money has been allocated for further construction of this project. Since Canadians of all political parties are opposed to the construction of those sections of the Garrison project that will harm Canadian waters, I move, seconded by the hon. member for Winnipeg-Assiniboine (Mr. McKenzie):

That the Government of Canada send a delegation of members of this House from all parties to Washington at the appropriate time so that we can let the new administration and Congress know in the strongest terms possible that Canadians are unified in their opposition to the construction of those parts of the Garrison project that will harm Canadian waters.

Madam Speaker: For presentation, such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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REGIONAL DEVELOPMENT

CALL FOR WITHDRAWAL OF MINISTER FROM CHAIRMANSHIP OF WESTERN DEVELOPMENT FUND—MOTION UNDER S.O. 43

Mr. Rod Murphy (Churchill): Madam Speaker, I rise to present a motion to the House under the provisions of Standing Order 43. The Standing Committee on Regional Development last week unanimously passed the following recommendation, to be presented to the Minister of Regional Economic Expansion (Mr. De Bané):

That DREE be given a mandate to co-ordinate the spending and policy programs of line federal departments as they relate to regional development—

Considering that the Minister of Regional Economic Expansion has expressed his personal support for this concept, and since the minister also admitted that it is his department's officials who act in a capacity as secretariat for the western committee of cabinet, I move, seconded by the hon. member for Comox-Powell River (Mr. Skelly):

● (1110)

That the Minister of Employment and Immigration immediately withdraw from the chairmanship of the new western development fund, to be replaced by the Minister of Regional Economic Expansion, in the interest of strengthening the federal government's commitment to the honest eradication of regional disparities in Canada without regard to political gain.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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THE CONSTITUTION

CALL FOR RECOGNITION OF CULTURAL DIVERSITY—MOTION UNDER S.O. 43

Mr. Bill Yurko (Edmonton East): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. As the B and B Commission report and the Pepin-Robarts commission report recognize the active presence and practice of many world cultures in Canada, and furthermore as federal governments past and present of different partisan views have appointed ministers of state responsible for multiculturalism, I move, seconded by the hon. member for Joliette (Mr. La Salle):

That this House officially accept that Canada embraces many practising world cultures and therefore that a general statement to this effect be included in the final address to the Queen on constitutional patriation.

Madam Speaker: For presentation this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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THE ECONOMY

ACTION TO FIGHT INFLATION—MOTION UNDER S.O. 43

Mr. Joe Reid (St. Catharines): Madam Speaker, the nation's number one problem today as perceived by people across this country is still inflation. I therefore rise under the provisions of Standing Order 43 to move a motion of urgent and pressing necessity.

The budget recently presented projects inflation in the 10 per cent range, while in fact it is now running at the rate of 10.9 per cent. This means that a person earning $15,000 yearly will have to earn at least $26,000 five years from now just to maintain his standard of living; in ten years, not too long a

period of time in family planning, his earnings would have to be $40,000 and even then he would not be living in a style compatible with those earning $15,000 today. I move, seconded by the hon. member for Simcoe North (Mr. Lewis):

That the Government of Canada put narrow, partisan considerations aside and direct its strength and effort in a fight against inflation, so that all Canadians will be able to live above the poverty line.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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THE CONSTITUTION

CALL FOR RECOGNITION OF RIGHTS FOR HANDICAPPED IN CHARTER OF RIGHTS—MOTION UNDER S.O. 43

Mr. Howard Crosby (Halifax West): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. The handicapped people of Canada have made progress in obtaining provincial legislation recognizing their special needs, but national progress will be impossible unless the special rights of the handicapped are recognized in the proposed constitution. I move, seconded by the hon. member for Brandon-Souris (Mr. Dinsdale):

That this House direct the Minister of Justice to consider inclusion in the proposed charter of rights and freedoms a provision recognizing the special rights of handicapped Canadians.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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NORTHWEST TERRITORIES

SUGGESTED CREATION OF NUNAVUT TERRITORY—MOTION UNDER S.O. 43

Mr. Jim Fulton (Skeena): Madam Speaker, I rise under the provisions of Standing Order 43 to move a motion of urgent and pressing necessity. In view of the fact that the ninth assembly of the government of the Northwest Territories last week passed a motion supporting the division of the Northwest Territories into two new territories, subject to a plebiscite, I move, seconded by the hon. member for Nunatsiaq (Mr. Ittinuar):

That this House recognize the legitimate aspirations of the people of Nunavut by supporting in principle the creation of a Nunavut territory with its own Nunavut government.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

● (1115)

ORAL QUESTION PERIOD

[*English*]

THE ECONOMY

INCREASE IN COST OF LIVING—INQUIRY RESPECTING GOVERNMENT FORECAST

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, my question is to the Acting Prime Minister. It deals with the position of the government in the face of new cost of living figures which indicate a rate of inflation for this year of just under 11 per cent. The Minister of Finance forecast in the budget a consumer price increase in 1980 of 9.7 per cent. The Acting Prime Minister will know that this forecast can be met only if there are reductions in the consumer price index in November and December.

Will the Acting Prime Minister tell the House whether or not it is the position of the government that there will in fact be a reduction in the cost of living in November and December of 1980, or has the government abandoned the forecast set out in the budget earlier this year?

[*Translation*]

Hon. Pierre Bussières (Minister of State, Finance): Madam Speaker, if the Leader of the Opposition studied the components of the consumer cost of living increase, he would see that by subtracting the energy cost increase the figure is reduced by 0.5 per cent. The Leader of the Opposition knows full well, as we do in government, that Canadians understand the need to participate in the exploration and development of our natural resources as well as in the conservation of energy, and even though it is no easy matter they agree to pay a bit more for energy. I can assure the Leader of the Opposition that the government is still determined to fight inflation and take the means necessary to stay within the forecast inflation rate increase.

Mr. Clark: Madam Speaker, I can understand why the Minister of Transport refuses to accept the responsibility for the economic policies of the government, or any responsibility for constitutional policies in view of his stand on the Pepin-Robarts reform. But I want to put exactly the same question to the Minister of State since he gave no reply to my other questions. I asked whether the government is in a position to say whether or not the rate of inflation will go down in November or December and, if not, whether the government has dropped the forecasts made in the budget. The questions are simple and I would appreciate a simple answer.

Mr. Bussières: Madam Speaker, I know the Leader of the Opposition has a gift for simplification. He carried his simplification to simplism, which explains why he so resoundingly lost his elections. I should like to point out to him that on the government side, whether it be the Acting Prime Minister, the Minister of Transport, a minister of state or any other minister, we are all of one mind with regard to the constitution and the economy. I should also like to remind him that, with any forecast, no matter which, and especially in the field of economy, one must be very prudent. By their very nature, forecasts are fragile. I indicated a while ago that the government is intent upon fighting inflation. I also said last week, in a reply to another hon. member, that the government does not want to do it alone but wants all other agents of the economy to join in its efforts, and in the effort to stay within the figures forecast.

* * *

ENERGY

ASSISTANCE TO LOW-INCOME CANADIANS TO MEET HIGH ENERGY COSTS

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, I have noted that following the statement of opposition concerning the constitution, the hon. member for Montmorency failed to applaud, although I have not received a simple reply from the Minister of State for Finance.

[*English*]

In light of the fact that we have now had an increase in the cost of living which renders inapplicable the projections in the budget regarding the cost of living, and given the fact that those have occurred without feeling the full impact of energy price increases, I wonder if the Minister of Energy, Mines and Resources, either in his capacity as Minister of Energy, Mines and Resources or in his capacity as the author of the budget, will tell us whether the government is now in a position to accept the need for an energy tax credit which will help those low-income Canadians who are most severely affected by the increases in the cost of energy meet those costs. Can we have an answer from the Minister of Energy, Mines and Resources?

● (1120)

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): I am sorry, Madam Speaker. The Leader of the Opposition went into a very long exposé, and I did not know that in the middle of his exposé he switched directions from the Minister of State for Finance to myself. I ask him, please, to repeat the question.

Mr. Clark: Madam Speaker, there is no question that whatever length my question the minister will exceed it in his response.

I would like the minister to tell us whether the government is now prepared to consider some equivalent of an energy tax credit for low-income Canadians, given the fact that the cost of living has already gone up beyond the levels forecast by the budget and before the full impact of the energy price increases which this minister is intending for the people of Canada is felt.

Mr. Lalonde: Madam Speaker, as the Minister of Finance has indicated in the House several times, the impact of the budget as far as energy costs are concerned will be very substantially lower than that which had been planned under the Conservative budget of last December. As a matter of fact, if we take the case of an average family in eastern Canada, for instance, in order to have an equivalent cost to the same family, including the tax credit proposed by the Conservatives, it would require a family with two parents and 16 children. That would reach the same level as will be provided by our budget, in the sense that budget costs in terms of families will be substantially lower than they would have been under the Conservative budget.

With respect to measures affecting low-income groups, the federal government took steps last summer, well ahead of the budget, to provide for a very significant increase of $35 a month, which is the equivalent of about—

Mr. Blenkarn: Ha!

Mr. Lalonde: My hon. friend opposite laughs at the help being provided to senior citizens. I do not think senior citizens laugh at the situation. They have $35 a month under the GIS provided by this government as a first step.

Some hon. Members: Hear, hear!

PROPOSED SHARED COST PROGRAM TO MEET RISING ENERGY COSTS

Hon. John C. Crosbie (St. John's West): Madam Speaker, I do not think the senior citizens or any citizens of this country are laughing. They are crying over the pitiful performance which is going on here today. I will ask a question of the Minister of Energy, Mines and Resources in the absence of the Prime Minister, "Saudy-Trudy", in view of the silence of the Deputy Prime Minister, who will not answer questions.

Last year average family purchasing power fell 4 per cent, according to Statistics Canada, as a result of inflation, and there has just been a monthly increase of 9.2 per cent in the cost of heating oils from September to October and an increase of 24.5 per cent from October of last year to October of this year. In view of these facts and the very regressive actions of this government, is the government going to give a favourable response to the government of Ontario, which has called on the federal government to join it in a shared cost program to provide relief from rising energy costs for people on fixed and low incomes?

Will there be an affirmative response in light of these frightening facts? Never mind the nonsense about what went on in the PC budget. It was not passed. The people of Canada are interested in what is happening now under the Liberal budget and the Liberal government today.

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I remind the hon. member that in the preamble to his question he complained about the fall in the average income of families last year. I need not remind him who was in office last year and did nothing about it at that time.

● (1125)

So far as this year is concerned, and referring to the specific question raised by the hon. member, indeed we are quite ready to share in a joint program with the government of Ontario. As a matter of fact, we are quite ready to share with the governments of all the provinces. Not only are we willing to share in this program, there is a program in existence at present in which exactly this is provided for. Its name is the Canada assistance plan, for which the Minister of National Health and Welfare is responsible, and in this plan we are providing 50 per cent of all the costs of social assistance in this country for families in need. That has been provided by this government and this Parliament for many years and we are going to continue to support such programs to help families in need.

In addition, as I indicated, we took steps well before the budget was brought down to help senior citizens in need by adding $35 a month to the incomes of all senior citizens who are benefiting from the guaranteed income supplement.

Mr. Crosbie: Madam Speaker, the minister's contempt for lower-income people in this country is stupendous. We are not just talking about people who are receiving assistance because they are on welfare. We are talking about lower-income people who make under $20,000 a year and who are working, as well as those who are receiving assistance under the Canada assistance plan. Our question to the minister is very direct. Given the fact that heating fuel oil costs, as one example, which strike the poor and lower-income people more than any other aspect of energy costs, have already risen 24 per cent this year and it is forecast in the budget of the Minister of Finance that energy costs will go up 21.95 per cent next year, is the government going to introduce a program, energy tax credit, call it what you will, either in association with the provinces or not—and it should not be because this should be a federal government program to help lower—

Some hon. Members: Oh, oh!

Mr. Crosbie: You were the people who caused the situation.

Some hon. Members: Oh, oh!

Madam Speaker: Order, please. I would ask the hon. member to formulate his question now.

Mr. Crosbie: Madam Speaker, the people to our left scuppered the lower-income people of this country. Will this government now give an affirmative answer to the province of Ontario and introduce relief from rising energy costs for people on fixed and low incomes? Never mind present programs; I am referring to a new program today.

Mr. Lalonde: Madam Speaker, I do not know where exactly the hon. member is getting his figures, but consumer price index figures for the month of October, 1980, indicate that the rise in energy costs in September was 6 per cent.

Mr. Crosbie: It was 9.2 per cent for fuel oil.

Mr. Lalonde: Since October, 1979, it has been 18.2 per cent. I am quoting Statistics Canada figures. I suggest the hon. member check his figures very carefully. Second, we have already indicated that for an average family the savings arising out of our budget as compared with the Conservative budget of last year amounted to as much as $1,000 per family.

Mr. Crosbie: Who cares?

Mr. Lalonde: These have been measures which have been taken in the last budget to help Canadian families. That amount is substantially lower than any benefit that would have been provided by the Conservative government. We have acted to provide for decreases in the price of energy which are fair to the consumers of Canada and to the families of Canada.

* * *

THE ECONOMY

CALL FOR TAX CREDIT TO OFFSET COST OF LIVING INCREASE

Mr. Bob Rae (Broadview-Greenwood): Madam Speaker—

An hon. Member: Now you will hear the truth!

Mr. Rae: —perhaps if the minister had a standard of comparison different from the last Conservative budget, he might find himself being a little less complacent about the finances of Canadians.

I should like to address a question to the Minister of State for Finance. The hard fact remains that with today's increase in the cost of living, which marks the third year in a row that there has been a real decline in the standard of living of the average Canadian, and with the statement in the budget by the Minister of Finance that Canadians will have to learn to accept the real income consequences of higher energy price increases, I should like to ask the minister—quite apart from comparing his budget to the budget which never happened—how he can justify over a three-year period, now a four-year period or indeed a five-year period, the lack of a cost of living tax credit for the average and lower-income Canadians in this country at a time when they see the cost of living going through the roof? How can he justify that in absolute terms, rather than in comparative terms with what may or may not have happened a year ago?

● (1130)

[*Translation*]

Hon. Pierre Bussières (Minister of State, Finance): Madam Speaker, in his question the right hon. gentleman failed to mention certain facts. For instance, he failed to mention that by indexing the income tax schedule the government makes it possible for Canadian taxpayers to recuperate millions of dollars in purchasing power, which is in fact recovered from the cost of living increase. He failed also to mention that the government regularly indexes such programs as the family allowance program. Again, in his question, he failed to mention that the government, through the Department of National Health and Welfare, has implemented the child tax credit program to assist families with many children. The indexing of the old age security pension and of the garanteed income supplement are steps the government has taken to assist Canadians to cope with the rising cost of living.

[*English*]

Mr. Rae: Madam Speaker, the minister has failed to recognize the simple fact that for three years people have been falling behind the cost of living, and now we can anticipate another three or perhaps five years of exactly the same thing happening, with no compensation from the government.

My supplementary question is directed to the same minister. We are suffering an 11 per cent inflation rate and our economy is working at 80 per cent capacity. I wonder if the minister can explain to the House how a continuation of the same policies of high interest rates and stagnant tax policies will get Canadians out of the bog in which they find themselves, when it is exactly those policies which got them into the bog in the first place, policies which were continued by the Tories when they were in government and are being continued today by the Liberal government?

Mr. Crosbie: They are your party; you put them there.

[*Translation*]

Mr. Bussières: Madam Speaker, it is unfortunate that the hon. member has misread the excellent budget tabled by the Deputy Prime Minister and Minister of Finance. Had he read it properly, he would realize that we are continuing our fight against inflation, establishing a solid base from which to strengthen our economy and especially that we are inviting all Canadians to take up the challenge of energy self-sufficiency and, in that way, to activate our economic development through the injection of billion dollar investments in the field of energy.

[*English*]

Mr. Rae: Madam Speaker, I have read the budget. We have all read the budget. The fact is that the government opposite has quite simply cooked the books. They produced figures in October which predicted a rate of inflation of 9.7 per cent, and it is running at 10.9 per cent. They said that energy increases would be 15.6 per cent, and they are running at 18.2 per cent. They said that food would be at 10.1 per cent, and now it is at 12.7 per cent. A budget was produced in October with statements as to what the rate of inflation would be over the next two years, and a month later those figures have been shown to be totally and completely inaccurate. I see the minister shaking his head; they are completely and totally inaccurate. How could the minister expect any reputable person to expect any degree of honesty or credibility from the government, with respect to the economic statistics it is producing, when we see in fact that the figures are completely and totally inaccurate and do not reflect at all what is really going on in the Canadian economy?

[*Translation*]

Mr. Bussières: Madam Speaker, it is unfortunate that the hon. member feels that his need for rhetoric and for projecting a solid image as a politician must overshadow his knowledge and intelligence. The hon. member is trying to draw long-term conclusions from a figure which applies to only one month or one quarter of a year. He must consider the figures for a longer period, and he should also know that, with the action it is taking, the government will stay within its projected limits because, contrary to the opposition, we believe that all sectors of the economy, all Canadians, will support the government's action and fight against inflation in order to bring the cost of living index back to more reasonable levels.

[*English*]

INCREASED COST OF FOOD—INQUIRY AS TO GOVERNMENT ACTION

Mr. Geoff Scott (Hamilton-Wentworth): Madam Speaker, I should like to address my question to the Minister of Consumer and Corporate Affairs. It concerns the cost of food. What cost $100 in 1971 now costs Canadians $217.30. The minister claims that he does not understand macroeconomics, so I will keep it simple. What a dollar bought in 1971 now costs $2.17. Consumers have been hit that much in their shopping baskets in the past nine years. Since the energy prices have not had a chance to work their way through the system yet, I want to ask the minister what steps the government plans to take to offset these inevitable, further shocking increases in the cost of food?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs and Postmaster General): Madam Speaker, it is clear that the hon. member like other members before him is trying to be selective in his choice of figures and to stress their incidence on the consumer price index in a devious fashion and with distortion. The hon. member should mention rising wages over the last ten years and he would realize that indeed the average Canadian worker still makes more money at the end of each month in spite of his expenses than he did some ten years ago.

[*English*]

Mr. Scott (Hamilton-Wentworth): Madam Speaker, I say to the minister, ask the consumers who are checking out at supermarket counters if the prices they are paying are a distortion. The minister can ask them what they think about the increase in the cost of living under this Liberal government. In 1972, when the Liberal government was faced with rapidly rising food prices, it introduced a consumer subsidy on milk and bread. The government responded then. If the Minister of Consumer and Corporate Affairs is really sincere in protecting the consumer, how will he help Canadians, especially those on fixed incomes, cope with 1980-style cost of food?

[*Translation*]

Mr. Ouellet: Madam Speaker, it is obvious that periodically the Canadian government announces programs designed to help Canadian consumers. I think that the budget of the Minister of Finance exemplifies the desire of the government to protect Canadian consumers. When we think of the disastrous consequences that could have resulted from the budget of the previous government, it is clear that the situation of the Canadian consumer today would be much worse than it is now.

* * *

[*English*]

UNEMPLOYMENT INSURANCE COMMISSION

ALLEGED FRAUDULENT COLLECTION OF BENEFITS

Hon. Elmer M. MacKay (Central Nova): Madam Speaker, I should like to ask a question concerning a matter which I think is quite serious and has probably received discussion in the full cabinet of the government, although the minister responsible is not here today. It concerns the implications of the testimony given at a trial here in Ottawa involving a man named Hawley Black who was charged with defrauding the UIC. I should like to ask a question of the Acting Prime Minister, the Acting Minister of Employment and Immigration, or whoever wishes to answer.

Mr. Yvon Charlebois, the executive director of the UIC, indicated in the course of that trial among other things that the Auditor General's projected figure of $290 million in overpayments of UIC benefits because of fraud or lack of control was only accurate, "give or take $100 million".

Mr. McGrath: Unbelievable!

Mr. MacKay: He also indicated instances where 109 SIN cards were in the possession of a man in Calgary who had filed 59 claims with the UIC, two people in Montreal had 60 SIN cards and over two months collected $32,000, and there were other incidents. In view of those facts, I want to know what is being done in addition to the minister's statement on April 16.

Some hon. Members: Question.

Mr. MacKay: I will come to the question. I want to ask the government, the Acting Prime Minister or some minister what is being done to ensure that fraudulent practice which is costing so much money is stopped and the money allocated to people who really need it.

[*Translation*]

Mr. Dennis Dawson (Parliamentary Secretary to Minister of Employment and Immigration): Madam Speaker, as was pointed out by the hon. member, the case of Mr. Black does demonstrate that departmental security forces and inspectors can monitor such incidents and this is why Mr. Black is now before the courts and why there was a trial.

With respect to the efforts made by the department, last year's report from the Auditor General clearly indicated there was progress made by the Department of Employment and Immigration in monitoring frauds, and the case raised by the hon. member shows that the department can protect its interests.

● (1140)

[*English*]

INQUIRY WHETHER ALLEGED FRAUDULENT ACTS DELIBERATE

Hon. Elmer M. MacKay (Central Nova): Madam Speaker, I have a supplementary question for the Solicitor General, but before I put that question may I point out to the hon. member opposite that that is exactly what did not happen. Mr. Black was not caught by benefit control procedures; he was caught by accident as a result of another matter entirely unrelated to this one, as the hon. member will see if he reads the evidence.

Since Mr. Black is a journalist and used to work in the Solicitor General's department, and since there is some evidence that he did this in a deliberate way to expose this particular shortcoming of the UIC, I would like to ask the Solicitor General whether the hon. gentleman or the Minister of Justice is taking into account whether or not a public service was performed by Mr. Black. Will there be any representations made with respect to sentence in terms of an absolute or partial discharge, taking into acccount all the circumstances? I assume the Solicitor General, in view of the magnitude of this case, is familiar with it.

Hon. Bob Kaplan (Solicitor General): I am familiar with the case and there will not be any special representation made on his behalf.

* * *

PETRO-CANADA

CONSTRUCTION OF OIL DRILLING RIG

Mr. Howard Crosby (Halifax West): Madam Speaker, my question is for the Minister of Energy, Mines and Resources and it is related to Petro-Canada and marine construction. The president of Petro-Canada announced in Halifax the construction of a $100 million offshore oil drilling rig and said it would be built in Atlantic Canada, but the people in Atlantic Canada are concerned about the ability of our east coast shipyards to perform such a project. Will the minister indicate what steps

he is taking to ensure that this Canadian energy project will benefit Canadian shipyards and will not result in further exportation of marine construction work to countries like Norway?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, this is a subject which I have had the opportunity of discussing with the president of Petro-Canada on several occasions over the last few months. I indicated to him the very significant importance that the Government of Canada attaches to such equipment being built in Canada, in so far as it can be built in this country. The president of Petro-Canada indicated at the time that he would make sure this would, indeed, be a very high priority with the corporation. I think the announcement that he made in Halifax indicates clearly that Petro-Canada has that very much in mind. Again, it is another clear indication of the major role that Petro-Canada can play in the energy field, and in the oil and gas field in particular. I am glad the hon. member is supporting the role of Petro-Canada, contrary to the past attitude of his party in this respect.

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NATIONAL DEFENCE

PROGRESS OF FRIGATE PROGRAM

Mr. Howard Crosby (Halifax West): Madam Speaker, time will tell whether the minister's assurances are worth while and if the work will be carried out in Canada.

My supplementary question deals with marine construction also and it is for the Minister of National Defence. People in eastern Canada are equally concerned about the progress of the Canadian frigate program. There are rumours that the program may be scrapped. Would the minister give us assurances that the Canadian frigate program is proceeding on schedule and that the course of action which he indicated earlier in this House with respect to a development program, followed by a construction date, will still be adhered to? Can he assure us that the work involved in the frigate program will go to Canadian shipyards?

Hon. J. Gilles Lamontagne (Minister of National Defence): Madam Speaker, I am sorry. I was distracted and would ask the hon. member to repeat his question.

Some hon. Members: Oh!

An hon. Member: He doesn't even listen to his questions.

Mr. Crosby: Madam Speaker, I appreciate that the minister was deep in thought; I hope he was thinking about the Canadian frigate program. My question was: Will he assure the House that the Canadian frigate program is on schedule, and that the work involved will be done in Canadian shipyards by Canadians?

Mr. Lamontagne: Madam Speaker, I can assure the hon. member that the frigate program is well under way. There has been no undue delay. Decisions will be taken in the same way as they were taken with respect to the NFA and other matters related to defence.

* * *

HOUSING

ACTION TO STABILIZE MORTGAGE INTEREST RATES

Mrs. Margaret Mitchell (Vancouver East): Madam Speaker, I hope the members opposite are awake for this question since Canadians are fed up with the high cost of housing.

In the absence of the Minister of Finance my question is for the minister responsible for CMHC. The Economic Council of Canada estimates that housing prices have increased 130 per cent over the last decade, while the over-all cost of living rose by approximately 86 per cent. It is forecast that housing prices will rise between 14 per cent and 19 per cent in this coming year, which is well above the over-all cost of living and is far too high. In British Columbia's lower mainland the cost of houses is going up $10,000 every month.

In the absence of the Minister of Finance, will the minister pressure and convince the cabinet and the Minister of Finance that a general lowering and stabilization of interest rates must be established in order to put downward pressure on mortgage costs, which will allow our construction industry to get back to work and produce affordable housing with lower interest rates for Canadians?

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, I would be happy to pass the representations made by the hon. member to the Minister of Finance. I would like to indicate that, in response to submissions made by hon. members opposite, including herself, the government has already acted in specific measure earlier this year to increase social housing starts by an additional 5,000 and to increase the subsidy in the rehabilitation program. In addition, there was the provision in the budget addressing the question of multiple unit construction with the $15 million MURBs subsidy program.

Mrs. Mitchell: My supplementary question is for the same minister. Since to date only 55 AHOP home owners have taken advantage of the government's graduated mortgage payment plan—this limited assistance is obviously not meeting the needs of Canadians—can the minister tell us how many homes are now owned by CMHC because of defaulted mortgages and the reclaiming of AHOP houses? Will he press the cabinet, which we know really does not care about housing, to take steps to correct this situation by ensuring that lending institutions set aside a certain proportion of their lending portfolios so Canadians can get mortgages at rates they can afford?

Mr. Cosgrove: Madam Speaker, I will take this opportunity to remind the hon. member that in May, at the recommendation of the Minister of Finance earlier this year, I met with the

representatives of major lending institutions, including banks, mortgage companies and private mortgage insurers, to communicate just that thought, that assistance to the home owners facing mortgage renewal should be accommodated. They have responded and a number of companies are extending amortization periods and dropping the term of a mortgage. So we are concerned about housing. We have taken steps to react to the representations that the hon. member has requested.

* * *

ENERGY CONSERVATION

SUGGESTED LOWERING OF HIGHWAY SPEED LIMIT

Mr. Stanley Hudecki (Hamilton West): Madam Speaker, my question is for the Minister of Energy, Mines and Resources. In view of the threat of diminished availability of oil supplied by Alberta, and in order to conserve energy while at the same time decreasing substantially injuries and death on our roads, would the minister, in conjunction with his provincial counterparts, consider lowering the speed limit, which although it is 100 kilometres per hour legally is not being respected on our highways?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I thank the hon. member for his question. It is, indeed, a very valuable and worth-while suggestion. I must inform him, however, that this matter has been raised repeatedly with provincial ministers at federal-provincial conferences, and while the ministers of energy were generally supportive of such a move, it would appear that some other provincial ministers, whether provincial ministers of transport or from other departments, were not as eager to act on this subject as some of the provincial ministers of energy would wish them to be. I can only tell the hon. member that I hope the provincial governments concerned will reconsider the situation and give favourable support to his suggestion.

* * *

● (1150)

HOUSING

SHELTER ALLOWANCE FOR LOW AND AVERAGE INCOME FAMILIES

Miss Pat Carney (Vancouver Centre): Madam Speaker, my question is addressed to the Minister of Public Works responsible for housing. A recent study by the city of Vancouver planning department estimates that 25 per cent of city housing, or 40,000 households, are experiencing some form of serious housing problem. In addition, with the effective vacancy rate at zero, some people are living on the beaches, on the steps of city hall and in buildings that are slated for demolition. Since the MURBs program announced in the federal budget will only offer relief to those people who can afford to pay $1200 per month rent—which is the average advertised price for a two-bedroom townhouse in my riding—will the minister tell the House what relief he plans in the form of shelter allowances for low and average income families?

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, in response to the hon. member's question, I should like to indicate that it was as a result of the conditions she has described that the Minister of Finance reintroduced the MURB provision, with the hope that it would address the problem directly or that there would be an indirect impact which would assist the people she has identified.

I would also draw to the attention of the hon. member a report that she should be thankful was not adopted by this government. It is a secret report prepared for the former Conservative government called the Matthews report which, in addition to recommending cancellation of the community services program, identified the non-profit and rental housing markets as areas to be totally dissociated from funding by CMHC. We should be thankful that the programs outlined in this document are not in place today because they certainly would not help the people that the hon. member appears to be concerned about today.

An hon. Member: That is shameful.

Miss Carney: Madam Speaker, I have a supplementary question for the same minister. I can advise him that the report he refers to was not adopted. The report with which I am dealing shows that 28,000 of those 40,000 Vancouver households have inadequate income which, of course, is defined as 30 per cent of gross income spent on shelter, and therefore they cannot qualify for mortgages. Since the average price of a home on the lower mainland is $120,000 or roughly twice the national average, and since a buyer requires an income of $36,000 per year in order to qualify for a $75,000 mortgage at 14 per cent, what meaningful assistance does the minister propose to give first time home buyers?

Mr. Cosgrove: Madam Speaker, there is in place already, of course, a plan which permits first time purchasers of homes to set aside $1,000 per year for a five-year period with tax relief in order to assist them in achieving their first down payment. Secondly, in response to that target group, the 5,000 increase in social units that I announced this year was in addition to an existing 25,000 unit commitment across the country. That program is in place and it will continue over the next few years. From personal experience I know that it is addressing specifically some of the problems that the hon. member has raised today.

* * *

GRAIN

WHEAT—RELUCTANCE TO INCREASE INITIAL PRICE

Mr. Doug Neil (Moose Jaw): Madam Speaker, my question is for the Minister of Transport who responds for the minister in charge of the Canadian Wheat Board. In response to a question put to him yesterday by the hon. member for Vegreville, the Minister of Transport indicated that it was not the intention of the Canadian Wheat Board to increase the initial price for Canadian red spring and durum wheat. I am sure the

minister is aware that there is approximately a $3 spread between the asking price of the Wheat Board and the initial price. Can the minister assure western grain producers that the Canadian Wheat Board is in fact selling grain at or near the asking price and, if this is so, why is there a reluctance to increase the initial price?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, yesterday I tried to explain that there is a time lapse between the rise in the price of grain internationally—about which we are very pleased indeed—and the actual effect of this increase on the accounts of the Canadian Wheat Board. The Minister of State keeps reviewing these things constantly and it is believed that, with the final payments which are due in January next, there will be ample opportunity to make the necessary adjustment in an orderly way.

INITIAL PRICE—REQUEST FOR RECONSIDERATION

Mr. Doug Neil (Moose Jaw): Madam Speaker, that certainly does not help the western grain producer.

Mr. Pepin: It is money in the bank.

Mr. Neil: Madam Speaker, I have a supplementary question for the Minister of Agriculture. I think he was in the House yesterday and would have heard the exchange of questions on this subject. In view of the fact that the western grain producers have commitments to meet in the way of payments on land, equipment and other operating expenses, and are also faced with very high interest rates, will the minister make representations to the minister in charge of the Canadian Wheat Board and ask him to reconsider his decision not to raise the initial price?

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, the Minister of Transport and the minister in charge of the Wheat Board and I have constant discussions about the problems we face. We will be discussing these matters, and as the Minister of Transport has stated, they will be considered at the proper time.

* * *

NORTHERN AFFAIRS

ASSISTANCE TO RESIDENTS TO MEET INCREASED COSTS

Mr. Peter Ittinuar (Nunatsiaq): Madam Speaker, in the absence of the Minister of Finance I should like to direct a question to the Minister of Indian Affairs and Northern Development. Before the budget was introduced the Minister of Finance indicated that the government would help those who needed it most. Northern residents are paying four times as much for food as Canadians in the south. For example, a litre of not very fresh milk in Pond Inlet costs $3.60. This is in a part of the country where liquor is the only government subsidized consumer item!

Some hon. Members: Shame!

Mr. Ittinuar: What specific plans does the government have to help residents of northern Canada cope with the highest cost of living in the country?

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): Madam Speaker, as the hon. member may be aware, we adopted a policy that would further extend the moratorium on the taxation of northern benefits for a period of one year. This was at the request of many people in the north. In addition to that, my colleagues, the Minister of National Revenue, the Minister of Finance and I indicated that we would use the period while the moratorium is in effect to try to work out other policies to alleviate high costs in the north. That study will go on while the moratorium is in existence, and I hope it will give some considerable relief.

There have been other benefits of a nature that I think the hon. member might be aware of in terms of fuel costs as a result of previous government policies.

* * *

ENERGY

COST OF OIL FOR NORTHERN RESIDENTS

Mr. Peter Ittinuar (Nunatsiaq): Madam Speaker, I should like to direct a supplementary question to the Minister of Energy, Mines and Resources. There is nothing new in what the Minister of Indian Affairs and Northern Development has said. The only tax breaks for people in the north are those given to multinational corporations and not to northern residents.

Mr. Munro (Hamilton East): No.

Mr. Ittinuar: For instance, in the Yukon and Northwest Territories, and in fact in the northern parts of most provinces, oil costs over $2 per gallon. In these areas oil is used to generate electricity. Can the minister explain why oil prices are being cushioned in the Atlantic provinces while residents of northern Canada are left to fend for themselves?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I think the hon. member is misinformed about the situation. The cushioning that is taking place in eastern Canada is exactly the same as that which takes place in the north. The basic price for oil across this country is the same, but obviously there are additional costs related to transportation and expenses of that kind. There is no special program for eastern Canada or one that does not apply equally to residents of the north.

I should also like to inform the hon. member that under the national energy program, which I hope he will support, we have provided for special measures to help the people of the north in terms of insulation programs and conservation. I have already announced that there will be special community projects through which will be developed high energy-efficient houses in the north.

• (1200)

I also want to tell the hon. member that the benefits in the north under our program are going to go to Canadian companies, not to multinationals. As a matter of fact, those which will be 75 per cent Canadian-owned will get tremendous benefits compared to the multinationals that are working in the area. I suggest to my hon. friend that he read "The National Energy Program", and once he has read it he will probably not rise to ask such misinformed questions.

* * *

NATIONAL ENERGY PROGRAM

INQUIRY RESPECTING AVAILABILITY OF DETAILS TO HOME OWNERS

Mr. Maurice Foster (Algoma): Madam Speaker, my question is to the Minister of Energy, Mines and Resources. In view of the tremendous interest generated in the country by the national energy program, and especially the policy to provide grants of up the $800 to convert oil furnaces to natural gas, electricity or renewable energy sources, can the minister say when the details of this program will be spelled out so that home owners will be able to take maximum advantage of this imaginative program?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, there are discussions taking place with provincial governments at the present time. Some of those discussions have been going on for several weeks. I hope we will arrive at arrangements with all provinces very soon as to how the program will be worked out, especially concerning conversion to electricity.

As far as conversion to gas is concerned, it is quite clear that this program will be available to every house converting from oil to gas or to other forms of energy, such as wood. Commencing October 28 we are asking residents of the various provinces to keep their receipts. However, the details of the program have not been completely worked out with the provinces as yet, but if residents keep their receipts we will make sure that as soon as the application forms are available they will be able to apply and get the information.

IMMEDIATE AND FUTURE USE OF PROGRAM

Mr. G. M. Gurbin (Bruce-Grey): Madam Speaker, my question is also for the Minister of Energy, Mines and Resources; it is actually supplementary to the question just posed. As well as waiting for the details which the minister is talking about in discussions with the provinces, there are two special parts to that program which people need to understand before they can take any advantage of it at all. First, so that people can start conversions now and take advantage of the program, can he tell us whether or not there will be an opportunity for people to make partial use of that program now and defer some of it to future years? Furnaces converted to gas do not make a lot of sense when we know that a year or two down the road there will be more efficient furnaces available. Maybe burner replacement is appropriate now.

Second, if a person just uses a heater—in other words, he only partially converts his home to electricity and so has an oil furnace as well—will this also qualify under the program?

Finally, I presume the minister of finance of Ontario has read the minister's energy program and the recently released budget papers, but he has asked for special consideration for the people of Ontario who are faced with increasing costs for heating oil this winter. Is the minister considering a special program as well at the present time?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I am not in a position immediately to answer all the questions raised by the hon. member. As to the first two questions, I will inquire as to the state of discussions with the various provinces to find out whether the view of the provinces is that we could go for such partial conversion as the hon. member has mentioned, and I will be very happy to give him an answer some time next week.

As far as the latter part of the hon. member's question is concerned, we do not foresee any special program in addition to those we have announced in the budget.

* * *

ENERGY

PROPOSED SHARED COST PROGRAM TO MEET RISING ENERGY COSTS

Hon. Flora MacDonald (Kingston and the Islands): Madam Speaker, I have a supplementary question for the Minister of Energy, Mines and Resources. It concerns a contradiction which appears to exist between himself and the Minister of Finance over the question of additional assistance to low-income families hit by rising home heating costs. On November 4 when I asked the Minister of Finance whether or not there would be support for low-income families who would be further burdened by increases in the cost of home heating fuel, he said as reported in *Hansard* at page 4405:

> We will do our part in co-operation with provincial governments, which have to take the initiative in the first instance. If the hon. member is concerned, she might join with the rest of us in asking various provinces to take a more accommodating attitude toward these particular groups.

"These particular groups" refers to low-income groups. The Minister of Finance has said that if a province would come forward with an initiative, the federal government would be prepared to respond. The Ontario government has done that. Is the minister of energy now about to contradict the position taken by his colleague, or will he announce this morning that he will indeed enter into the shared cost program which the government of Ontario has proposed?

[*Translation*]

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, there is absolutely no contradiction between what I said earlier and what the Minister of

Finance has indicated. In fact, the minister stated that there were now certain programs to help low-income families. This is particularly true of the Canada Assistance Plan for which the government has a 50 per cent cost sharing agreement. The benefits granted under these programs are determined by the provinces and not by the federal government. The Minister of Finance clearly stated that if the provinces were to take action to improve the benefits under existing assistance programs for which the Canadian government pays 50 per cent of the cost, the Canadian government would of course co-operate fully with the provinces. However, this is obviously up to the provincial governments involved. As I stated earlier, the federal government has in addition taken certain initiatives to help people through the guaranteed income supplement by increasing the benefits last summer by $420 a year per family.

* * *

[*English*]

BANKRUPTCIES

ASTRA TRUST COMPANY—DEPOSITS IN UNITED STATES CURRENCY

Mr. Gilbert Parent (Welland): Madam Speaker, my question is for the Minister of State for Finance. It has to do with the Astra Trust bankruptcy. We know that people who have investments of under $20,000 a year are covered by the guarantees of the government. However, will the people who have U.S. currency funds on deposit be covered in like manner? If not, what will be done for those people who are Canadian citizens and have deposits of U.S. currency?

[*Translation*]

Hon. Pierre Bussières (Minister of State, Finance): Madam Speaker, the Canada Deposit Insurance Corporation does not cover foreign currency deposits with institutions covered by Canadian deposit insurance, just as it does not cover the $20,000 supplement for such deposits. For people who have made deposits in foreign currencies or who have deposit supplements of $20,000, the hon. member should know that the Superintendent of Insurance is now disposing of the Astra Trust Company assets and that the revenues accruing from this disposal could eventually be used when the procedures are completed to cover, on the one hand, excess deposits over $20,000 and, on the other hand, the type of deposits mentioned by the hon. member, namely, foreign currency deposits.

* * *

[*English*]

TRANSPORT

POSSIBLE USE OF "BRAS D'OR" AS COMMERCIAL FERRY OPERATION

Mr. Lloyd R. Crouse (South Shore): Madam Speaker, I wish to direct my question to the Minister of National Defence. It is my understanding that a private commercial hydrofoil enterprise has operated successfully between Toronto and Niagara-on-the-Lake for the last two seasons. It has operated three hydrofoils, providing three flights a day, each having the capacity to carry 200 people. In view of these facts, would the Minister of National Defence give consideration to turning over the *Bras d'Or*, presently sitting in dry dock, to the CNR or to a commercial enterprise to be used as a commercial hydrofoil operating, say, between Shelburne, Nova Scotia and the New England states, realizing that modifications would have to be made to conform the military configurations to a design more suitable for commercial operations?

Hon. J. Gilles Lamontagne (Minister of National Defence): Madam Speaker, I am not aware of all the details which the hon. member has mentioned, but I assure him that I will look into the matter and try to give him satisfactory answers to all of his queries.

Mr. Crouse: Madam Speaker, would the minister inform the House whether the Toronto operators of the three hydrofoils have contracted his department about the possibility of purchasing the *Bras d'Or* for their commercial operations? If so, will he instead consider the possibility of making the ship available to Nova Scotia in order that we may assist our tourist industry by operating this ship on a commercial basis between Nova Scotia and the United States?

• (1210)

Mr. Lamontagne: This kind of request really does not come under my ministry, but I am interested in it. I think the question is important. If we can help in the matter the hon. member has brought forward, we will be glad to do so.

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PRIVILEGE

MR. LAWRENCE—USE OF ALLEGED SECRET REPORT BY MR. COSGROVE

Hon. Allan Lawrence (Durham-Northumberland): Madam Speaker, I rise on a question of privilege. I do so at the earliest possible time. It relates to the actions and the words of the Minister of Public Works responsible for housing (Mr. Cosgrove) during the question period today. I say actions in that the minister waved before this House some documentation which he referred to as a secret report prepared for a minister in a previous administration. He then attempted to summarize or make reference to some of the alleged contents of that report.

My question of privilege is twofold. First, under those circumstances the Chair should now order the minister to table the report because he referred to it, referred to its contents, and referred in a brief way at least to a summary of it. My second point in rising at this time is to give you notice so that the rights of the Leader of the Opposition (Mr. Clark) and members of the Privy Council on this side of the House may be protected, and we can rise at a future time, relating to a far

deeper principle which is embodied in the traditions of British parliamentary democracy and, in fact, is even in written form as far as convention is concerned.

You, Madam Speaker, and the members of this House should be aware, if you are not, that the Prime Minister (Mr. Trudeau), the Right Hon. member for Mount Royal, undertook in writing to the Leader of the Opposition, the right hon. member for Yellowhead, as indeed did the previous holders of the office of Prime Minister of Canada to each successor as an administration changed between different political parties, to set up a system whereby certain reports, cabinet documentation and ministerial documents could only be released, indeed could only be shown to members of a new administration when certain procedures relating to representation by the previous administration could then take place.

This is an extremely serious matter where we have a member of the present administration not only referring to it but actually having that type of report, if it is the type of report I believe it to be, and the only way we can find that out is for the Chair to order the minister to table it, as under the rules of the House he should be required to do in any event. This is a very deep principle. Under these circumstances I want to reserve, on the part of my leader and members on this side of the House, the right to raise this question of privilege at a later date.

Madam Speaker: If I understand correctly, the hon. member is deferring the questions of privilege on the more fundamental matter. He is now asking for the minister to table the report to which he referred in the course of an answer during question period. According to our rules, a minister referring to a document is not obligated to table it unless he quotes from it.

Mr. Lawrence: He summarized it.

Madam Speaker: A summary can be interpreted as a reference to the document. Under our Standing Orders I have no authority to force the minister to table the document. That is up to the minister if he wishes to do so. I do take notice that the hon. member will raise a question of privilege at a later date on the more fundamental question.

Hon. Elmer M. MacKay (Central Nova): Madam Speaker, on this question of privilege which was just raised, I only want to say on a point of order without in any way—

Mr. Cosgrove: On a point of order—

Madam Speaker: Order, please. The hon. member rose on a point of order and that is why I recognized him before recognizing the minister who, I presume, wants to reply to the hon. member for Durham-Northumberland (Mr. Lawrence). I can entertain a point of order before hearing the minister, and I hope it is a point of order.

Mr. MacKay: I think it is a point of order, Madam Speaker. If I understand what my colleague said, this was referred to as a "secret report". I have some knowledge of this report as I was the minister for whom it was prepared. There was never any intention to keep it secret. Indeed, it was about to be released. I believe it is already public. This in no way undermines the argument of my colleague who pointed out very correctly the conventions and restrictions which have been agreed upon.

The minister in charge of housing was not only exaggerating when he referred to a secret nature, he failed to emphasize it was just a component of a policy we were studying at that point. To that extent, I hope he inadvertently misled the House. To refer to this document as if it were the be all and end all on housing policy is simply not true, and the minister knows that.

Hon. Paul J. Cosgrove (Minister of Public Works): To assist the House, Madam Speaker, I was indeed referring to the document referred to by the hon. member who spoke last. It is a document dated October 26, 1979. It came to my attention two days after assuming responsibility for this portfolio. It was published in the Ottawa *Journal* and has subsequently been discussed at length in many forms by the chairman who submitted the report, Mr. Matthews. It is commonly known as the Matthews report and is in wide circulation. My reference to it as a secret document was that it was prepared in October and not released by the government, but released by the press. I responded to it in a public way after it was brought to my attention in that fashion.

Hon. James A. McGrath (St. John's East): Madam Speaker, will the minister permit a question since it is obvious he is not going to exercise his prerogative and table the report. He did indicate it is a public report, and he did say it was a secret report. My colleague said in that respect the minister misled the House. Will he now tell the House what is the classification, if any, on the document?

Hon. Stanley Knowles (Winnipeg North Centre): Madam Speaker, before this matter is finally settled, either by the Chair or by the minister, I invite those who might look into it to study a similar incident not long ago, in 1957.

Some hon. Members: Oh, oh!

An hon. Member: I was only nine years old, Stanley.

Mr. Knowles: And you were smarter then than you are now.

Some hon. Members: Hear, hear!

Mr. Knowles: The then prime minister of the day, the Right Hon. John Diefenbaker, flourished what he called a secret report. I believe it had been prepared by Mitchell Sharp who, in those days, was a bureaucrat. It had to do with the economy. Because it was flourished and because the then prime minister was claiming that he had it, he was required to table it. It could be that he was required and it could be that he volunteered. Certainly I remember that it was tabled. When I went to the *Hansard* office to look at my remarks, I discovered that the top page, the page on which it had been marked "Secret and Confidential", had been torn off. Just a

little bit of blue was under the staple. Both the minister and Your Honour might check the record of 1957 to see what was done then, whether it was done voluntarily by the prime minister, or whether the Chair ruled that the report had to be tabled. Of course, at that point the document was secret and it had not yet been leaked. But the leaking of documents seems to occur quite frequently these days.

● (1220)

While I am referring to leaked documents and reports, I must ask the question: why is it that leaked reports are always in English only?

Some hon. Members: Oh, oh!

Madam Speaker: I will look into the precedent and see whether this was done voluntarily or not, but for the time being it is quite clear from Beauchesne's that a public document referred to but not cited or quoted by a minister need not be tabled. That does not mean that the minister could not table that document at some later date. But if the House is now asking me—not the hon. member who just spoke but the hon. member before him—to force the minister to table the document, I do not have that authority.

Mr. Lawrence: Further to my question of privilege, Madam Speaker—

Madam Speaker: The hon. member cannot speak twice on a question of privilege. I understand that he will raise a more fundamental question of privilege at a later date. Is my understanding of the hon. member's position correct? That is the only question I will ask the hon. member to answer now, but I cannot hear him again on the same question of privilege.

Mr. Lawrence: Madam Speaker, this may all amount to a molehill instead of a mountain, now that we have had a description of the report, but I would draw to your attention that in actual fact the minister quoted directly from the document in his second intervention. He stood up, lifted the document, turned the page, and said that he was referring to a report dated such and such. That must be a direct quotation.

If the minister referred only to the month or the year, then obviously it was not a quotation, but he referred to the specific date.

Mr. Kempling: He read the date.

Mr. Lawrence: Apart from that, Madam Speaker, this is the type of difficulty which we get into in this House when a minister makes a shoddy, cheap remark such as we have heard today, and waves or attempts to wave some documentation before you and this House, and refers to it generally as "a secret report prepared for the previous government". We now find that the particular document is not a secret report. We now find that it is a report of a task force about which there was a great deal of publicity at the time. It was not a secret report.

As you know, Madam Speaker, I am prevented under the rules of this House from saying to you that the minister lied. I cannot say that, nor am I saying that, but I merely point out that by taking that type of shoddy, cheap action in this House by referring to a document in terms which are absolutely incorrect to the knowledge of the minister, we end up in this type of difficulty.

Mr. Lalonde: You're making a fool of yourself, Allan.

Mr. Lawrence: This situation occurred because there was not proper identification of the document by the minister. It is a serious matter. If the rules of this House do not call for the tabling of a report when reference is made to that report, particularly by a minister in terms such as we heard today, then obviously those rules should be changed and are wrong. I bring this matter to your attention, Madam Speaker, because otherwise no one in this House except the minister would know the particular report to which he was referring. Thank God we had an ex-minister in the House who was able to identify the report.

However, under such circumstances on another occasion there may not be someone to identify the particular document. I merely bring that to the attention of the Chair. I continue to reserve the right, as a member on this side, to bring this matter to your attention at a later date as a question of privilege because it was a report which was obviously prepared by a previous administration for a previous minister, which the minister did not make public. Therefore, I reserve the right to bring this question of privilege to the House at a later date, as it may well be contravention of the undertaking given to the previous administration by the present Prime Minister (Mr. Trudeau).

Madam Speaker: The hon. member's point is that because the minister indicated the date the report was written it constitutes a quotation. It seems to me that that is not a quotation. The date, as has been indicated, helps hon. members in the House to determine the report to which the minister was referring. It could be part of the title. The date of the report does not constitute a quotation, and on those grounds I cannot accept the hon. member's argument. But I take notice of his question of privilege which he intends to raise at a later date.

Mr. Cosgrove: Madam Speaker, in an attempt to assist you and hon. members of the House, I would like to table a copy of the report which has been referred to in the discussion. I do not have the English version with me. That will be filed later this afternoon.

MR. CROSBIE—STATEMENT MADE DURING QUESTION PERIOD BY MR. LALONDE

Hon. John C. Crosbie (St. John's West): Madam Speaker, my question of privilege deals with a reply to a question which I asked earlier today of the Minister of Energy, Mines and Resources (Mr. Lalonde). The minister made a misstatement, probably inadvertently. I have with me the Consumer Price Index from Statistics Canada for October, 1980. I refer to the

heading "Fuel Oil and Other Liquid Fuel" on page 12. It indicates there a 9.2 per cent increase in the cost of fuel oil and other liquid fuels for the month of October, and a 24.5 per cent increase from October, 1979, to October, 1980, just as I indicated in my question to the minister.

The minister said at the time that I was mistaken and that the costs had only risen by 6 per cent in the last month. What he was referring to is a 6 per cent increase in energy costs since September, and an 18.2 per cent increase in energy costs over the past 12 months. However, with reference to fuel oil and heating oils which particularly affect lower-income people who spend more of their income on heating fuel than on gasoline or other aspects of energy, the increase in the last month is 9.2 per cent. The increase over the last 12 months is 24.5 per cent.

The future seems extremely grave in view of these recent figures. Of course they point out the need for an energy tax credit or some kind of assistance for lower-income Canadians such as was proposed by our administration, so that they may meet these increasing costs. I would ask the minister to note that his figures were incorrect.

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): On the same question of privilege, Madam Speaker, we are both correct because we are talking about two different sets of figures. My hon. friend was talking about the price of fuel oil, and I was talking about the total cost of energy. As a matter of fact, we are quoting from the same document, but we are probably looking at different columns. The record will speak for itself. It will be clear that the figures are correct in both cases. One set of figures refers to the total energy cost and the other set refers to fuel and oil.

With regard to the comment made by the hon. member, I can assure him that the government is very concerned about the impact of these increases on the cost of living and on the cost of energy. This concern was borne in mind when we developed our budget and our energy program, and that is why we have tried to keep the increased costs to the consumer at a lower level than was foreseen in the previous budget introduced by the hon. member. In that sense the Canadian consumer is protected in a very significant way as compared to what he would have paid under the planned budget of the hon. member when he was minister of finance, even with the tax credit.

Mr. Crosbie: Absolute malarkey.

Mr. Lalonde: However, that is more argument than it is privilege.

Madam Speaker: Of course, there is no question of privilege. The hon. member for St. John's West (Mr. Crosbie) knows that he cannot correct any of the minister's statements in *Hansard*. That will have to be done by the minister. Through this exchange, the information of both the minister and the hon. member has now been recorded. I remind hon. members that the matter was a point of debate, not a question of privilege.

• (1230)

ROUTINE PROCEEDINGS

[*English*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 1,060, 1,456, 1,549, 1,606 and 1,625.

[*Text*]

AMERICAN TOURISTS—CUSTOMS—CAMPING TRAILERS

Question No. 1,060—**Mr. Cossitt:**

1. Are conflicting answers being given by Canada customs officers to American tourists entering Canada drawing trailers with their vehicles for summer camping purposes and, if so, what are the exact requirements or guidelines that customs officers should follow?

2. Is the government aware that many American tourists have found that they are having problems, particularly if they leave the trailer in Canada for an extended period of time?

Hon. William Rompkey (Minister of National Revenue): 1 and 2. Under customs law, visitors are entitled to use their vacation trailers in Canada without customs assessment. A number of conditions are stipulated, the most prominent of which requires that the vacation trailer be re-exported at the conclusion of the visit. It has recently been brought to my attention that due to regional differences in interpretation of the term "visit", some American visitors have been allowed to retain their trailers in Canada on a seasonal basis, while others have been advised that the unit must be re-exported each time a return trip is made home. In an effort to achieve uniformity in instances of this nature, instructions are being issued to all offices across Canada outlining the procedure to be followed. Basically, vacationers who will make regular use of their trailers in Canada will be permitted to retain them in this country on a seasonal basis without having to re-export them each time they make a return trip to the United States. Under this procedure, written permission will be given in each instance in the form of a small blue permit which is to be displayed on the trailer while it is in Canada.

RIDEAU CANAL

Question No. 1,456—**Mr. Cossitt:**

What is a full description of the methods and procedures for the hiring of (a) permanent (b) temporary or seasonal employees on the Rideau Canal?

Mr. Roger Simmons (Parliamentary Secretary to Minister of State for Science and Technology and Minister of the Environment): Rideau Canal conducts its own recruiting for administrative support (clerical) and operational (maintenance) type positions.

(a) Hiring of permanent employees—This includes seasonal employees as under the Public Service Employment

Act and Regulations, there are only two types of employment tenure, term and indeterminate.

Closed or open competition

In the event that attempts to recruit qualified candidates from within the public service are unsuccessful or where it has been determined to be in the best interests of the public service, the responsible staffing officer may, subject to the conditions of delegation, consider recruitment from outside the public service, in accordance with the Public Service Employment Act and Regulations.

(i) Open competitions (open to the public)

People wishing employment at the Rideau Canal must register with the local Canada Employment and Immigration Centre (CEIC), the canal office must go to the local CEIC office for referral of potential candidates. The referred candidates are then interviewed by canal personnel and rated against appropriate selection standards. Qualified candidates are then placed on an eligible list and offered positions as vacancies occur during the time the eligible list is valid, as governed by Public Service Commission Regulations.

NOTE: The Rideau Canal is divided into three administrative districts, e.g., the northern, central and southern regions. The northern region (from Ottawa to Manotick including the cities of Ottawa and Nepean, and the townships of Gloucester, North Gower, Osgoode, Marlborough, South Gower and Oxford) is served by the Canada Employment Centre in Ottawa. The central region (from Burritts Rapids to but not including the Narrows, and including the townships of Marlborough, Oxford, Wolford, Montague, North Elmsley, North Burgess, South Elmsley, South Burgess and Bastard, and the towns of Smiths Falls and Perth) is served by the Canada Employment Centres in Smiths Falls and Perth. The Southern region (from the Narrows to Kingston, the city of Kingston and the townships of north Crosby, south Crosby, rear of Leeds and Lansdowne, Storrington, Pittsburgh and Kingston) is served by the Canada Employment Centre in Kingston.

(ii) Closed competitions (open only to federal employees)

There are two types of closed competitions; local and regional. A local closed competition includes only employees of Rideau Canal. A regional closed competition includes Parks Canada employees, Ontario region, which encompasses the province of Ontario. The area of competition for closed competitions is determined from the "Area of Competition Guidelines" as issued by the Public Service Commission on the basis of three considerations: the organizational unit within which a candidate must be employed in order to be considered; the geographic boundaries of the area of competition; and the occupational group and salary of employees. Closed competitions for employees of Rideau Canal take place when the number of candidates is sufficient to meet the three considerations listed above. Closed competitions are widened to a regional scope when the canal cannot provide sufficient candidates. Closed competitions are extended to other regions and other departments when an insufficient number of candidates is available. The candidates are interviewed by canal personnel and rated against appropriate selection standards. Qualified candidates are placed on an eligible list and offered positions as vacancies occur during the time the eligible list is valid, as governed by the Public Service Commission Regulations.

(b) Hiring of temporary employees (term)

The methods and procedures are the same as in (a) (i) and (a) (ii).

If there is a requirement to staff positions other than those in the administrative support or operational categories described above, it is referred to the regionl office which essentially follows very similar procedures using the Public Service Commission as a central agency instead of the Canada Employment and Immigration Centre.

WORLD WAR II DISABILITY PENSIONERS

Question No. 1,549—**Mr. Stevens:**

1. For the fiscal year ended March 31 (a) 1979 (b) 1980, what were the number of World War II disability pensioners by class (1 through 21) for (i) Newfoundland (ii) Nova Scotia (iii) New Brunswick (iv) Prince Edward Island (v) Quebec (vi) Ontario (vii) Manitoba (viii) Saskatchewan (ix) Alberta (x) British Columbia (xi) the city of Calgary (xii) all World War II disability pensioners outside Canada?

2. For the fiscal year ended March 31 (a) 1979 (b) 1980, what was the total cost of disability pensions for World War II pensioners, by class (1 through 21) for (i) Newfoundland (ii) Nova Scotia (iii) New Brunswick (iv) Prince Edward Island (v) Quebec (vi) Ontario (vii) Manitoba (viii) Saskatchewan (ix) Alberta (x) British Columbia (xi) the city of Calgary (xii) all World War II disability pensioners outside Canada?

Hon. J. Gilles Lamontagne (Acting Minister of Veterans Affairs): The Canadian Pension Commission does not maintain statistics as to the number of World War II disability pensioners by class (1 through 21) for each province or city. The statistics shown in table I have been compiled using information obtained from Canadian Pension Commission district offices. In some cases district office boundaries do not correspond exactly to provincial borders, e.g., southeastern British Columbia is served by the Calgary office, and the Thunder Bay area of Ontario is served by the Winnipeg office. However, any variation resulting from these overlaps is small. The number of disability pensioners by province, and the total cost of these disability pensions by province for the fiscal years ending (a) March 31, 1979; and (b) March 31, 1980, are

shown in table I. The total number of World War II pensioners by class (1 through 21) for the fiscal years ending (a) March 31, 1979; and (b) March 31, 1980, are shown in table II.

Table I

Total of World War II pensions by province and total cost by province

Province	March 31, 1979 No.	March 31, 1979 Annual Liability	March 31, 1980 No.	March 31, 1980 Annual Liability
Newfoundland	1,022	$ 3,507,825	1,019	$ 3,821,803
Nova Scotia	6,145	18,522,103	6,154	19,659,223
New Brunswick	4,296	12,174,064	4,267	12,966,530
Prince Edward Island	1,185	3,582,211	1,182	3,843,422
Quebec	10,974	30,738,749	10,783	32,345,237
Ontario	32,018	85,671,139	31,801	91,298,239
Manitoba	7,155	22,078,817	7,021	23,320,330
Saskatchewan	4,057	11,686,833	4,013	12,402,596
Alberta	7,340	19,887,616	7,135	20,770,660
British Columbia	14,866	41,677,635	14,936	45,213,913
Outside Canada	3,814	10,760,327	3,716	11,335,457
Total	92,872	$260,287,319	92,027	$276,977,410

Table II

Total of World War II pensioners by class

Class	Per cent		1979	1980
1	98-100		3,549	3,514
2	93- 97		216	222
3	88- 92		619	632
4	83- 87		421	389
5	78- 82		1,419	1,388
6	73- 77		561	558
7	68- 72		1,187	1,097
8	63- 67		687	661
9	58- 62		2,180	2,137
10	53- 57		1,007	985
11	48- 52		5,487	5,285
12	43- 47		535	572
13	38- 42		3,924	3,817
14	33- 37		2,384	2,377
15	28- 32		5,982	5,814
16	23- 27		5,325	5,240
17	18- 22		11,288	11,041
18	13- 17		9,505	9,415
19	8- 12		20,910	20,354
20	5- 7		14,891	14,689
21	1- 4		795	1,840
		Total	92,872	92,027

JONES FALLS—DISPOSAL OF BUILDINGS

Question No. 1,606—**Mr. Cossitt:**

1. Did Parks Canada or any other branch of government recently dispose of two buildings adjacent to Jones Falls in the constituency of Leeds-Grenville and, if so, what are the names and addresses of those who obtained the buildings and, in each case, what was the cost?

2. Were the buildings advertised for sale and, if not (a) for what reason (b) is the government aware that there were a number of persons interested in bidding on the buildings?

3. Did an official of the Rideau Canal give assurances to some persons that the buildings would be sold by public advertisement?

Mr. Roger Simmons (Parliamentary Secretary to Minister of State for Science and Technology and Minister of the Environment): 1. Two buildings at Jones Falls were disposed of through Crown Assets Disposal Corporation.

(a) CADC—1-K5801-0-0014 (Frame cottage 6.7 M x 6.7 M)

DPW Sales Order 14521

Purchased by: Bruce Merriman
R.R. 1
Elgin, Ontario

Price: $1,010.00

(b) CADC—1-K5801-0-0015 (Frame cottage 5.5 M x 11.0 M)

DPW Sales Order 14519

Purchased by: Brian Ready
R.R. 1
Portland, Ontario

Price: $1,510.00

2. The buildings were advertised locally. Tenders for the sale of the buildings were placed in the following locations:

(a) Kenney Hotel, Jones Falls

(b) Jones Falls Lockstation

(c) O'Hearns Shell Service Station, Elgin

(d) Southern area office, Rideau Canal, Elgin

All persons who had previously inquired about these buildings were notified by telephone that the tender documents were available at the southern area office in Elgin, Ontario.

3. An official of the Rideau Canal indicated that notices would be placed locally and this was done.

TEST TUBE BABIES—RESEARCH

Question No. 1,625—**Mr. Dinsdale:**

Did the government provide funds for research on test tube babies and, if so (a) in what amount (b) in what location are the experiments taking place and who is conducting them?

Mr. Douglas Frith (Parliamentary Secretary to Minister of National Health and Welfare): In so far as the Department of National Health and Welfare is concerned: No.

In so far as the Medical Research Council is concerned: No.

[*English*]

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

Madam Speaker: Shall the remaining questions stand?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

BANKS AND BANKING LAW REVISION ACT, 1980

MEASURE RESPECTING BANKING INSTITUTIONS

The House resumed, from Thursday, November 13, consideration of Bill C-6, to revise the Bank Act, to amend the Quebec Savings Banks Act and the Bank of Canada Act, to establish the Canadian Payments Association and to amend other acts in consequence thereof, as reported (with amendments) from the Standing Committee on Finance, Trade and Economic Affairs, and motion No. 25 (Mr. Lambert).

Hon. Marcel Lambert (Edmonton West): Madam Speaker, last night at the adjournment hour we were discussing the amendment which I proposed in motion No. 25. I was engaged at that time in a short historical review as to the origin of the provisions of the Bank Act allowing the banks to engage in mortgage lending on the security of real property. I had indicated that some of the banks had been dragged, kicking and screaming, to the table, because back in 1966 they adhered to the principle that bank liquidity required them to keep out of long-term investments. They were not even going to go into medium-term investments, in other words, anything from four to seven years.

After all, we must remember that in the context of bank financing in North America, or bank history, the American banking crisis in the early thirties had been caused primarily by thousands upon thousands of American banks engaging in that very dangerous practice of borrowing short and lending long. That principle still applies, and there is no question that our banking system will get into deep trouble if there is an over-emphasis on the capabilities of the banks to lend on long-term mortgages while they are borrowing short on the basis of demand deposits and short-term deposit certificates. I say short-term deposit certificates; I refer to those up to five years.

It is ludicrous for a bank to lend the money it gets on five-year term for 25 years beyond certain points. It can do that within certain margins. In order to guarantee that it will repay its deposit certificates of up to five years, it must have a renewable source of funds either by way of a sufficient volume of repayment of the long-term obligations due to it, or an actual inflow of cash by new certificates on terms up to five years. Outside of that the system is into a policy of bankruptcy.

There are safe limits and there are limits beyond which the banking system as such cannot go. It is not like trust companies. Trust companies can lend only those dollars which they have either in their fiduciary capacity or dollars they get through deposit certificates. Those are the only moneys they can lend on a term basis.

On the other hand, the banks have their one-for-eight formula, and they can expand into loans. We recognize that; that is part of commercial banking, but in so far as mortgages on real estate on a long-term basis—and this is what the Canadian Bankers' Association complained about, in part I would say, back in 1966—Parliament in its wisdom imposed a 10 per cent limit of deposits. It did not talk at that time about deposit certificates. They did not have those as a source of funds. Therefore, in the 1967 act it was strictly an amount equal to 10 per cent of the deposit liabilities of the banks payable in Canadian currencies. The Canadian banks were not very deeply into foreign business at that time.

The act said "the banks", but there was a gap in the act, unfortunately, and we saw the growth of bank mortgage companies. Frankly, the banks have now engaged in an end run. Some of the banks do not even have 1 per cent of their deposit liabilities directly invested in mortgages. But one of a bank's subsidiaries, which is a mortgage company, may have up to 15 per cent of the deposit liabilities and, in addition, the liabilities under the deposit certificates as provided for in the proposed section.

The government is blithely letting this carry on. There is no change. The banks will clean themselves out. They will assign to their mortgage company subsidiaries all of the business under realty mortgages, whether they are residential or commercial, far exceeding, though, the guidelines and the principles insisted on by Parliament.

The minister will have to tell me now that the 10 per cent limit on the banking system is no longer valid, and he will have to take the responsibility for that because there is no difference between a bank and its subsidiary. All that happens, of course, is that a bank pumps funds into its subsidiary and lends them on long-term mortgages. Why does the government countenance the breach of the 10 per cent which was laid down in the former act? The purpose of my three amendments is to bring the banks back to that particular point, but I have brought that 10 per cent up to date.

● (1240)

I do not insist in my amendment, which we are now discussing as the first one, that 10 per cent shall apply to the deposit liabilities unless the government adds the deposit certificate liabilities. I go further than that. I give the banks an additional cushion. I have heard our friends from the banks say, "Oh, you're trying to cut us back. You will cut back on the mortgage lending business." My answer to that, Mr. Speaker, is a plain and unadulterated "horsefeathers", and if they want me to add any other language to that, I will add it. They are talking poppycock. I am giving them an additional cushion but I maintain the 10 per cent.

Banking has evolved in the past 12 years. If you look at the formula which I have proposed, which is 10 per cent of the assets as indicated under schedule Q, you will find many other

new forms of flexibility which give the banks ample scope, without Parliament accepting the fact, as they do now—and the minister, the parliamentary secretary and members opposite who are part of the committee know this—that the banks can engage in an unfettered end run. They can simply pump their funds into a mortgage subsidiary. What sort of control can the minister have on this activity? The Liberal administration was in office at that time. Was that administration wrong? Was Parliament wrong 12 years ago in insisting on the 10 per cent limit? If so, the minister should stand up in his seat and say so. There is no other way around it, absolutely none. Either it is 10 per cent or it is not.

The language of the section as it now stands is meaningless because the banks can lend half a per cent of their deposit liabilities in their names directly, but the mortgage subsidiaries can lend up to 20 per cent or 25 per cent if they are so minded. We hope that the board of directors of the banks will resist that because there are practical applications to banking, rules of thumb which are as sound as all the rocks in Canada. The rule is that you do not borrow short to lend long, and that has to be a fundamental, basic principle, which I suggest to the minister through you, Mr. Speaker. Let him remember that if you allow all the banks to do this, not only the well-managed ones but some which are not in the best of shape from time to time as far as management is concerned, it will bode ill for the banking industry. It takes only a few transactions to get them into trouble. I will not say that I am going to be the big brother to the banking industry, but we owe it to the Canadian public to ensure that the financial system is as sound as possible.

The minister, in proposing the legislation as it stands now—and I am giving him fair and solemn warning at this point—has opened a hole in the wall through which a coach-and-four can drive many times. There are provisions whereby the minister of finance, through the Inspector General of Banks, may warn a bank that its practices may be unsafe. But what sanction has he? Again, we spoke yesterday of the toothless tiger. We know that many of the powers of the Inspector General of Banks and of the minister are there for cosmetic purposes.

On this score I am deadly serious. On a number of points I have been able to resolve my differences in interpretation of the Bank Act with the minister and the parliamentary secretary. I have given ground and so has the minister—we have come to an accommodation. But on this point I have found the government to be totally unresponsive. I warned the minister at the committee hearings that I would be coming back to this point. I have come back, and I am as insistent as I am on any particular point, in fact, far more than I am on the requirement of defining the business of banking. To me this is far more important.

I do not want the banks to complain. In my proposed amendment to section 25, I have given them a great deal more latitude. I have brought the provision up to date to 1980. The minister knows that I have often said that in the Bank Act we were legislating for the manufacturer of horse collars, that we were behind the times, that we were merely bringing ourselves up to date, that we were not legislating for the future. I will admit that I am legislating for the manufacturer of horse collars right now, that I am only bringing us up to date in my amendment. But the minister is not even doing that. He knows that the banks are taking advantage of a loophole in the act by using their mortgage subsidiaries. The 10 per cent is absolutely and totally meaningless.

I am sorry, Mr. Speaker, if I sound so vehement about this and so difficult about it, but to me this is one of the sheet anchors. The Parliamentary Secretary to the President of the Privy Council (Mr. Collenette) can point to his watch all he wants. He does not care about this act.

Mr. Collenette: I am pointing to the table.

Mr. Lambert: Perhaps he is drawing attention to the fact that I have been speaking for 20 minutes. But the Parliamentary Secretary to the President of the Privy Council could not care less about this act. This is a fundamental point and I want to take my time on it. If I steal a minute or two, that is perfectly all right. The Chair will tell me if and when my time has expired. Again I make my plea to the minister. I want him to understand the banking system fully.

• (1250)

I have been exposed to and been involved in the banking system ever since I started out. On leaving school I was involved in the banking system. Subsequently at university I majored in studies in this particular field, and all through my parliamentary career I have been involved with the banking system. At this particular point the act bothers me. Not only are the banks able to get around a particular thing, but it is an invitation by Parliament to ingenious people to find a way around and run all the end runs they want, while we just stand idly by watching them pile up the score.

At this stage I should like to conclude my remarks on motion No. 25. I still have motions Nos. 24 and 26 to come back to later.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, we are debating the Bank Act. The figures released by Statistics Canada indicate that the cost of living increased in the last year by 10.9 per cent, that the cost of food increased by 12.7 per cent, that the cost of housing increased by 8.9 per cent, and that the cost of fuel and utilities, which are so important for anyone who owns or rents housing accommodation, increased by 15.3 per cent.

If I understood correctly the amendment of the hon. member for Edmonton West (Mr. Lambert), he is proposing a further restriction on the opportunities of banks to lend money to people who want to buy houses and need mortgages. I am not rising to defend the banks, nor am I defending the government. I will deal with the banks a little later, but I think the policies of the Liberal government and of the short-term Conservative government with respect to housing have been disastrous. The effect of the amendment of the hon. member

for Edmonton West would be simply to dry up the mortgage market even more, and make it more difficult for people to obtain mortgages.

Mr. Lambert: They are not lending out money anyway.

Mr. Orlikow: Yesterday the governor of the Bank of Canada gave the people of Canada another one of his economic sermons.

Mr. Evans: Brilliant sermons.

Mr. Orlikow: I remind the parliamentary secretary that the governor of the Bank of Canada has been giving the same kind of advice for the last six years. It is the same kind of advice which led the Liberal government in 1975 to impose wage and price controls. During the election in 1974 the Liberal party promised never to impose wage and price controls, at a time when there was an emergency and we were facing an increase in the cost of living of 10.5 per cent for the year before the Prime Minister (Mr. Trudeau) brought this bombshell to Parliament. The wage and price controls were imposed, they were supposed to solve our problems, and here we are five years later and the cost of living is increasing at just about the same rate as it was when the Prime Minister brought in those controls in 1975.

What did the governor of the Bank of Canada say to Canadians yesterday? I should like to refer to an article which appeared in the *The Gazette*. It reads in part as follows:

"I confess that I am somewhat disappointed with the results to date" of the past five years' monetary policies, Bouey told the Empire Club in Toronto.

It went on to indicate:

But Bouey forecast the recently restrictive monetary policy, which was aimed at a 5.9 per cent growth ceiling, will have a greater impact on total spending trends in the future than in the past and thus ease the inflationary pace.

He was wrong before, and of course he will be wrong again, because all government policies, such as the energy ones, call for sharply increased prices. Sharply increased prices for energy and food will mean a further increase in the cost of living. As reported in *The Globe and Mail*, governor Bouey was talking about business when he said:

"If they were to survive, employers simply had to keep their costs—including their labour costs—from rising, and employees could not press too hard for wage increases if they expected their employer to stay in business and their jobs to continue to exist."

The governor of the Bank of Canada is saying to the ordinary people of the country that the cost of living may have gone up 10.5 per cent, and it will probably go up between 11 per cent and 12 per cent next year, but they should not even ask for enough in the way of increases in their wages or salaries to keep pace; they should be prepared to sacrifice. I would not mind the governor of the Bank of Canada giving that advice to ordinary people if he gave it to everyone.

Let us look at the organizations with which we are dealing right now. Let us look at the banks.

Mr. Evans: Oh, oh!

Mr. Orlikow: Of course the parliamentary secretary is one of the team of people who will continue to give the kind of orthodox advice we have been receiving from the governor of the Bank of Canada and the senior officials of the Department of Finance. They continue to give that advice to the people even though the prescription has not worked, even though the illness is greater than it was before, even though the cost of living is substantially higher than before. I am asking them to apply that kind of advice in an even-handed manner. While the governor of the Bank of Canada urged workers to be moderate in their demands, he never said a word about the banks. Perhaps the hon. member for Ottawa Centre (Mr. Evans) does not want me to say these things because he does not want people to know how well the banks have done. I do not know why he would have any other reason.

Mr. Evans: Mr. Speaker, I rise on a point of order. Quite frankly, I think the hon. member opposite knows why I am sitting here somewhat upset with his commentary. It is primarily because it has absolutely nothing to do with the motion before the House at this time.

May I call it one o'clock?

The Acting Speaker (Mr. Ethier): Order, please. The parliamentary secretary may have a valid point. I know the Bank Act is quite wide in scope, but I think members should deal with motion No. 25 which is before the House.

It being one o'clock, I do now leave the chair until two o'clock p.m.

At one o'clock the House took recess.

● (1400)

AFTER RECESS

The House resumed at 2 p.m.

The Acting Speaker (Mr. Blaker): Order, please. When debate was interrupted at one o'clock, motion No. 5 pertaining to the Bank Act was under consideration. The hon. member for Winnipeg North had the floor.

Mr. Orlikow: Mr. Speaker, in the few moments I had before the noon adjournment I put on record some of the latest comments and views of the governor of the Bank of Canada, Mr. Bouey. I pointed out how, in my view, he had been wrong in the advice he has given to the people of Canada. I pointed out that, again, he was lecturing and preaching to the vast mass of Canadian citizens who have to live on the wages or salaries they earn, that they should be moderate in their demands on the economy because, if they were not, inflation would get out of hand. I was just about at the point of urging the governor of the Bank of Canada to make the same kind of speech to the banks of this country and to urge them to show some restraint.

When we look at the record of the banks, as reported in such journals as the *Financial Post* and the *Financial Times*, we see that they have not been as restrained as ordinary people, who would have been lucky in recent years if they could just have kept up with the increased cost of living. The people have been lectured in recent months because some of them have been getting wage increases of about 10 per cent or 11 per cent.

Let us look at the banks, Mr. Speaker, and we will see that Canada's five major chartered banks in the years 1974 to 1978 increased their profits from $404 million in 1974 to $904 million in 1978—a whopping increase of 123 per cent. Those increases have not moderated. Indeed, they have accelerated.

In the November 26 edition of *The Globe and Mail* last year it showed the change for the banks of this country in terms of their balance of payments, that their assets increased by 24.8 per cent in the period from 1978 to 1979. In another table on October 23 of this year it was shown that their assets had increased by 19.2 per cent from October of last year to October of this year. So we have an increase in the assets of the banks of Canada of 41 per cent in two years. There is not a skilled worker in this country who has the most needed of jobs who would not have been happy to settle for an increase of 41 per cent over the last two years. The governor of the Bank of Canada, or the government has not seen fit to say much about that, Mr. Speaker.

● (1410)

It is not bad enough that the banks made that kind of profit. When we look at the profits for the years 1974 to 1978, we see that for the three-month period ending January 31, 1979, the big five chartered banks reported total operating profits of $338 million but paid taxes of $68 million, or an effective rate of about 20 per cent, compared to the 30 per cent for manufacturing and the 35 per cent for service firms.

If that were not bad enough we now find that the banks are taxed on their operations, because of loopholes in the tax system set up by the Liberal governments of the past and not yet plugged, of an effective rate of something like 10 per cent.

What we need is more regulation of the banks, Mr. Speaker, not less. I speak about the banks because I am concerned about the kind of amendment moved by the hon. member for Edmonton West. He is not concerned about the profits that banks have made and the tremendous influence they have in this country with their over $200 million in assets, nor about the interlocking directorates that bank directors have with the boards of directors of most of the major corporations in this country. We have not heard a word on these matters from the hon. member for Edmonton West.

We are also concerned about the fact that the housing industry is suffering. It is in probably the worst slump that has existed since the end of World War II. Fewer houses will be built this year than in any of the last 20 years, and next year things will be even worse. That is not surprising, of course, with mortgage interest rates running at 14 per cent and more.

I have some personal knowledge of this, Mr. Speaker, because it was my unfortunate necessity to refinance the mortgage on my home at a rate of 14.5 per cent or 14.75 per cent. That means that by the time I finish paying off the mortgage—which is relatively small compared to that required for new housing—I will probably have paid 2.5 or three times the face value of the mortgage. I can afford all this better than most people in the country, I must say.

Why do I speak about banks and their profits in connection with an amendment relating to housing, Mr. Speaker? It is not because this party believes that the banks should do less to provide mortgage money—as the hon. member for Edmonton West suggested, if I understood him correctly—but we believe that the lending institutions should set aside much more money than they do for residential mortgages.

For several years we have advocated that the government require lending institutions to set aside a specific portion of their lending portfolio for residential mortgages which would be pegged at a rate lower than the prime rate and would be retained for the amortization period. The hon. member for Edmonton West would have us believe that the banks cannot afford to do that. I think the few figures I have put on the record today indicate not only that the banks could do it, but that they should do it. Their profits have been increasing.

I should like to spend a few moments now outlining our proposal on housing—which is that money should be allocated for people in low and middle-income brackets who want to buy housing at a rate which they can afford, and that much more money be allocated for social housing.

In a year when we need more money for social housing, what has this co-called, progressive left wing Liberal government proposed? Instead of social housing, it proposed more goodies for those doctors and lawyers who can save money on taxes and put it in the MURBs program. We think that is a disgrace, Mr. Speaker. I cannot understand how any minister responsible for housing who comes from a city where housing prices are out of sight, could come forward with such a proposal. I think the minister would resign his position if he had any concern for ordinary people.

Mr. Deans: He is not even here to listen.

Mr. Orlikow: Let us examine what has happened in the area of housing in the recent years that the Liberals have been in power. In 1967 the Liberals freed the bank rate for mortgages which had been set at 6 per cent. That is a dream world, Mr. Speaker—that mortgages should be available at 6 per cent.

In 1969, on the advice of the then Liberal cabinet minister, Paul Hellyer—my colleague from Comox-Alberni (Mr. Skelly) spoke of the Liberal-Conservative party of Sir John A. Macdonald, but we still have a Liberal-Conservative party which sits on both sides of the House—I should point out, Mr. Speaker, that that particular minister became a leading light in the Conservative party—on his advice, when he was still a Liberal, the 6.5 per cent ceiling on NHA mortgages was released and permitted to be established by market forces.

Let me pause here, Mr. Speaker, to say that since I started to speak before one o'clock I have recalled that Mr. Hellyer's

adviser on housing policy—when he was a Liberal—is today the Minister of Employment and Immigration (Mr. Axworthy). So we know how much attention we should pay to his advice.

On the advice of Mr. Hellyer, the 6.5 per cent ceiling on NHA mortgages was released and the rate was permitted to be established by market forces.

In 1969, again on Mr. Hellyer's advice, the five-year roll-over on mortgages was introduced, allowing a renegotiation of the interest rate on a mortgage every five years. Prior to that, the interest rate on a mortgage was fixed for the entire amortization period, for example, 25 years.

In 1973, with Bill C-135, the Residential Mortgages Financing Act was passed by the Liberal government with Conservative support. The guiding principle of that bill was "enhancing the attractiveness of mortgage investment". By generating an increase in mortgage funds at unrestricted interest rates, builders and land speculators were encouraged to concentrate on high priced housing where profit margins were greater, and to destroy the moderate and low-income housing market. They succeeded in that, whether knowingly or unknowingly I cannot say, but they certainly succeeded.

In 1974 the Liberals introduced AHOP, a plan designed to give moderate and low-income people with higher earning potential a chance to get into home ownership by providing moderately priced dwellings at subsidized interest rates.

I do not have time this afternoon, Mr. Speaker, to go into detail about the disasters that have occurred. The newspapers have been full of them. A couple of days ago an article in *The Globe and Mail* stated that Canada Mortgage and Housing Corporation is becoming the biggest landlord in Canada, because tens of thousands of people either have or will, within the next two years, give up their homes purchased under AHOP because they simply cannot afford to meet the mortgage payments. That is what has happened to housing in this country, Mr. Speaker.

This morning's *Globe and Mail* carries an article which quotes the chairman of A.E. LePage Ltd., one of the largest real estate companies in Canada. The article begins as follows:

House prices will outpace inflation next year as the resale market benefits from a slowdown in new residential construction caused by high interest rates—

There is a slowdown, Mr. Speaker, because the brains in the Department of Finance and those associated with the governor of the Bank of Canada have told us that the way to beat inflation is to have higher interest rates. Of course, Mr. Speaker, that is precisely the way more inflation is created.

I want to conclude by suggesting to the government that in the Bank Act and in our housing programs we should not increase mortgage rates, or give more concessions to the fast buck operators who want to get the "gravy" from the MURBs program. What we need to do is to provide money to Canada Mortgage and Housing Corporation and build social housing for the tens of thousands of families who cannot afford to buy or rent at the commercial rates existing almost everywhere in Canada at the present time. We need to provide manageable mortgage money and interest rates for people in the low or middle-income brackets. These are the people who are now completely at a loss to know what they can do or what they will be able to do in the next few years given the fantastic increase in the price of homes and mortgage interest rates. These rates run anywhere from 14 per cent to 18 per cent depending on which side of the bed the governor of the Bank of Canada got up this week.

● (1420)

The Acting Speaker (Mr. Blaker): Order, please. I gave the hon. member additional time because I thought he was concluding. However, I am obliged now to interrupt him and advise the hon. member that his allotted time has expired.

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my remarks will be brief. I have tried to understand the impact of the proposal made by the hon. member for Edmonton West (Mr. Lambert). I listened to him with great care as he attempted to convince the House that his amendment would not in fact reduce the available number of dollars for mortgage purposes. He pointed out in his own comments the banks themselves believe that this amendment would do exactly that, that it would restrict the amount of dollars available for mortgages. He also pointed out, and I think it is fair to say, that it is true the government does not believe his amendment would do other than reduce the number of dollars available for mortgages.

As we look at the amendment, we cannot help but feel that through the amendment, whether implicit in it or simply as a result of it, there will be a reduction in the number of dollars available for mortgages. You can be sure that if the banks say it will happen, it will. There will be fewer dollars. If there are fewer dollars, then the dollars that are available will almost inevitably cost more. Therefore, this amendment, if one is to understand it clearly, and to understand the impact and import of it, you could not but come to the conclusion that if the banks respond in the way which the member for Edmonton West has said they will, then interest rates will be forced up. Fewer dollars will be made available by the banks. I see the hon. member shaking his head. It seems to me that it shows a rather unusual lack of knowledge for a man having spent so much time in this business.

Mr. Lambert: You are the expert?

Mr. Deans: I am not an expert, although I try to understand them. One thing I know for sure is that if the banks say there will be less money available, whether there need be or not, I know there will be less money available. I also know that if less money is made available, that will inevitably lead to higher interest rates. Higher interest rates are something we just cannot afford in this country and that is the problem with an amendment such as this one, well intentioned though it may be. But if the banks believe that that will be the end result, then that will be the end result. The banks will make that the end result in order to prove they were right. That is just one of the difficulties we face in a situation such as this.

We cannot afford to run the risk of driving interest rates even higher. I looked at some of the most recent statistics. For example a $50,000 mortgage in today's market is not a large mortgage, and it is very difficult to get a $50,000 mortgage given the size of the down payment one has to have at today's prices. At today's interest rates you would be paying $7,750 in interest alone.

According to statistics reported in the *Financial Post*, the average wage in Canada today at this point in time is $316.28 a week. When you calculate that out—and I am sure even the hon. member for Edmonton West could do it—it adds up to $16,446.56 per annum and that is before taxes.

Let us assume for a moment that we are attempting to provide housing for people who make average wages. There is not a single wage earner at the average level in Canada who would qualify for a mortgage at today's interest rates. If what is being said about this amendment happened, mortgage interest rates would continue to rise and that consequence would fall on the head of the hon. member for Edmonton West, and we would not want to see that happen.

Let us take a look at what we are talking about. Even if people who want to buy a home earn $20,000 a year, they do not qualify for a mortgage. They could not get a mortgage at $50,000, even though that would be the average they would be able to find at the lower end of the scale. These people just would not qualify. If a person earned $30,000 a year, that person would have great difficulty qualifying for a $50,000 mortgage as well. Out of their take home pay, they would have to pay in excess of 30 per cent of their income in interest payments alone. Imagine paying in excess of 30 per cent of one's income, and at $30,000 per year it is almost $8,000 annually out of that take home pay. Take home pay for a person earning $30,000 a year would range between $25,000 and $26,000, at the maximum. In the present circumstances that $8,000 would be about 30 per cent of their take home pay in interest payments alone, and that is shameful.

During question period earlier today we raised problems confronting people in this country, and I must say it is with a great deal of frustration that I sit in the House and listen to debates. While we sit and talk about other no doubt important things, there are people in almost every constituency who are making a decision today that they cannot afford to refinance their mortgage because they do not earn enough and they will not be able to meet their payments because interest rates have risen so dramatically in the last five years. People's incomes have not kept pace. That scenario is happening all across this country. Daily people lose their homes, but the government just says, "that is the price for fighting inflation".

There are families who have put all of their life savings into a down payment. They are struggling to meet their commitments, yet these people look to the House of Commons and think that surely to God someone in Ottawa will do something about this outrageous increase in costs we see happening day after day. They see us talking on and on about things which do not appear, at least on the surface, to address their problems in any way.

I suppose the frustration I have is when I speak to these people on the telephone. I hear things such as, "Ian, I do not know what to do. The end of the month is only two weeks away and my mortgage is due. I cannot find another mortgage at a price I can afford. I cannot sell the house because other people who are likely to be in the business of buying and in the market cannot afford to take on the mortgage either. I will have to walk away and leave it and lose my investment. I will have to start all over again some day in the future if, as and when I achieve the level of income, or if, as and when the interest rates and mortgage costs are down to a point where I can cope with them."

Yet, we argue over whether or not, according to the amendment which the hon. member for Edmonton West is proposing, we are going to increase or decrease the amount of mortgage money. By the time we get around to making the determination, these people will have lost their homes. The problem is really here with the House of Commons where the responsibility lies for action in dealing with such things as interest rates. We are not dealing with them at all. We no longer deal with real things. We no longer deal with those things that affect people directly.

● (1430)

I do not know whether other hon. members feel it in their constituencies or whether it is unique to the place I represent, although I suspect it is not, but I think people are sick and tired of struggling day after day to try to achieve what we have said over the years they ought to be able to achieve in this country, a home of their own at a price they can afford. They have been struggling to do that only to find that we are complacent about the ever-increasing interest rate problem which confronts us.

My colleague from Winnipeg North spoke about the governor of the Bank of Canada. My God, only that he would be unemployed. He should have to go out and look for a job. He should have to live on the average weekly wage of the people in Canada, or even 25 per cent or 50 per cent above that. He should have to get a mortgage for his house at the interest rate levels he has allowed as a result of his policy to fight inflation.

This Bank Act does not speak to the real problems. That is what is wrong with it. People say to me that if we are dealing with the Bank Act, we will be dealing with interest rates. I have to tell them quite truthfully that the only place we can deal with that is an amendment offered by the hon. member for Edmonton West. In truth, that amendment will only serve to affect them detrimentally.

The government has decided to opt out of the business of controlling or influencing interest rates. It has decided it is no longer its responsibility and has given the responsibility to the governor of the Bank of Canada who sits across the street. It is time he got out of his ivory tower and into the constituencies of this country and saw the problems the people are facing. It is time he came before this House, not some committee of it, to explain why it is he thinks he has to ruin the ambitions of

everyone in this country before a stop is put to these ever-increasing interest rates.

Mr. Evans: Just what would you do?

Mr. Deans: I would put a ceiling on interest rates for mortgages.

Mr. Kaplan: They just took the ceiling off in the United States.

Mr. Deans: That's right. They are going exactly the wrong way about it.

Mr. Evans: You just voted to repeal the Small Loans Act.

Mr. Deans: I did not.

Mr. Evans: Yes you did. You are a laugh.

Mr. Deans: I am not a laugh. Give us your responsibility for one year and we will have lower interest rates in this country. We are determined that there will be lower interest rates because we care what happens to people. We do not sit and smile when people go down the drain. We do not laugh when we cannot come up with an answer. That is their problem. What the hon. member is offering can do nothing but harm.

Whether it is intended or otherwise, there is no way the banks will respond in any other way than the way they said they would respond. They said they would reduce the numbers of dollars available. That will drive up interest rates even further. I quote the hon. member. The end result of all of that means that more and more people will find themselves unable to meet their commitments. The housing industry will deteriorate even further in terms of the number of starts. Many people will lose their entire life savings. In fact, that is now happening.

Instead of sitting muttering and gasping, I wish the parliamentary secretary would come forward with a proposal to bring about a reduction in interest rates which would satisfy the needs of low-income earners in this country so that they can afford to pay other people to work building the houses they are prepared to buy if only they were available at prices they can afford. That is the answer to the problem. That is how it should be dealt with. That is how to turn money over more quickly. If it had not been for actions of the Liberal party in 1966, we would not be in the mess we are in today.

Mrs. Margaret Mitchell (Vancouver East): Mr. Speaker, I too wonder about this amendment. When we are in the position of having so little affordable money available for mortgages, it seems very strange that we should talk about cutting back. Indeed, the very party that talked about a strange mortgage interest deductibility plan talks about not enough money being available for mortgages. I wonder how that program and the deficit would have been affected had the Tories still been in power and we had even higher interest rates.

As my colleagues have said, this amendment appears to make less mortgage money available. It would increase competition among Canadians who want mortgage money. It would certainly increase interest rates. This would mean an even greater increase in the cost of housing.

On Monday I believe we will be speaking to an amendment which will take a different approach. It will ask the Minister of Finance (Mr. MacEachen) to require a portfolio of bank investment money for mortgages to be offered at reduced rates. That seems to be a more positive approach. I see no advantage to the amendment before us today.

Perhaps we might be able to support this kind of amendment if, as the hon. member for Winnipeg North (Mr. Orlikow) did a few minutes ago, we look at the former role of what used to be called Central Mortgage and Housing Corporation, now Canada Mortgage and Housing Corporation. Instead of privatizing the whole mortgage system, what used to be the key government agency responsible for housing in Canada should return to a direct mortgage lending function. The role of CMHC prior to 1968 was just that. Long-term mortgages were offered so that people had a chance to plan, budget, and develop an equity with a 25 to 30-year mortgage.

We also know there was the preferential interest rate of 6 per cent in those days and that worked very well. At the same time in 1968 there was a deliberate approach to the Liberal government of the day and there was extreme pressure from the banks which today are interested in this Bank Act. What did the Liberals do? They freed all the controls and privatized the whole mortgage system, and we have had trouble ever since.

We now have a situation where CMHC is the bank for bankers. It has no direct investment in housing except in the increasing amount of real estate coming back from AHOP houses and as a result of other programs which have bombed completely. All it does is insure mortgage loans.

CMHC is not a tool for social policy. The Liberal government and Conservative government of last year did not look at housing from a consumer point of view, those Canadians who should have a basic right to decent and affordable housing. This is not the concern of CMHC. Their concern is to give MURBs tax incentives to rich investors, shooting up the cost of rental housing. The Canada Mortgage and Housing Corporation merely offers manipulative programs which put low-income people in very desperate situations. I refer to those people who are able to get into housing under the AHOP program. We believe that CMCH should play a stronger role. If it is not involved in direct lending, it should at least be made a federal financial institution which could control the movement of interest rates to a greater degree.

● (1440)

We do not support this amendment. We do support the idea of more control over mortgage interest rates and the control of moneys held by the banks. We are all aware of the rapidly increasing interest rates. A percentage point increase in the interest rate adds $10,000 to the cost of a mortgage. As I

mentioned during question period earlier today, there is an extreme housing crisis in the lower mainland of Vancouver. This crisis will soon be felt in St. John's, Newfoundland, and even now is reaching critical proportions in cities such as Calgary.

The cost of an ordinary three-bedroom family house in my riding is increasing by $10,000 every month. That is a real shocker. The federal government must take some action through the Bank Act, and it must seriously review the current problems affecting housing as they are related to federal government programs. Some of my colleagues have talked about the fallacy of the floating interest rates. We will soon be at the rate of 17 per cent again if we are not careful. The rate for mortgages is very close to that now.

As a result of these increasing mortgage rates people cannot plan even if they are lucky enough to have saved the down payment for a house. This applies even in cases where there are two wage earners in the family. Short-term mortgage agreements and high interest rates cannot continue. Home owners, faced with having to refinance mortgages, are increasingly giving up their homes altogether. The rise in mortgage defaults, which end up in the government's hands under the AHOP program, is very alarming. The finger-in-the-dike, band-aid approach of the minister responsible for CMCH is really not helping these people.

The housing industry and financiers recognize that there is no point in amortizing house payments over a five-year period when costs are increasing over that period. These people will be further in debt at the end of the five-year period than when they took out their mortgage. The government's program of graduated payment mortgages is directly related to this subject. This program is a trap for lower-income people. Participants agree to pay a lower amount of interest and make lower monthly payments during the first five years of the mortgage. But by the sixth year the home owner, who thinks he is a home owner—and I say "he" because there are very few women who get involved in mortgage arrangements—owes more than when he first took out the mortgage. That is how the graduated payment mortgage plan works. This plan makes tenants of home owners for the first 11 years, and during this time their debts increase rather than decrease. We are opposed to this kind of program.

I spoke at some length the other day on the MURBs mystery which provides tax shelters for wealthy people and does nothing to provide affordable housing for low-income people. Certainly the program does nothing to create family housing for low-income people. It is a ridiculous plan and a complete misuse of budgetary funds. The government should be investing far more than the $15 million it has invested in this tax shelter in social housing. Social housing refers to affordable housing and has the effect of not increasing inflation. Such a program would prevent exploitation by developers and in some cases landlords.

Those great donators to and friends of the Liberal party, the real estate industry, even have serious doubts about the MURBs program. They do not think that it will help very much. Fictitious claims through depreciation saved the large corporations $450 million in unpaid taxes in the past year. It is not good enough for the government to allocate the same amount of money for social housing this year as it allocated last year. We worked hard for an increase, but it was not available early enough to be used, and there was no increase at all in the new budget.

Housing should be viewed as a social investment. Certainly the financial arrangements required to make mortgages affordable for people must be part of a well-thought-out social policy. It is far better to invest in non-profit housing on publicly owned leased land, which will be owned by the public for the lifetime of the house, than it is to invest federal funds in large tourist developments. For example, Vancouver has the development called B.C. Place which is now begging for federal funding. We will have a Transpo 86 nightmare similar to the occurrences in Montreal. I hope that the government will invest in housing rather then this kind of development.

This amendment as it regards the cutback of mortgage moneys will do nothing. Nor have the Liberal government policies done anything to control excessive inflation and speculation. The government should introduce programs which would provide some control over speculation, which is causing the price of housing to go sky high. It was once said that higher costs in housing were due to the price of land, but this is not the case in my community where the price of houses is increasing by $10,000 a month.

A local paper has suggested that the provincial government should introduce a sales tax which would take the form of a disincentive and prevent speculators from buying and selling homes. The government should be keeping a close watch on capital gains tax, as it affects housing in a very negative way. A report from the Ministry of Finance indicates that in 1979 over $2.5 billion was lost to the federal government due to non-taxation of capital gains. Then we wonder why we have such a high deficit. That loss would cover a good chunk of the deficit.

• (1450)

We also learned that during that same period—I presume this was a 1978 or 1979 report—only about $300 million went into social housing, and that $115 million was lost through tax write-offs for the registered home ownership program. So really we need to have a reformation of our capital gains tax policy. This would certainly bring much more revenue to the federal budget. It would cut down our deficit, and I would hope it would also cut down much of the speculation which is going on with regard to the building of housing, particularly by developers.

I want to refer to AHOP housing in a little more detail. My colleague referred to *The Globe and Mail* article of November 11, a great way to celebrate Armistice Day. As we know, the government subsidized builders initially to build AHOP houses, which kept the prices high, not lower, and many of the houses have decreased considerably in value. Many of them were not built well to begin with, and certainly were not built

in desirable locations. However, the program, particularly in certain provinces which added piggy-back subsidies, had a devastating effect on low-income earners. This was so particularly in British Columbia and Ontario, and certainly throughout the country as well.

The assumption was that this would be another generous Liberal program which would help university graduates and people earning small amounts of money to start with, but who would have higher earnings later, and they therefore were able to get into AHOP houses for $1,000 or less. I think some were able to do so even at about $100. The interest rates increased after a period of five years or so, and suddenly after the end of five years the mortgages were due at the market rate. What happened with many, many people was that interest rates increased during that period phenomenally, so when it came time to renew those mortgages the cost was far in excess of that which was in the original contracts. Subsidies which were available for some people during the initial year or two were lost. In addition, during that period incomes had not increased. In fact real incomes went down for many people because of the inflated costs of fuel, food, and many other commodities.

According to the article to which I referred, in Peel, Ontario, 9,500 AHOP units were sold. Of these, 2,287 have come back to the Canada Mortgage and Housing Corporation. CMHC is now in the landlord business. About 75 more per month will be coming in. CMHC once again has to use dollars which should be going into housing, social housing, land banking and land leasing, to provide affordable housing for people to cover for past mistakes. We see example after example of bad management and misuse of money which should be going into housing.

My colleagues have also spoken about a reduction of mortgage interest rates through mortgage assistance plans. This is something we have advocated repeatedly. We feel that families earning under $30,000 or $25,000 must have mortgage assistance which would bring the rate of mortgage interest down at least to 9 per cent and 8 per cent respectively.

We also feel that it is important that the federal government carry out its shared responsibility for land banking programs and land assembly and also that it get much more involved with the provinces in public land assembly. Municipalities have begged the federal government to resume the program it had in earlier years. Even the president of HUDAC has said that this is absolutely essential to keeping the cost of housing down. I caution, however, that we do not favour public land assembly that is going to purchase and land bank land, and then give it over to developers to use for profit and to shoot up the cost of housing once again. What we want is land banking and preferably land leasing for housing that is non-profit housing, and which will be affordable for ordinary people and people in lower-income brackets.

As I said at the beginning, we also feel that instead of reducing the amount of mortgage money available to the banks we should be increasing it and controlling it. We should be making sure that the banks have money available at reduced interest rates for housing. We will be speaking more about this.

In conclusion, the time is long overdue for a complete review of the function of the Canada Mortgage and Housing Corporation so that we have some kind of federal government agency which will produce housing instead of housing deficits as has been the case in the past.

Mr. John Evans (Parliamentary Secretary to Deputy Prime Minister and Minister of Finance): Mr. Speaker, I am afraid we need a respite from this exercise in the wonderland economics of the refugees from the—

An hon. Member: The rump.

Mr. Evans: The refugees from "Let's Make a Deal", but I think the respite would be to get back to what we are dealing with in regard to this piece of legislation. Let us get back to the motion.

Some hon. Members: Hear, hear!

Mr. Evans: The hon. member for Vancouver East (Mrs. Mitchell) is the housing critic for her party, and she is going to talk about housing irrespective of what is before the House. Alice in Wonderland!

This motion deals with what there should be, and whether there should be a restriction on chartered banks with regard to the proportion of their portfolios which can be held in mortgage loans. That is the question with which we are dealing. It does have some remote relationship to housing in that mortgages are usually what people use to buy housing, but housing is not the main issue. The main issue is mortgages.

The question the hon. member for Edmonton West (Mr. Lambert) raises is whether we should not be restricting chartered banks' lending with respect to the proportion they can put into mortgage loans. The hon. member raised several issues in that regard. For example, if banks are raising their money short term, should they be allowed to lend that money long term because of the imbalance that creates in their portfolios and the possible financial adversity which can result for the banks and the general financial system? The fact is that in 1967 for the first time banks were allowed to enter into the mortgage market in other than National Housing Act mortgages, which they had been allowed to be involved with for some years. The restriction was that they should not be allowed to have more than 10 per cent of their portfolios in conventional mortgages as opposed to NHA mortgages, which were separate from that. At that time there was also the possibility that banks could own mortgage loan subsidiaries which could also make mortgage loans, and the 10 per cent restriction applied to the bank portfolio itself and not to the portfolio of the bank with the mortgage loan subsidiary rolled in.

The hon. member for Edmonton West was a member of the committee which studied this whole issue. At the time the 1967 Bank Act was passed—and that is the act under which we operate right now until the new act is put into place—that

was a provision. The hon. member for Edmonton West might call that a loophole, but it was certainly something examined by Parliament. Parliament examined this whole issue. As a matter of fact, subsequent to 1967 it turned out that this provision has not been to the detriment of borrowers in the marketplace or to savers. In fact it has been to the benefit of both borrowers and savers in the marketplace.

The hon. member for Vancouver East decried the fact that in 1967 the ceiling was removed from the interest rate banks could charge, which allowed them to get into the mortgage market subsequently, and to stay there. I wonder if the hon. member remembers that at the end of the first part of this session, before we recessed for the summer, her own party not only lobbied but also voted very clearly to remove a 12 per cent ceiling on rates which could be charged by credit unions and caisses populaires. That was not ripping off the public. But to say that the removal of the 6 per cent ceilings on banks—because they are banks, banks are big and banks are bad, that is the NDP slogan—is terrible, is utter nonsense, Mr. Speaker. The fact that the ceiling was removed, the fact that banks were allowed to expand their portfolios into mortgage and consumer loans, has meant that consumers have had more money available to them for consumer loans, more money available for mortgage loans. Over the last ten years, the spread between the cost of funds to an institution such as a bank, a credit union or a trust company, and the rate that is charged by those institutions to the consumer has narrowed consistently. In other words, a smaller margin is being taken by financial institutions today than in 1967, and the reason is that more institutions have entered the market. Therefore consumers are getting a much better deal today as a result of bank participation in the mortgage market and the consumer loan market—and that includes not only first mortgages but also second mortgages. Putting more money into the mortgage market meant that funds which the trust companies were making available for first mortgages was freed to be made available for second mortgages. As a result, consumers today have better deals from the point of view of the cost of borrowing and the lending rate on mortgages than has ever been the case in this country before.

● (1500)

The trust companies have lobbied us rather hard in committee to say that banks must be restricted in their mortgage lending, that we must prevent the banks expanding any further into mortgages because it would be detrimental to their financial health. The same argument was put forward in 1967 before the Bank Act was passed last time, and the same kind of provision was required that banks be held to a strict limit. The fact is that the banks have expanded as a result of the revised Bank Act. But has this hurt trust companies? No, indeed, it has not. If we look at the figures available to us from 1967 to 1979, we find that the chartered banks grew at a compound annual rate of 15.9 per cent; trust and mortgage loan companies grew at 16.8 per cent, and credit unions and caisses populaires grew at 19.2 per cent. So all the competing institutions have grown faster.

Mr. Lambert: I rise on a point of order, Mr. Speaker. The fact is that the figures for the trust companies include bank mortgage operations outside of the banks themselves, and the bank subsidiary figures are included in the trust companies, so the representations are quite misleading.

Mr. Evans: Mr. Speaker, that is correct. The loan company figure includes the bank subsidiaries. I might also add, in response to the hon. member for Edmonton West, that as far as the loan company portfolio is concerned, loan companies are federally chartered companies which have to comply with exactly the same regulations and restrictions as any other loan company. So they are operating as mortgage loan companies just like any other mortgage loan company.

If we are worried about the future of the trust companies, the position we must take, I believe, is not to restrict the flexibility of the chartered banks or of other financial institutions to narrow areas of business. What we have to do is to expand the areas of business of other institutions so they can diversify their portfolios and be less exposed to the risks of the market, which is the case right now for the trust companies because they are restricted to having at least 75 per cent of their portfolio in mortgage loans. If the bottom falls out of the mortgage market, the trust companies are totally exposed, their market is gone. As a result, what we should be doing, and what this government will be doing in bringing forward a new savings, trust and loans companies act, is to allow trust companies to expand their portfolios and diversify into other areas, such as perhaps consumer lending, which will give more competition in the marketplace and which will help trust companies to remain financially viable. Rather than restricting the banks, we should be trying to expand operations of trust companies, credit unions and caisses populaires and have a wider variety of full range financial institutions in this country to stimulate the kind of competition that has led over the last ten years to narrower spreads between borrowing and lending rates and better deals for consumers borrowing in the marketplace. These are the kinds of things we should be doing and the kinds of things this government will be doing.

Members of the NDP have made a very valid point with regard to the effect of putting this amendment forward. It would restrict the banks' ability to either continue or to expand their mortgage lending. That is the intent and the effect of the amendment. That being the case, I think it is noteworthy that chartered banks are represented in over 1,900 communities and cities in this country. If the beneficiaries of this amendment are the trust companies—by placing restrictions on banks, you protect trust companies, thereby affecting the earnings of trust companies, for example—then I think we should look at the number of communities in which trust companies are located. We find that there are trust companies in some 700 to 800 communities in Canada, meaning that there would be somewhere between 1,100 and 1,200 communities, small cities and towns in Canada where banks could no longer expand their mortgage lending and where the population would have to depend perhaps on other institutions, such as finance companies, credit unions or caisses populaires,

assuming they were there. Let us presume, however, that there are many small communities where there is only a bank and that the bank comes up against the restriction which the hon. member for Edmonton West would have us place in the act. The banker concerned would have to tell a prospective borrower who wants to buy or build a house in a small community, "I am sorry but I cannot make that loan." It seems to me that this takes us right back to the initial solution which is that the best way to run a financial system is not to restrict your institutions to narrow lines of business, not to specify whom they can lend to and what kind of loans they can make, but rather to expand their ability to operate in the marketplace and to encourage increased competition which will result in better served consumers, lower interest rates and a much more efficient capital market in this country. I think that must be the goal of this legislation and of legislation to come from this government in the future.

Some hon. Members: Hear, hear!

Mr. Jim Fulton (Skeena): Mr. Speaker, I am pleased to have the opportunity to follow the parliamentary flunkey to Allan in wonderland. I certainly have the impression we are following the north end of a horse running south.

Mr. Evans: Mr. Speaker, on a point of order. I say to the hon. member: withdraw!

The Acting Speaker (Mr. Blaker): In the first instance, that is a question of privilege, I presume. At the moment, experience indicates that that kind of language is within the limits of debate. I would have to check Beauchesne to make sure of it, but I invite the hon. member for Skeena (Mr. Fulton) to consider the kind of language he has just used since it will lead inevitably to a ruling by the Chair on whether or not the language has to be withdrawn.

Mr. Fulton: I would like to deal at this point with the amendment put forward by the hon. member for Edmonton West (Mr. Lambert), which, in my view, and certainly in the view of the majority of speakers from our party, is a crudely disguised "perk" for the banks which will do nothing but accelerate the present housing crisis. We have to ask some serious questions of members of the House in relation to mortgages and to the amendment which has been proposed by the hon. member for Edmonton West. A very relevant question in relation to housing and mortgages would be: What kind of a loan shark in this day and age requires $35,318.20 interest to pay off a $1,521.80 principal amount? I am sure the hon. member for Edmondon West is well aware precisely who those loan sharks are, because the answer to the question is that they are our friendly banks, trust companies and loan offices. If we want to look at it more carefully in today's marketplace, we could take, for example, a below average priced house in the province of Ontario in the $58,000 range. Most buyers would be required to pick up a $50,000 mortgage at a minimum of 14.5 to 14.75 interest rate amortized over 25 years. The monthly payments of principal and interest would amount to approximately $614 per month, and taxes would add approximately $100 per month to that figure. By the time the mortgage came up for renewal in five years, the individual would have paid out $36,840 and he would find that the principal had been reduced by only $1,521.80; the rest of it went to the bank or the trust company as interest. It is on this very point that we must look very seriously at the amendment of the hon. member for Edmonton West. We must consider its ramifications on the housing market which is in a crisis situation. We must relate that amendment to what is happening to the Canada Mortgage and Housing Corporation. Some of the statements made of late were very germane to the debate this afternoon.

● (1510)

I should like to refer to the letter of transmittal dated March, 1980, contained in the 1979 annual report of the Canada Mortgage and Housing Corporation. It reads as follows:

> The activities of the corporation in 1979 were significantly affected by prevailing economic conditions and by changes in housing policies and programs. The combination of a reduced rate of economic growth, continuing inflationary pressures, and rising interest rates, contributed to a decline in new house building activity for the third successive year. At the beginning of the year, inventories of unsold or unoccupied new dwellings in several centres also influenced the decline in housing starts which was entirely in multiple dwellings. Total starts of 197,049, compared to 227,667 units in 1978, were at their lowest level since 1970.

The hon. member for Edmonton West is proposing an amendment to limit the amount of capital which banks would be obliged to put out into the market for mortgages. Anyone who has even the most elementary understanding of marketing economics knows that the moment we start limiting any desired commodity in the marketplace, its essential value and its cost to the consumer go up. It is such a simplistic concept that it really surprises me that we would be asked to support such an amendment when there is such a serious problem in housing.

In a few moments I will deal specifically with my riding and with native people, but it is almost a ludicrous amendment for any member of the House to consider supporting.

I refer again to the March, 1980, letter of transmittal to the Minister of Public Works (Mr. Cosgrove). It states:

> The reduction in housing starts was in those financed under the National Housing Act. These were down from 59,010 units to 33,467 units, representing declines in both new dwelling starts financed with direct first mortgage loans from CMHC, and in starts using other forms of NHA financial assistance.

It continues:

> There was a decline in starts for which NHA financing other than direct first mortgages was provided from 44,250 units in 1978 to 23,444 units in 1979.

In every single area in relation to government programs we see declines in the number coming on to the market.

If the House were to consider the proposal of the hon. member for Edmonton West, we would simply see a further drying up of the available capital in relation to the housing market and further social problems. We must look at it even more carefully if we are to understand the implications of what the hon. member for Edmonton West has said and even the

crudely disguised remarks of the hon. member for Ottawa Centre (Mr. Evans).

We should look carefully at the impact on families. That was touched on by the hon. member for Vancouver East (Mrs. Mitchell). There are serious problems showing up in the Canadian society because of crowding, young families having to move in with other families, and lack of access to various facilities in the home. A number of very good studies have been conducted on the psychological impact of that type of crowding in relation to the ability and capacity of a child in school, the capacity of a man or woman to carry on their employment. It affects the entire economy in very strange and indirect ways.

The impact of what is happening has a spill-over effect into the construction trade because housing is not coming on market. It would be even more severely limited by the proposal of the hon. member for Edmonton West. The spill-over effect goes back even further and results in a cumulative downturn affecting the largest single national income sector in the economy of Canada. This is something which was overlooked in the budget introduced on October 28. Also, I notice, it is something which members to my right and across the floor seem reluctant to talk about. I am referring to the forest industry which in the province of British Columbia represents about 50 per cent of our economy. As I said earlier, it is the largest single income sector of the Canadian economy with some $20 billion in exports expected this year.

The hon. member for Vancouver East made an important point not only in relation to the amendment but to the problems in the housing sector. She indicated that about 300,000 home owners will be forced into mortgage renewals this year and that about 32,000 of them will be put in a position where they will have to pay in excess of 30 per cent of their income for shelter. Members of this House, particularly those on the other side who sit in cabinet meetings and whatever, must keep this in mind. Perhaps members opposite have homes which are almost completely paid for, but they should remember that in the eyes of most Canadians the incomes they receive are very extravagant. As was pointed out by a number of speakers today, the average Canadian income is slightly over $300 per week. We are talking about very serious housing problems, the impact of higher and higher interest rates, the impact of higher and higher mortgages. As the housing crunch increases because of fewer homes, higher mortgages and higher down payments, we see on one side Conservative members proposing more severe limitations on the amount of capital going from banks into the market, and on the other we hear of unending cuts coming from the minister responsible for housing. The cumulative impact of those two proposals is very germane to the debate today, and I think it requires close scrutiny.

I should like to make one comment in relation to native housing in northwestern British Columbia, a subject which is frequently overlooked by a lot of members for a number of reasons. I will quote very briefly from a northwest British Columbia social perspective which was done a few years ago. It points out one of the most seriously overlooked areas in relation not only to mortgage money—

The Acting Speaker (Mr. Blaker): Order, please. I fear that perhaps I am stepping into my own trap and might be making a serious mistake in calling the hon. member to order. But for more than an hour the House has been considering section 176(2) of the Bank Act and motion No. 27. We have a rule of relevance which has been drawn to the attention of the Chair several times, sometimes *sotto voce,* sometimes through messages and whatnot. Along with every occupant of the chair I know the difficulty of dealing with the question of relevancy because the human brain is capable of making a relationship between any two thoughts whatsoever. If that is the definition of relevance the House of Commons wants to use then there is no alternative but for the Chair to observe it. As far as I know, the Chair is asked to attach more consideration to relevance and in that regard I think that if the hon. member wants to move toward a discussion of native housing and I understand the possibilities of relating that to the amendment before him, and I understand, in particular, in matters of economics, that relationships can be made, it would be helpful if he could relate that subject to the amendment from time to time. This would make it easier for the Chair. I draw this matter to the attention of every member and I say that if it is applicable to any one member then it is applicable to every member. The Chair has to make the same ruling all the time, regardless of the nature of the debate.

● (1520)

Mr. Rae: On a point of order, Mr. Speaker. I would like Your Honour to clarify your ruling. Are we not to be permitted to speak on housing on an amendment that deals directly with the question of the share of the market that is going to be allowed to banks and to other institutions? And with relation to mortgages, are we not to be allowed to talk about mortgage interest rates on an amendment that directly affects what those interest rates will be? And are we not to be allowed to discuss the government's policy with respect to housing and interest rates on an amendment which directly relates to mortgage interest rates? I would like you to clarify your ruling please, Mr. Speaker.

The Acting Speaker (Mr. Blaker): Ordinarily, the Chair ought not to be drawn into debate. That is why I suggested at the beginning of my remarks that I was walking into a trap set by myself.

I will try to cover the subject as quickly and as fairly as possible. First, to my mind it is self-evident that every occupant of this chair will have to consider what the rule of relevance is, and then apply it with an equal and fair hand at all times, to all members. Second, I do not think the rule of relevance can be defined in such a fashion that as long as an hon. member simply makes reference to the motion before the House, that constitutes relevancy. In my mind it does not. I do not think that can be accepted. Finally, I am well aware that particularly in the matter of economics—and I made this point to the hon. member for Skeena (Mr. Fulton)—that it is quite

possible, logically, to relate many subjects to one another in that field. I do not think any occupant of the chair can bring down a particular ruling of relevancy on every occasion on every subject.

I want to point out to the hon. member for Broadview-Greenwood (Mr. Rae) that I did not make a ruling. I did appeal to the hon. member to consider the rule of relevance and attempt to contribute to the debate with that in mind. The traditional role of the Chair has been not to rule on each and every point of order or on each and every question of relevance but to try to draw to the hon. member's attention that some effort ought to be made to stay within some semblance of a rule of relevancy. That is what I have done. I do appeal to the hon. member for Skeena in that regard. I understand the difficulties but I do want to make clear that it is possible, logically, to relate any number of subjects, one to the other. I can only hope that hon. members will see fit to try and relate them a little more closely to the subject matter before the House than has been done in the last hour or so.

Mr. Fulton: Mr. Speaker, before I carry on I would point out that most of my contribution is concerned with native housing. If it is to be your ruling that mortgage interest rates and the impact of the amendment by the hon. member for Edmonton West makes native housing and that type of issue irrelevant to the amendment or to the section of the Bank Act with which we are dealing, I would appreciate your ruling at this point because, quite frankly, that is the subject matter of the remaining speech notes which I have for today. It is the issue I intended to centre on.

I would like to quote briefly from a paper prepared by Mr. Graham Farstad several years ago entitled "Northwest British Columbia—A Social Perspective." It relates directly to reserve housing in my riding and I think it is relevant. It says:

> By far the greatest incidence of housing without basic amenities comes from registered Indians on northwest reserves. There was no running water in 41 per cent of houses, no indoor toilet in 57 per cent of houses and no indoor bath in 61 per cent of houses. The percentage of existing houses in poor condition varied from 17 per cent to 23.9 per cent in the northwest Indian districts. These serious deficiencies also affect educational success, health standards and over-all motivation. Consequently improvement of existing housing must be an essential component of any program to assist Indians.
>
> The relationship of families to housing is examined . . . Throughout the northwest, the number of persons per household is significantly higher than the B.C. average. With more persons per household in the northwest, one would expect more rooms per dwelling to accommodate them. In fact, the opposite is the case. The result is more people living in smaller houses.

In my view this is highly germane to the issue that is before us, because the proposal put forward by the hon. member for Edmonton West clearly has the intention and, in fact, would limit the amount of capital which would be available for housing. It runs parallel to the proposals and the legislative process that we see coming from the Liberal government at this time, which are limiting the amount of capital going not only to native housing but to low and middle-income housing across the country. It is creating a very serious crisis. It is important that we know precisely why members to our right are making proposals such as that. I have not heard any relevant statements from that side as to why they are so interested in seeing that amendment go ahead. But I find the following somewhat germane to statements made by both of the previous speakers:

> It is instructive to look at bank profits. Since 1973, the year when the Liberals passed the residential mortgage financing bill to "enhance the attractiveness of mortgage investment", bank profits have risen by over 250 per cent.

I do not know of very many working families in Canada who have seen their incomes increase by 250 per cent since 1973. I do not know of very many commodities in this country that since 1970 have not doubled in cost to consumers.

In concluding my remarks and in the interest of maintaining good relationships with the Chair I will stay away from going extensively into the problem of native housing, which in my view is one of the most serious and pressing issues in this country. So I will just say that I see the amendment by the hon. member for Edmonton West as being, really, a crudely disguised "perk" for the banks. I am surprised that the points which were raised by the hon. member for Ottawa Centre did not deal either with the serious problems within housing or the serious problems which would be created by the proposals of the hon. member for Edmonton West. Nor did he deal with the serious problems we will still face when the Bank Act is passed.

Mr. Howard Crosby (Halifax West): Mr. Speaker, I rise to engage briefly in this debate and to support the amendment put forward by the hon. member for Edmonton West (Mr. Lambert). In pith and substance the amendment relates to the amount of mortgage funds that are available to the mortgage market through the chartered banks. But in the result the amendment is simply another method of calculating the amount that could be made available. I do not think it is intended to control or reverse the policies which relate to the mortgage practices in Canada. It is merely intended to put it on a sounder financial basis.

In effect, the amendment relates the formula to the assets of the bank rather than to the liabilities of the bank. That is in terms simple enough for all to understand. There is no intention to affect the amount of money which is available to natives or any other group in Canada but simply to put the whole matter of the Bank Act, and the provisions of it, on a sounder, sensible basis. I am sure the hon. member for Edmonton West had nothing more in mind than to put forward a change in the proposal to make it more sensible, more amenable to the business practices that should be applied to banking activities.

This points up another aspect, however, which is that the Bank Act and the provisions before us in this bill are not written in stone. They are not things that cannot be changed, that cannot be improved, that members here cannot influence in a way which would change them for the better in the conduct of the business of banking for the benefit, basically, of the people of Canada.

This is just one example and there are many more. We have seen in proposals before us under the Bank Act provisions which would allow banks to get involved in the leasing of

automobiles and other equipment. This prospect caused great concern to the automobile industry. Representations were made and we are all pleased that the minister saw fit to bring forward an amendment which would change that situation. This is just one more improvement which has been proposed. It is based on good sense and good judgment, and its intention, I am sure, in fairness to the hon. member for Edmonton West, is to have as the end result a better act providing for better control over our banks and our banking system.

As I have already indicated to the minister and to the House there are provisions that can be changed. The provision which would have allowed the banks to become involved in leasing from which they were formerly precluded, has been changed to allow the automobile industry and other businesses engaged in the leasing of autos and other equipment, to retain control of that field and not be subject to unfair competition from the banks. I am sure the objective of the hon. member for Edmonton West was simply to improve the bill.

● (1530)

The Bank Act is not written in stone, Mr. Speaker; it is not a perfect document. In my view, the main drawback is that the Bank Act is not subject to proper supervision and administration. There is no provision for officials to change some of the restrictions which have been placed on banks such as the percentage of assets or liabilities that can be used in the mortgage market. I believe this should be a function of the supervisor of the Bank Act, the Inspector General of Banks. Until now he has had the limited function of ensuring that banks operate on a sound financial basis. There should be a provision for such greater supervision and control of banks on a day to day basis to ensure that they become more responsive to the needs of the public, and that they can change with changing times.

I have reviewed the provisions of the Bank Act which relate to the Inspector General of Banks who, after all, is the supervisor of banks. This official should be charged with some control over these changing aspects of the Bank Act— bearing in mind, of course, that the provisions of the act only change every decade. I think it is one of the drawbacks of the Bank Act that legislators are forced to make provisions that are binding for long periods of time. We should try to find a way of placing within the Bank Act the means to control factors such as the amount of money available for mortgages across Canada through banks and other lending institutions, as situations change. The only hope of achieving a provision for such change within the act lies with the office of the Inspector General of Banks. There is ample precedent for this in other legislation. As the office of the Inspector General of Banks is presently constituted, he may not be capable of assuming these responsibilities but if we want the Bank Act to be something that can grow and change as circumstances demand, this is the area we should be concentrating on rather than just trying to change the various provisions before us in the bill. We would have to reconsider the whole structure of the act.

We are faced with an imperfect document, Mr. Speaker. The hon. member for Edmonton West has tried to alter one of the provisions in a manner that we feel would be more favourable to the industry, to people who need the services of banks, to those in the mortgage field and other fields as well. As the act now stands, it does not have the flexibility that would allow for change from time to time. The only way this kind of flexibility could be achieved is through the proper supervision of banks and the banking industry by a properly constituted office under a properly constituted officer such as the Inspector General of Banks. At the moment, however, his powers are so limited that he can do nothing for people whose day to day lives are affected by banking activities. If we want the Bank Act changed so that it can reflect the needs of the Canadian community as conditions change, we should be looking for some technique that would allow those changes to be made.

Mr. Bob Rae (Broadview-Greenwood): Mr. Speaker, I simply want to point out to the hon. member for Edmonton West (Mr. Lambert) that the inevitable consequence of his amendment would be an increase in interest rates, a reduction of competition in the mortgage market and a special deal for certain institutions such as trust companies and mortgage and loan companies at the expense of the consumer.

I am not surprised at the position taken by the spokesman for the Conservative party in this debate but I think the consequences of the amendment should be made clear. An hon. member says, "That's what you think." That is true; that is why I am saying it. I know it is not traditional for a Conservative always to say what he thinks but that is how we in this party conduct ourselves.

The hard fact is that if hon. members were to seriously consider the problems that exist in the residential mortgage market, the idea of providing for less competition or of providing a special privileged position for certain institutions such as trust companies, makes little sense. In the first six months of 1978 the total of mortgage loans approved by all lending institutions was $6,590 million. In the first six months of 1979, the figure rose to $6,975 million. In the first six months of 1980, it dropped to an astonishing $4,158 million—a decline over the previous year of nearly $3 billion or almost 50 per cent.

The mortgage market has, in a sense, almost collapsed. In the first six months of 1980 the number of housing starts was at the lowest level since the early sixties as I pointed out yesterday in a question to the minister responsible for CMHC. It is down to 53,800 starts. The minister replied that on an annual basis the figures for October showed 187,000 starts. That is the October figure multiplied by 12. If we contemplate what the figures for 1980 will be, we can only conclude that starts are at the lowest ebb since the early 1960s.

Confronted with this situation and considering the fuel that has been poured on interest rates as a result of government policy and confronted with the tremendous uncertainty existing amongst borrowers and lenders about whether to make loans for five years, three years or one year, the result has been a virtual collapse in the housing market in new construction

reflecting a tremendous downturn in the number of mortgage loans approved and the amount of loans approved in the last year. The drop from $7 billion for the first six months of 1978 to $4 billion for the first six months of 1980 is without parallel in history. It is a collapse such as we have not seen before.

Faced with this situation it is not surprising that the government is not prepared to contemplate the steps that are necessary. The measures suggested by the Conservative party would do nothing to provide greater competition, would do nothing to increase the size of the mortgage market and would do nothing to lower the rates. But, as I said before, they will do something to protect the privileges of a certain group of financial institutions—institutions which do nothing for the consumer.

There is a temptation for the government to return to home base and the kind of truths stated by the Parliamentary Secretary to the Minister of Finance (Mr. Evans). I call them truths, but I mean the sort of incantations of so-called free market economics which lead him to assume that if we return to that free market and let the banks do whatever they want about mortgages, rates would be lowered, the consumer would be protected, lenders would be protected, borrowers would be protected and we would live in the best of all possible worlds. The hon. member has accused us of being like Alice in Wonderland. The situation he is describing is not the situation which exists in the Canadian marketplace today. It is not what is happening in the mortgage field. There is tremendous uncertainty. The uncertainty is so great that I want to quote from an article in the November 6 edition of the *Toronto Star* headlined "Ottawa told to put legal lid on interest". I quote:

● (1540)

Canada is threatened by a "three-headed monster" of inflation, high interest rates and underutilization of industrial capacity.

Who said this? Was it a revolutionary cabal leader of some socialist organization talking about controlling our financial institutions? No. It was Ronald McKinlay of Toronto, president of the well-known socialist group, the 11,000 member society of Management Accountants of Canada. He went on to say:

Inflation is destroying the ability of people in the middle-income bracket to save for retirement—

He talks about the fact that high interest rates are the main reason for personal bankruptcies and corporate failures. He calls for a re-enactment of a federal interest statute to force the rates down. I quote again:

For more than 100 years, banks in Canada were never allowed to charge more than 7 per cent interest.

If rates were kept down, investors would put their money into capital projects rather than high interest loans. We must encourage investment of Canadian money in Canadian industry and business.

I would include under that heading the need to encourage the investment of Canadian money in the Canadian residential construction business, not only residential construction for middle-income Canadians on the commercial market, but for native Canadians, low-income Canadians, those Canadians who in a sense are outsiders, strangers in their own land. Under our current system they are unable to be full participants in the economic life of the nation.

People talk about the increase in the value of houses, the fact that inflation in housing has gone up 130 per cent in the past ten years as the hon. member for Vancouver East (Mrs. Mitchell) mentioned today. There were many smiles around this chamber when that figure was mentioned. Many members in this chamber own houses. If you own a home, you are sitting pretty. If you do not own a house, you do not sit pretty. You are in a very difficult situation. In a sense, ownership of a home has become the criterion of full participation in Canadian society. There are far too many people excluded on that basis and even more will be excluded if we adopt the policy put forward by the hon. member for Edmonton West.

The solution is along the lines suggested by Mr. McKinlay. I have known Mr. McKinlay for a number of years. He is certainly not a supporter of the New Democratic Party. We must recognize that we are living in an extraordinary situation, a situation where we now have mortgage rates of 15½ per cent, 16½ per cent, 17½ per cent and 18 per cent. The Minister of Finance (Mr. MacEachen) comes into the House of Commons and tells us he does not know what mortgage interest rates are going to be. In October the government released figures which were supposed to be good for five years. They were not even good for one month. Inflation figures which were supposed to cover the next five years, supposedly predictions of what the rates will be for the next five years, are of no use.

Governor Bouey has told us time and time again that the rate of long-term interest rates is affected by what people's expectations of what inflation is going to be. A month after those figures were published came an indication from Statistics Canada that the current rate of inflation is not the 9.7 per cent predicted a month ago, but 10.9 per cent. All the figures contained in the medium-term economic predictions are meaningless and, in fact, misleading because they fail to indicate what is going on in the economy and how serious the situation is.

If we lived in a world of low interest rates, full employment and an economy going at full capacity, in short, if we were back in a world like the fifties and early sixties before we hit this period of tremendous uncertainty, reduced productivity, higher inflation and higher unemployment, I could understand the optimism of the Parliamentary Secretary to the Minister of Finance (Mr. Evans). I could understand him saying, "Take it easy. There is no need for us to disturb the eternal verities of marketplace economics. There is no need to get excited. There is no need to try to respond to what is going on. We simply have to let the banks and financial institutions compete. They will come up with the lowest mortgage interest rates possible. They will allow all those Canadians working and earning money to be able to provide for themselves. There is no need for any interference."

Talk about Alice in Wonderland. That is the wonderland of wonderlands because it is not the world in which we live. We live in a world where working people are on a treadmill and

are continually falling behind. People are losing their homes because their mortgage costs have gone up 60 per cent in five years. The average Canadian can no longer afford to buy a home because interest rates are so high. The government has abdicated any sense of responsibility for what is going on in the economy.

Yesterday the Minister of Finance told us we cannot say there is a relationship between the budget and unemployment—that to do so was to presume a cause and effect which might not be there. That is a statement I would have expected from those in this House who seriously believe there is not very much governments can do. However, it came from a minister whose career has recognized the fact that we live in an activist world where governments have to play an activist role. For him suddenly to announce to the House there is nothing he can do about the situation creates tremendous uncertainty.

He said that if we have any crystal balls, would we please send them over. Well, the Liberal party has had a monopoly on crystal balls for many years. The fact is, we are not living in the secure, quiet, peaceful terrain occupied by members opposite. We are living in a hurly-burly world. The Toronto-Dominion Bank is paying tax at the rate of 0.7 per cent for the first nine months of 1980. Yet it is seriously argued that we should leave the whole setting of the interest rate pattern to the marketplace, that the government should not be directly involved in any way, and that we should leave entirely to the vagaries of the market what happens to the fate of working people.

It is a return to the world of the bailiff and the court. People are evicted because they cannot pay their interest rates and cannot pay their rent. It is an absurdity in the 1980s that we should be returning to the morality, economics and ethics that were discredited in the 1920s and should not have been allowed to rear their ugly heads again.

There has been a lot of talk about relevance. What could be more relevant when dealing with the Bank Act, and an amendment by the hon. member for Edmonton West which would give a particularly privileged position to our trust institutions, than to talk about what is happening to housing, mortgage rates and working people? That is what we have attempted to do in this debate this afternoon. I do not intend to make any apologies for it.

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, in the ten minutes remaining before four o'clock I am pleased to have an opportunity to discuss the amendments before us. It might be significant to pick up the discussion where my colleague left off. Our concern is for relevance. Let us make no mistake, the debate this afternoon is extremely relevant. Not only is our approach to this clause and the proposed amendment relevant, but it extends beyond that. It extends to the philosophy we would like to develop in the legislation and, beyond the legislation, in the government itself. It is no accident that both the Liberal party and the Conservative party have been silent today. The proposal by the hon. member for Edmonton West (Mr. Lambert) has the effect of turning the dials on a very technical clause which he thought was relevant to the Bank Act when really it did not concern people in the way in which he thought they should be concerned. This demonstrates a tremendous lack of sensitivity. The hon. member was not able to look beyond his proposal, at the effect it would have on the act and the underlying statements which exist within it.

● (1550)

The proposal basically suggests that the banks should get out of the mortgage business. But then where would the money come from? Nobody has an answer. We need more money and more housing but at cheaper rates. There are a variety of problems. Both parties were silent on this topic this afternoon. When I asked some hon. members on the government side involved with housing programs what they thought the hon. member for Edmonton West was trying to achieve in his proposal, they said that they did not know. When I asked these same members if they would speak on the subject today, they said that they did not understand it. One hon. member, when I asked him what he thought the government was attempting to achieve with the Bank Act, said he did not know, that the only thing he knew about the Bank Act was that it weighed five pounds.

Such comments by members opposite would seem to confirm a general lack of knowledge on their part. We would like to know how this legislation will affect people. The banks are doing very well, and when we turn knobs or pull levers in this legislation, the important thing is the effect on people. I do not wish to bore the House with more statistics, but housing in Vancouver is in very short supply, as indicated by the hon. member for Vancouver East (Mrs. Mitchell).

There is an interesting article in today's *Globe and Mail* which describes a young family with children living in a skid row hotel because no other housing is available. They are forced to live there because of the policies of the government. Neither this government nor the previous administration have addressed housing problems squarely, but at least it should be recognized that we are facing a crisis and that if this crisis is left to fester, it will become a catastrophe.

Obscure as this clause may seem to some hon. members, the reason I have taken such an interest in it and why I was hurling the odd intemperate remark across the floor, for which I now apologize, is because there are people in my riding who are sleeping in cars. I am describing what is happening in the community of Powell River, but it is also true of other communities such as Courtenay and Campbell River. Prices on houses are just too expensive for many people in my riding. They simply do not earn enough income to qualify for a mortgage.

Some years ago the mill in Powell River was automated and as a result large numbers of people were laid off. Because this is an isolated community it was very difficult for people who were moving to sell their homes. With the surplus of unsold homes, housing development was at a standstill. Suddenly there was a major plant expansion, but no consideration was given to where new employees would live, and when they arrived in Powell River there was no housing available. Some

families were crammed into motels, some employees lodged their families in other communities and others took to sleeping in their cars or their campers. It is a crisis situation.

Unless the government gets moving, we face a virtual catastrophe. Where is this legislation taking us? If I may digress for a few moments, some parts of the proposal by the hon. member for Edmonton West are in fact relevant, particularly that we should curb the government's obvious commitment to high interest rates, a commitment which prohibits young families from obtaining mortgage funds. The government in a desperate attempt to raise money in the private housing sector has reverted to old programs such as MURBs.

Housing is very relevant to this legislation. It has been relevant today, and it will be relevant on Monday when we discuss interest rates and the subject of foreign control in banking. There is also the topic of small business. I would like to know where the Tories stand when we begin discussing the provisions in the act which will be detrimental to small business. During the evening I would like to discuss the effect of foreign control on our industrial strategy.

I am personally interested in the discussion scheduled for Tuesday which will deal with what is happening in the shipyards in Canada. I am progressing down my list. I realize that there are only two minutes left, so with the indulgence of the Chair, I would point out that re-establishing the merchant fleet and developing it for the future would give Canadians a brighter outlook. I am appalled by the fact that CP ships are registered in other countries. In addition, I would like to discuss the relevance of this legislation to Arctic resource development. This is not an opposition day. This topic is clearly related to the legislation before us. If we do not pace Arctic development so that Canadians receive full benefits, we will lose that development to Japan, Pacific Rim countries and countries in Europe. Many hon. members will be interested in these topics and the effect of this legislation upon them.

I have made appeals to the Minister of Transport (Mr. Pepin) on many occasions regarding the need for improved transportation and housing for the native people. Certainly the Bank Act is relevant in this area. The subjects which I have mentioned are very relevant to this legislation, and what we do here will have an effect on those subjects. I recognize that timing is a factor and that in some cases we must take what is available today and leave other things for tomorrow. I hope that some ot the issues not presently open for discussion can be addressed on a future opposition day.

May I call it four o'clock?

The Acting Speaker (Mr. Ethier): The question is on motion No. 25 in the name of the hon. member for Edmonton West (Mr. Lambert). Is the House ready for the question?

Some hon. Members: Question.

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

Some hon. Members: Yea!

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

Some hon. Members: Nay!

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

And more than five members having risen:

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

It being four o'clock, the House will now proceed to the consideration of private members' business as listed on today's order paper, namely, notices of motions.

PRIVATE MEMBERS' MOTIONS

[*English*]

The Acting Speaker (Mr. Ethier): Shall motion No. 8 in the name of the hon. member for Wellington-Dufferin-Simcoe (Mr. Beatty) stand by unanimous consent?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Ethier): Shall motion No. 11 in the name of the hon. member for Waterloo (Mr. McLean) stand by unanimous consent?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Ethier): Shall motion No. 12 in the name of the hon. member for Prince Albert (Mr. Hovdebo) stand by unanimous consent?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Ethier): Shall motion No. 14 in the name of the hon. member for Lévis (Mr. Guay) stand by unanimous consent?

Some hon. Members: Agreed.

* * *

● (1600)

PENITENTIARIES

PROGRESS ON IMPLEMENTATION OF PARLIAMENTARY SUBCOMMITTEE RECOMMENDATIONS

Mr. Svend J. Robinson (Burnaby) moved:

That a special subcommittee of the Standing Committee on Justice and Legal Affairs be established to monitor the government's progress on the implementation of the recommendations of the 1977 parliamentary subcommittee on penitentiaries, and to conduct such further inquiries and to travel as may be required.

He said: Mr. Speaker, I rise today in support of the motion before the House, which is a very straightforward and simple request and one which is of fundamental significance in looking at the penitentiary system of this country today. The motion is, quite simply, that the Standing Committee on Justice and Legal Affairs of the House of Commons strike a special subcommittee with representations from all parties to ensure that the recommendations of the special subcommittee on penitentiaries which was established in May of 1976 have been implemented or are in the process of being implemented.

I moved a similar motion on November 5 of last year. In fact, the wording was identical. At that time, I am very pleased to note, the representative of the Liberal party who spoke on that motion was the justice critic for the Liberal party which was then in opposition, the Secretary of State for External Affairs (Mr. MacGuigan), who was also the distinguished chairman of the special subcommittee on penitentiaries.

The hon. member for Windsor-Walkerville rose to support the motion which I put forward that day in words identical to the ones I have put forward today. He indicated that he felt this was a very important motion which deserved the support of the House. Now that the Liberal party is on the other side of the House, in government and no longer in opposition, I am confident its members will still see fit to support this motion just as they supported the motion on November 5 of last year. The motion today is in identical terms calling on the Standing Committee on Justice and Legal Affairs to establish a subcommittee. Conditions have not changed such as to warrant the government's reversing its position on this important question.

Mr. Knowles: Don't hold your breath.

Mr. Robinson: Just as members of the Liberal party supported this motion on November 5 of 1979, I am confident they will support it today because I know that they share the feeling of the Secretary of State for External Affairs that these recommendations must be implemented—not in part, not by picking one and choosing another, but implemented in full. Conditions have not become any better since November 5 of last year, a little over a year ago. Indeed, if one examines the record carefully, it becomes clear that conditions in the Canadian penitentiary system have deteriorated substantially in the past year. One need only look at the series of incidents which have taken place in various regions of the country. In the Pacific region, for example, there was the incident at Kent Institution. I refer to the hostage-taking at Laval and the incident at Dorchester in which a prison guard, Mr. Bill Morrison, was tragically killed. Since the beginning of this year there have been over 13 suicides in the penitentiary system in Quebec alone. The record is a sorry one, and it has become worse since November 5 of 1979.

This being so, surely it is incumbent upon the government not to reverse its position and not to reverse the position the hon. member, who is now a minister in the Liberal cabinet, took at that time. It is even more imperative now that this House call upon the Standing Committee On Justice and Legal Affairs to establish a special subcommittee to review the recommendations of the subcommittee on penitentiaries.

It is important just for a moment or two to look back to what motivated the House of Commons to establish that special subcommittee. In September of 1976 it was decided that the situation in the federal penitentiary system had deteriorated to the point at which there had to be a comprehensive study of the Canadian penitentiary system. There had been a couple of very serious incidents at Kingston and Laval and, of course, a major incident at the B.C. Penitentiary. This all-party committee studied the Canadian penitentiary system, travelled to other countries to examine their penitentiary systems, heard from witnesses throughout this country and finally came up with a report.

Hon. members should note that it was a unanimous report, although the subcommittee was made up of representatives of all three parties. The first recommendation surely goes to the heart of the reason we are here today proposing that there be some form of review. That subcommittee reported that a crisis existed then in the Canadian penitentiary system and that it could only be met by the immediate implementation of large-scale reforms. Recommendation No. 1 finally said, "It is imperative that the Solicitor General act immediately on this report as a matter of the utmost urgency." During the time the committee was holding its hearings and doing its work—and a very thorough and comprehensive job it did—the atmosphere in the Canadian penitentiary system improved markedly because those persons who worked in the system, who were prisoners in the system, who were involved at the judicial level or who were in any way affected knew, or at least hoped, that there was a possibility of real change there was a real crisis in the penitentiary system, and they had confidence that after establishing this special subcommittee the government would take its recommendations seriously.

Well, that was not to be. Unfortunately, the response of the government to the subcommittee report was, essentially, that it would take this recommendation and that recommendation and perhaps look at another and maybe accept it for long-term implementation. Those recommendations formed a package, Mr. Speaker. They formed a very important and coherent package, and it was never the intention of that subcommittee that the government should pick and choose. At least, if the government was determined to pick and choose, there were some essential recommendations of that subcommittee which the subcommittee insisted be implemented. Many of those key recommendations have been totally ignored by this government and, I regret to say, also by the Conservative government during its brief term of office. Those recommendations were ignored by both administrations. What we saw was a document tabled before the Standing Committee on Justice and Legal Affairs called the report on the implementation of the recommendations of the subcommittee. The Conservative party had been very critical of the reports which had been tabled and I had hoped that when hon. members of the Conservative party formed the government there would perhaps be some changes.

However, it became very clear that it was not the government which was calling the shots in this matter. Indeed, it was very likely the commissioner of corrections who was calling the shots because the report which was tabled by the Conservative party was identical to the report tabled by the Liberal party. Those were the criticisms which were made by the hon. member for Windsor-Walkerville, and those are some of the concerns he has expressed often as to the need for an ongoing review process in the Canadian penitentiary system. If a crisis existed in 1977, it is not an exaggeration to say that a crisis exists in the Canadian penitentiary system today. There are many examples to illustrate that, and I have pointed to some of them already.

I would like to spend a moment or two dealing with some of the recommendations of the subcommittee and then turn to a specific example of a very serious crisis within the Canadian penitentiary system, that is, the recent occurrences at Dorchester penitentiary in New Brunswick. As I have said, the Commissioner of Penitentiaries—and, through him, the government—has been very selective in his approach to the recommendations of the special subcommittee on the penitentiary system. I would like to give a few examples of how he and the government have been not only selective but misleading. They have misled the Canadian public and the Canadian Parliament by suggesting that certain recommendations have been implemented when in fact no such thing has happened. As recently as a year ago the then hon. member for New Westminster-Coquitlam pointed out that in fact only some 14 of the 65 recommendations of the special subcommittee on penitentiaries had been implemented. I would like to give just three or four examples of the deceit—and I use that word advisedly—that is contained in this progress report on implementation.

● (1610)

What are some of the recommendations which have been allegedly implemented but which in fact have not been implemented at all? I start at the beginning with recommendation No. 1 which is about a crisis existing. There is a statement that it is imperative for the Solicitor General to act immediately on the report as a matter of the utmost urgency. This recommendation is stated to have been implemented. That is simply false. The government did not act immediately upon this report as a matter of the utmost urgency. They picked certain recommendations with which they could live and threw the rest out. So to suggest that that recommendation has been implemented or that a crisis no longer exists in the penitentiary system is misleading the Canadian public.

Recommendation No. 8 is another one which has been allegedly implemented. It calls for a sufficient number of training positions to be established to allow for the full and adequate training and continuing professional education of custodial personnel. We are told that it has been implemented, yet not a single additional position has been filled. So to suggest that that recommendation has been implemented is again misleading the Canadian public and members of Parliament.

Recommendation No. 17 is another one. It recommends that women should be employed on the same basis as men in the penitentiary service. We are told that that recommendation has been implemented. Well, I suggest that any member of the public or any member of the House should go into a penitentiary in this country to see whether in fact that recommendation has been implemented and whether indeed women are employed on the same basis as men in the penitentiary service. That recommendation has not been implemented and once again the people of Canada and the members of this Parliament have been misled.

I could go on and on throughout the report, but I will only give one more example because I think that in many ways what has happened is typical of the shallow response of this government to the importance of these recommendations. Let us consider recommendation No. 25, surely one of the important recommendations in the subcommittee's report. It is a straightforward one and it states that the penitentiary service should be open and accountable to the public. We are told that that recommendation has been implemented. There is a little footnote which explains how it has been implemented, how the secrecy within the penitentiary service has been swept away and how the service has been made open and accountable to the public. They give an example which I will read from the report. It is stated:

Approximately 45,000 visitors toured B.C. Penitentiary during the week of May 4, 1980.

The B.C. Penitentiary contained no prisoners on May 4, 1980, and if that is an example of how the penitentiary service of this country is accountable to the people, then once again we see clearly that members of the public and members of Parliament have been misled.

I suggest that these implementation reports are a serious shortcoming of this government and that the government has a responsibility to come before the subcommittee on penitentiaries of the Standing Committee on Justice and Legal Affairs to explain exactly why they have chosen to reject some of the most important recommendations which the subcommittee made unanimously.

I said I would turn to Dorchester. Recently, as members of this House have become aware, some very serious allegations have been made about incidents at Dorchester. There has been the tragic death of a prison guard, there has been a suicide, there have been allegations of widespread beatings and gasing at the institution, there has been an allegation, confirmed by the Department of the Solicitor General, of an incident in June of this year in which 137 shotgun rounds were fired into a gymnasium full of prisoners, and there have been allegations that the prisoners' personal property and private belongings have been systematically destroyed. I emphasize that these are serious allegations and it is not for me or for the Solicitor General to determine, without hearing both sides fully, whether or not there is truth to these allegations. They must be weighed by an independent judicial inquiry. For example, an allegation has been made that, following the hostage-taking at Dorchester and following the tragic death of Bill Morrison,

prisoners on that tier were forced to strip, to lie down on the floors of their cells and put their arms through the cell bars; their hands were handcuffed together and they were repeatedly gassed and beaten. That is a serious allegation, one which has been made by a number of prisoners who were on that tier and substantiated independently by many of the prisoners who have since been segregated. There have been allegations that prisoners were dragged naked by prison guards downstairs, one guard holding one leg, another guard holding the other leg and a third guard kicking the head of the prisoner. These are serious allegations. With the history of problems at Dorchester institution, with the history of escapes, deaths and allegations of violence, with a history of allegations of destruction of personal property, what more does it take to get the government to move, to get the government to say, "Yes, we want to clear the cloud. We want to remove the cloud that now hangs over that institution."

I met with the guards' union, with the acting warden and with the prisoners there. I found that the guards' union is as concerned as anyone else about all of them being under this cloud now. The rule of law does not stop at the prison gate in this country. The rule of law must surely apply throughout this land. If there has been criminal wrongdoing, those persons who are responsible should be brought to task and disciplined or they should be brought before a court of law, while those who are innocent should not be made to suffer as a result of allegations that have been made against all of them. The Solicitor General assured the House on October 14 of this year that the in-house report of the inspector general would be made public when it was completed. We await that report with interest. But there must be more, there must be a full judicial inquiry into all the recent circumstances at the Dorchester institution.

I see that my time is coming to an end and I would just like to reiterate that I hope the support which the Liberal party gave to this motion last year, worded in an identical fashion, will not change today, and I hope that if there is some suggestion it will change, whoever speaks on behalf of the Liberal party will tell the House and the Canadian people how conditions have improved from November of last year to November of this year in such a way as to warrant the rejection of this reasonable motion now. As I said before, a crisis existed in 1977 in the Canadian penitentiary system and a crisis exists today in that system. It is incumbent, therefore, that a full and careful examination of the recommendations by the subcommittee on penitentiaries of the Standing Committee on Justice and Legal Affairs be carried out and, in addition, that there be a full judicial inquiry into the recent tragic events at Dorchester Penitentiary.

Mr. David Weatherhead (Scarborough West): Mr. Speaker, it is a pleasure for me to speak today on the motion of the hon. member for Burnaby (Mr. Robinson) because I believe that the penitentiary system must respond to two fundamental concerns. The first concern is reform of the behaviour of the individual inmate which has led him to prison. The second concern is the security of the individual, both inside and outside the prison walls. If, following the process of law, society is to deprive a person of his liberty, there must be a solid guarantee that while in prison he will not be subject to the jungle justice of fellow inmates or to arbitrary justice meted out by his keepers.

• (1620)

I consider it astounding that prisons in a modern civilization cannot fully protect their wards from violence. Just as astounding, however, is the fact that prison guards and administrators are subjected to similar forms of violence. It is a tragedy that violence has almost become an accepted norm in any occupation, and it is doubly tragic that the most exposed persons in this regard are those charged with the responsibility of protecting society.

Acceptance of certain aspects of the MacGuigan report will go a long way in bringing stability to Canada's penitentiary system, and in many cases this has been done. The recommendations of the MacGuigan report came as a result of the considerable work done by that committee. It probed the conditions of 24 institutions across Canada and outside of Canada. It interviewed or received the submissions of 2,000 persons interested in prison life. After all this work, 40 of the 65 recommendations are now fully operational in the prison system of Canada and 16 more will be implemented over a longer period of time. Four detailed reports have been issued by solicitors general since that time describing the status of these recommendations up to the present moment.

In many ways the MacGuigan report represents a giant step in the evolution of correctional institutions in Canada. Paragraphs 29 to 81 of the report outline the history of prisons in Canada and the conditions which led to the system of today. I feel it is important to understand this history in order to appreciate the progress we have made to this particular point. Formerly it was felt sufficient to inflict simple punishment on the offender. Guards were there to ensure that prisoners did not enjoy the simplest of freedoms. Both groups were brutalized by the process and it is easy to see that violence was the simplest way to take out the frustration that such a system bred.

The MacGuigan report followed numerous examples of violence in penitentiaries in Canada. It seemed that there was a geometric increase in the number of these incidents in the early 1970s. Something had to be done. Penitentiary reform in a contemporary society is a large and onerous task. It must satisfy conflicting demands. Some seek more stringent control of inmates, seeing them as incorrigible societal misfits. Others would shift the blame for criminal behaviour to society itself, claiming that upbringing, economic status and education are responsible for crime. The reality lies very much in between, and the subcommittee recognized this when it indicated:

> Even with today's advanced knowledge of human behaviour and human need, we still rely on harsh punishment, while knowing it is more dangerous and costly than humane, constructive prisons and alternative sentencing . . . Correctional programs are futile and wasteful if normalcy is not basic to them . . . If the inmate is not trained and experienced in that free world to which he or she must

inevitably return, it is naive to expect that person to come out of isolation and live well and productively in that world.

However, the committee also recognized that discipline was the tool in achieving normalcy. In the past, harsh punishment may have been seen as an end in itself, but our knowledge of human nature has progressed rapidly in the twentieth century. Attaining that normalcy requires a program of retraining and socialization that will make the former inmate more suitable to himself and society.

It has become a truism that many recidivists end up in prison again because there is nowhere else to go. Once out, there seems to be very little for the individual to do. Prison almost becomes a second family to the inmate. Like "Big Joe", a character in John Steinbeck's ironic novel "Tortilla Flat", he sees jail as a place where the food is reasonable and regular. It is a place where he can get shelter from rain and the elements, and, most of all, he knows the people there.

To counteract this, occupational and academic training must be provided to the inmate. Recommendation 43 of that report indicates that academic and trades training must be furnished in correctional institutions. On May 11 of this year, two inmates of Matsqui prison received bachelor of arts degrees. Apprenticeship programs exist in co-operation with local industries across Canada, producing worth-while goods ranging from furniture to printing. This is one step in the reform of prisoners. Other steps come from socialization skills learned in prison. One such step is the allowance of common dining in a majority of institutions across Canada. More significantly, the subcommittee suggested that contact visiting with family was an important factor in determining the success or failure of a newly released inmate. From this recommendation comes the result that all institutions, with the exception of Laval, permit contact visiting as of today and it will be instituted at Laval shortly.

Family visiting programs for visits of extended periods of time are planned for one of the major institutions in Canada before the end of 1981. So as to reduce the occurrences of violence, new procedures for dealing with discipline problems have been introduced. Specifically, the use of gas as a measure of restraint will be limited to only the most extreme cases. To arbitrate grievances in a better manner, an independent chairperson is in place in maximum security institutions and is being put in place in medium security institutions.

An hon. Member: How about minimum?

Mr. Weatherhead: Until 1978, there was an element of uncertainty in the entire parole system. This has been improved and regulations allow the inmate access to information on his case when it is before the parole board for review. Steps toward smaller living units and team concept facilities are being introduced in areas across Canada. The example of Kent Institution in British Columbia is a case in point. These are the steps to reform I spoke about earlier. Beginning with the Archambault report in 1938 and ending with the MacGuigan report in 1977, all reports on penitentiary reform came to the same conclusions. In order to reach the goal of reform, the inmate must first acknowledge his responsibility in the crime which brought him to prison in the first place. Further, he must recognize that through his co-operation he can receive the necessary training to make himself more useful to the community.

Reform of the inmate, however, can be best accomplished in an environment which is conducive to such an aim. The inmate must have the assurance that he is not in an institution solely because he is being punished. He is not there to fill time, picking up the latest tips on how to break the law; this will only result in this being returned to prison. A person with such a low regard for his own liberty must be made to feel productive enough to fear the deprivation of liberty. I think the steps taken by the correctional service have gone a long way in this regard. Part of a conducive environment to reform is the assurance to inmates that there will be a standard, simple and straightforward set of rules governing the discipline and running of institutions. Progress toward this aim was begun in April of 1979, and such a code will make clear the responsibility of inmate and correctional officer alike.

Another move toward greater security can be found in the upgrading of educational and relevant outside experience for prospective correctional officers. Candidates for this occupation must now have the equivalent of a secondary school graduate's education. Further, to facilitate the officers' communications skills, they must also have had three years outside employment in a job which involved person-to-person skills.

The probationary period of a new corrections officer is now 24 months, giving the correctional service a better opportunity to assess the suitability of candidates, and five-day refresher courses for correctional officers are now required. In order to deal with problems, it is the policy of the correctional service that all non-officer personnel are trained to play key roles in emergency situations. When such problems arise, and are too great for the institution's personnel to handle, regional teams are in place to give assistance, augmenting the institution's emergency response force. Local police are advised of any situation which may require their assistance.

• (1630)

Perhaps the most important recommendation to be acted on with regard to prison security is the rule in place which provides that no deals will be made with prisoners while hostages are being held. This must remain an essential element of any system of penitentiary discipline. It must be made clear that human beings cannot be made tools in a bargaining process. Compromises can be reached without taking innocent people as prisoners.

The government's action in these reforms will ensure that greater security is brought to penal institutions. The points I made earlier concern the reform of the inmate. I think that these two aspects are firmly linked. Greater security within the prison system will lead to greater possibilities for the reform of prisoners. In a situation where all those involved understand their own responsibilities to themselves and others the co-oper-

ation necessary to achieve a future for inmates will prevail. In principle No. 4 the subcommittee states:

> Only the wrongdoer can bring about reform in himself since he is responsible for his own behaviour; but the penitentiary system must be structured to give positive support to his efforts at reform by providing certain essential conditions: discipline, justice, work, academic and vocational training, and socialization.

I think I have demonstrated a few areas where the government's implementation of certain aspects of the report have met the principle enunciated above. The report also makes a distinction between punishment for a positive purpose and vengeance. Imprisonment in an environment which encourages reform from within the prisoner while at the same time imposing just and reasonable sanctions on the offender is punishment in its most positive form. Vengeance, on the other hand, seeks only to strike back at the offender with no view to the long-term consequences. While serving as a deterrent to that person contemplating a crime, simple vengeance would do nothing to reform the already-convicted offender.

In fact, merely incarcerating an offender with no concern for his future harms society itself in the long run. Society may have to face the prospect of retrying and reimprisoning the offender at a cost to the public purse and a heavier cost to society itself, one much harder to measure.

There are those who would argue that the recommendations have not been implemented quickly enough. On the contrary, I would say that significant action on 56 of the subcommittee's recommendations represents a very fast response. Many of the 56 items formed an important part of the subcommittee's report. Further, the action to date indicates the importance the government attaches to penal reform. One of the very positive results of the committee's report was the amount of study done by the government and other organizations.

I see that studies regarding recommendation No. 2 have been going on and that the government is considering alternatives to incarceration at this time. This is especially important to young offenders, first time offenders and those convicted of less serious crimes. The Solicitor General (Mr. Kaplan) in speaking to the International Conference on Alternatives to Imprisonment on June 8 last stated the current status of alternatives to incarceration. At their own initiative, and with the encouragement of the federal government, some provinces have initiated programs to establish options different from the traditional model. In Saskatchewan and New Brunswick fines are being considered as first options where appropriate. Ontario and British Columbia have examined and implemented programs which supplant imprisonment by community service orders. Through the federal law fund the federal Department of Justice is conducting research into the field of alternatives to incarceration. The minister pointed out that obstacles to the use of these alternatives may be found in the criminal law. Hopefully, when the Department of Justice completes its research into a criminal amendments omnibus bill these obstacles will be removed.

As the Solicitor General pointed out in his speech last June 8, alternatives must be considered, because in some situations alternative punishment may be more economical to society. No one would suggest that dangerous criminals should be set free to save a few dollars. However, there are types of crime where it would be more appropriate to impose a sentence other than imprisonment. Last year the average cost of keeping a male in maximum security for the year was about $29,000. Surely, there are crimes which do not justify that kind of expense. But alternatives must not be used just to save money. It would be dereliction of duty to use that as a primary reason.

The Solicitor General pointed out in the same speech that alternatives which keep the offender in the community and functioning as a family and community member would be more humane and would hold more promise for the individual and the community. Alternatives other than simple fines exist. As I have mentioned, some provinces have instituted community service programs. These are useful for a number of reasons. First, community service programs provide manpower in areas where it is sometimes not available. Further, it brings home to the offender the impact of his behaviour on the community. This is an excellent way of learning to rid oneself of the behaviour which leads to law-breaking.

I discussed probation earlier in my remarks but I think it is worth discussing it in the context of its value as an alternative to traditional sentencing. Use of probation is widespread use in Canada, though certain technical difficulties in the law hamper the mobility of the offender. These difficulties can be overcome by a federal initiative.

The Solicitor General pointed out some rather unique problems with regard to intermittent sentencing. These are important steps in penal reform. They are just as important as penitentiaries reform. Penitentiaries are not dungeons where law-breakers are sent away to be closeted from the outside world, nor are they rest homes designed for criminals to while away the years. Neither situation is true. If one or the other system were to prevail our criminal problem would be insoluble.

Mr. Speaker, by enunciating 13 principles the MacGuigan report sought to address the crisis in Canadian penitentiaries. The actions of the government have been excellent to this point. The core of the program has been implemented. Justice cannot evolve in a vacuum. The very important work of the MacGuigan committee set the stage for reform of penitentiaries in Canada. Changing circumstances will dictate that some of the 65 recommendations will be altered or replaced entirely. The situation in Canadian prisons must be constantly monitored to take account of current needs. However, just as important will be the work of people studying alternatives to the expensive and sometimes inappropriate system which prevails now.

Mr. Robinson (Burnaby): On a point of order, Mr. Speaker. Will the hon. member answer a brief question?

The Acting Speaker (Mr. Ethier): The time would permit if the hon. member agrees.

Mr. Robinson (Burnaby): Thank you, Mr. Speaker. I wonder if the hon. member could clarify something for me. A

year ago in this House the Liberal party supported a motion which was framed in the identical words of my motion today. Will the hon. member clarify whether, indeed, the Liberal party is still supporting that motion or whether they have reversed their position?

Mr. Weatherhead: I was speaking on my own behalf in this particular debate and I have no instructions from the government regarding same.

Mr. Bruce Halliday (Oxford): Mr. Speaker, I want to commend the hon. member for Burnaby (Mr. Robinson) for introducing this motion today which reads as follows:

That a special subcommittee of the Standing Committee on Justice and Legal Affairs be established to monitor the government's progress on the implementation of the recommendations of the 1977 parliamentary subcommittee on penitentiaries, and to conduct such further inquiries and to travel as may be required.

Mr. Speaker, one could speak at length on this subject. My colleague from Bow River (Mr. Taylor) wants to say a few words on the subject before us as his constituency harbours one of the federal prisons. I have listened with interest to the hon. member for Burnaby who gave a very fine exposé of why we should support this resolution. I, too, want to indicate my support for this motion. I am disappointed that the member for Scarborough West (Mr. Weatherhead), who gave a very good overview of the whole subject of our criminal justice system, really did not, in my opinion, direct his attention to the motion itself. I do not think he made any reference at all to whether or not the special committee should be reactivated. He refused to indicate whether or not he is for or against the motion when he was being questioned by the member for Burnaby.

I support what the member for Burnaby had to say. There was only one disappointment for me in the comments of the member for Burnaby. He began by giving an interesting history of the development of this special subcommittee known as the MacGuigan committee. But, unfortunately, he missed the very first point in the establishment of that committee. Maybe I should excuse him for that, since he was not a member of the House at that time.

● (1640)

This subcommittee developed as a result of the initiative of members of the Progressive Conservative Party who in 1976-77 decided in caucus to have a committee to study the problem. We were aware of the problem although the government of the day apparently was not. We established a committee, chose the personnel, began to plan an itinerary and then the government got wind of things. Apparently it thought it would be better to have a parliamentary committee and so began negotiations with all parties in the House. The result was a committee which involved the four parties in the House at that time, with a total of 13 members. The government had seven members on the committee, five of whom are still members of this House. Two of them are now ministers of the Crown. The Secretary of State for External Affairs (Mr. MacGuigan) was chairman of the subcommittee and the President of the Privy Council (Mr. Pinard) was vice-chairman. Two of the government members are now parliamentary secretaries and one just recently retired from the position of parliamentary secretary. That will give you an idea of the impact of the personnel from the government side on that committee.

As the hon. member for Burnaby (Mr. Robinson) pointed out, just a year ago all members were in favour of implementing recommendation No. 65 of the subcommittee report which suggested an ongoing reference of the subject matter to a committee of Parliament. Now, for some reason, these four fairly senior people on the government side seem to be impotent when it comes to doing something about this.

I cannot believe that the Solicitor General (Mr. Kaplan), who has taken the responsibility of denying us the opportunity to have the subcommittee reactivated, is personally against it. I have questioned him in committee and I am convinced, having seen how things go there and how things go in Correctional Services Canada, that he has been conned by his officials. I think they have advised him unwisely that in no way should this committee be reactivated. There is a lot of evidence to support that. From the day committee hearings began, we saw the efforts that were made by officials of Correctional Services Canada to block certain moves that the committee thought would be progressive.

On October 14, I raised a couple of questions with the Solicitor General in the House. The second question dealt specifically with the implementation of recommendation No. 65 in the report. I should read that recommendation into the record to show precisely what we mean. It was the last recommendation of the subcommittee and it reads as follows:

The Standing Committee on Justice and Legal Affairs should have a permanent reference during the rest of the Thirtieth Parliament and for the Thirty-first Parliament to enable it to review the implementation of this report in the context of the criminal justice system.

That is from the progress report dated May, 1980, issued by the office of the Solicitor General. That recommendation was subscribed to unanimously by the subcommittee. I happened to have some reservations about the propriety of the Thirtieth Parliament trying to commit the next Parliament to something of that nature but nonetheless I was in total agreement with the principle and philosophy of the recommendation. Because of that, on October 14, 1980, as reported at page 3626 of *Hansard*, I put a question to the Solicitor General as a result of the hostage-taking incident at Dorchester. My question was as follows:

Madam Speaker, my supplementary question is again directed to the Solicitor General. If the minister had read the report he would realize that the matter of accountability and responsibility was dealt with by the committee. Inasmuch as the minister has essentially refused to set up a public inquiry which would look into the affair at Dorchester, and at the same time has refused to implement the subcommittee report in toto, as recommended by that committee, will he now implement the intent of recommendation No. 65 of that report by making a special reference of this subject matter to the Standing Committee on Justice and Legal Affairs?

The reply was as follows:

As to whether or not I have read the report, Madam Speaker, I would remind the hon. member that I sat on the committee, I helped gather evidence and I worked on the preparation of that report.

I want to interrupt the quotation with a comment, Mr. Speaker. The first page of the report lists the 13 members of the subcommittee, but the name of the Solicitor General does not appear there. On the next page, under "Acknowledgements" which run to roughly two pages, there is a list of 11 members of the House of Commons. His name is included in the list. The paragraph preceding the list reads as follows:

Other members of the House of Commons who served on the subcommittee from time to time but who did not participate in its deliberations and report are as follows:

I am sure it was unintentional, but the Solicitor General misled the House on October 14 when he suggested he had made some input into the report. His reply continued:

—I helped gather evidence and I worked on the preparation of that report.

The report shows that he did not. The reply goes on:

On the question of the reference, there is a tremendous volume of work for the justice committee—

We do not argue that, Mr. Speaker.

—and I would be happy to deal with questions like that when my estimates, which are now before the committee, are considered. Frankly, it would be for the committee to consider how much of their estimates time they would want to spend on that. There is other work for that committee which I think should have a higher priority.

The Solicitor General was mixed up. He stated that he had some sympathy for our concerns. He acknowledged the amount of work facing the justice committee but suggested that for that reason he should not refer this matter to another special committee. Mr. Speaker, that is why he should refer it, if for no other reason. He is acknowledging that there is no opportunity, when the estimates are before the standing committee, to ask a significant number of questions because of the shortage of time and the volume of work. At the same time, however, he refuses to refer this subject to a committee of the House of Commons.

It is incomprehensible to me that the minister should act in this way, Mr. Speaker. He has given good reason why the matter should be referred; the justice committee is overloaded with work and we do not have time to ask questions there yet at the same time the minister denies us the privilege of speaking on this very important issue.

I just want to speak for about two more minutes, Mr. Speaker, and touch on something in the report that I think is crucial. There are two recommendations which I do not think the hon. member for Burnaby mentioned. Recommendation No. 24 deals with setting up a five-man board to decide policy and recommend policy to the Solicitor General. Another recommendation deals with a comparable organization at the institutional level. If there is one thing that our present system needs, Mr. Speaker, it is some real input from the public in Canada and not the kind of phony input we are getting at present.

The prison system in Canada is the only public institution where there is no public input. Hospitals have hospital boards; schools have public boards, universities have boards and even police commissions are public bodies that interverne between the minister and the local police authorities.

I shall take time on another occasion, Mr. Speaker, to explain some of the ludicrous comments that have come from the Solicitor General, comments of which he should be ashamed. I know they are provided to him by Correctional Services Canada. Ludicrous arguments have been advanced as to why those two recommendations should not be implemented. The way they have done it is unbelieveable. In fact, by way of the grapevine, and the passage of time, I have found out why recommendation No. 62, which requested a feasibility study on the advisability of a board at one institution on an experimental basis was not implemented, as the hon. member for Scarborough West has intimated. That was a recommendation that we study the feasibility of it.

● (1650)

If the hon. member for Scarborough West is interested, he should ask the Solicitor General and/or the correctional services officials for the documentation by which they came to the decision not to accept that recommendation in terms of implementing it as an experimental model. One would be appalled, coming from the city of Toronto, as my hon. friend does, and knowing something about how the system of education works in Ontario, at the arguments advanced to dispose of that particular recommendation. It was just unbelievable.

Rather than get "het up" about this any longer, and wanting to save some time for my friend from Bow River who is concerned about this subject, I will conclude by expressing my full support for the hon. member for Burnaby. He deserves credit for again bringing this matter to the attention of the House. I hope that members on the government side, five of whom were in support of recommendation 65, and not one of whom spoke today, will also support this. When I came in at two o'clock this afternoon, the Solicitor General was in his seat. He stayed here until four o'clock. The moment this item was called, he disappeared. The hon. member for Rosemont (Mr. Lachance) was also in the chamber. He was one of the strongest proponents of this report. He has since disappeared from the chamber as well. Where are the other three members from the government side who felt so strongly about this report? When it comes to doing something about it, they are not here to present their case, whatever it may be. Maybe it has changed. In conclusion, I hope hon. members who are still here will see the wisdom of allowing this motion to pass this afternoon.

Mr. Gordon Taylor (Bow River): Mr. Speaker, when a government spends several thousands of dollars, and members from all sides spend a lot of time and effort studying a problem, it is not satisfactory to simply put that book of recommendations on the shelf. This is another frustration for people across this country because it is being done far too often. Consequently, I fully support the motion of the hon. member for Burnaby (Mr. Robinson). I commend him on his excellent address, as well as the hon. member for Oxford (Mr. Halliday).

A number of items concern me because there is a medium penitentiary in the Drumheller area. I will not have enough

time to deal with all of the items, but I do want to deal with one or two. The hon. member for Oxford mentioned that if we need anything, we need input. That is certainly so.

At the recent hostage-taking incident in the Drumheller Penitentiary, it is hard to believe that not one of the chaplains was called during that trying time. They had no input, those people who have an intimate working relationship with the prisoners. That is one example of where there is no input in our penitentiaries.

Another item that bothers me greatly is that some of the guards who were involved in that hostage-taking incident still suffer from nervous, physical and mental stress. It seems that once a hostage incident is over, we forget about the effect it has on those who were involved.

Another item which calls for very careful consideration has to do with the conjugal visits recommended by the minister. This is opposed by the Public Service Alliance. They say it would threaten prison security and could result in escapes, violence, hostage takings, inmate unrest and wife beatings, more commonly known as domestic disputes.

I recently met the mayor of the city of Drumheller and the ministerial association of that area. One of the first things we talked about was conjugal visits. Only one of the many ministers supported these, and he supported them only for younger prisoners. They are being confined to maximum security prisoners. It creates a real conflict among the guards and prisoners when we provide this for only maximum security inmates, murderers and so on, but not for those who are there for crimes not nearly as serious. This should be looked into before it causes another wave of activity in the criminal field in this country.

Another item concerns medium security. A medium security prison was built and then "lifers" and others who should be in maximum security were sent to that prison. That is the reason for the hostage-taking incident. There is a mix-up in all of this. The ministers were concerned about this as well. If there were better classification and segregation, there would be greater response to rehabilitation.

I am very anxious for this motion to pass. There is serious need to look into the recommendations that were made. I do not stop talking because there are not many more things to say, but because I am so anxious for this motion to pass today. I hope hon. members in this House will not undermine justice in this country by defeating this motion.

[*Translation*]

Mr. Bernard Loiselle (Verchères): Mr. Speaker, I hear my Progressive Conservative colleagues shout "shame" because, of course, if we speak against this motion we give the impression that we support the idea of prisons which would be like fortresses. If we are for such a motion, of course, there is the danger that some would say—

Mr. Kilgour: Mr. Speaker, could the hon. member for Verchères tell us in advance whether he will waste the time of hon. members during the three minutes which are left—

Mr. Loiselle: Mr. Speaker, this same motion was debated in the House last November, but those who spoke against it were the hon. members for Edmonton-Strathcona (Mr. Kilgour) and Bruce-Grey (Mr. Gurbin). After these names, I see the initials PC, which mean Progressive Conservative in our country, For his part, Mr. MacGuigan was in favour of this motion.

Now, the question is very simple. Do we really need a subcommittee of the Standing Committee on Justice and Legal Affairs to review each one of these recommendations? From a very practical point of view, I say that we do not—

An hon. Member: We do.

Mr. Loiselle: We do not agree, and this is precisely why there is a House of Commons. I submit that, when it considers the estimates of the Department of the Solicitor General, this committee has every opportunity to ask all its questions on this matter. In practice, this committee will review the Juvenile Delinquents Act in its entirety as early as January.

At the present time, when the House is very busy, when all the committees have much to do, when a special committee is considering the patriation resolution, when we have so many matters to discuss, I wonder how we could justify that a group of members be once again called on to travel throughout the country. I do not believe that we need such a forum or such an organization to go further than the recommendations contained in the MacGuigan report.

I believe that there is a lot to do in this area—

[*English*]

The Acting Speaker (Mr. Ethier): Order, please. The hour provided for the consideration of private members' business has now expired. It being five o'clock the House stands adjourned until Monday next at 2 p.m. pursuant to Standing Order 2(1).

At 5 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Monday, November 17, 1980

The House met at 2 p.m.

● (1405)

ROUTINE PROCEEDINGS

[*English*]

AUTOMOTIVE INDUSTRY

REPORTED REFUSAL TO COMPLY WITH ANTI-CORROSION CODE—MOTION UNDER S.O. 43

Mr. Geoff Scott (Hamilton-Wentworth): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of importance to all buyers of 1981 automobiles. In view of reports that the "big three" car manufacturers are refusing to comply with the anti-corrosion code beyond the 1980 model year, I move, seconded by the hon. member for St. John's East (Mr. McGrath):

That the Minister of Consumer and Corporate Affairs report to this House as soon as possible on the implications the withdrawal could have on Canada's domestic car industry and on the Canadian consumer as a result of this serious erosion of the anti-rust code.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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AIRPORTS

TORONTO INTERNATIONAL—CALL FOR LONG-RANGE PLAN—MOTION UNDER S.O. 43

Mr. John McDermid (Brampton-Georgetown): Madam Speaker, under the provisions of Standing Order 43 I rise on a matter of urgent and pressing necessity, especially for residents of Brampton, Etobicoke and Mississauga. Whereas additional construction activity at Toronto International Airport, such as new hangar buildings and additional taxiways, has citizens of the area concerned; whereas there appears to be a lack of communication between Toronto International Airport and the citizens it directly affects; and whereas there does not exist a long-range plan for Toronto International Airport, I therefore move, seconded by the hon. member for Simcoe South (Mr. Stewart):

That this House urge Transport Canada to produce within the next three months a long range plan covering the next decade for Toronto International Airport so that the public and municipal councils may know what the future holds, and that once this plan is announced, provisions for public study and participation in discussion are readily available and widely announced.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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NORTHERN AFFAIRS

PROGRAM TO CUSHION COST OF TRANSPORTING OIL TO NORTHERN RESIDENTS—MOTION UNDER S.O. 43

Mr. Peter Ittinuar (Nunatsiaq): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. In view of the fact that on Friday last the Minister of Energy, Mines and Resources (Mr. Lalonde) said that "the basic price for oil across this country is the same, but obviously there are additional costs related to transportation", and in view of the fact that northern consumers are, in actual fact, paying considerably more for oil once these transportation costs are included, and furthermore are unable to benefit from any incentives to convert to use of natural gas, I move, seconded by the hon. member for Comox-PowellRiver (Mr. Skelly):

That the Minister of Energy, Mines and Resources, consistent with the principle of equalizing oil prices across the country, move immediately to implement a program of cushioning the cost of transporting oil to northern regions of Canada.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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NATIONAL UNITY

SUGGESTED VISIT OF LIBERAL MEMBERS TO CALGARY—MOTION UNDER S.O. 43

Mr. Jim Hawkes (Calgary West): Madam Speaker, I rise under the provisions of Standing Order 43. In view of the fact that the present Liberal government has decided that Calgarians need to be educated about Canada, and in view of the fact that they are spending thousands of dollars on a 20-page newspaper supplement to advertise the fact that this is to be

Canada Information Week in Calgary, I move, seconded by the hon. member for Calgary Centre (Mr. Andre):

That this House adjourn for the week and all members of cabinet and the Liberal caucus travel to Calgary to meet with the people in their communities and coffee shops, so that in return they can learn how to be Canadians, how to work together with the people and provincial governments, and to develop constitutions and budgets that reflect the Canadian way of governing.

Madam Speaker: For presentation this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

VISIT OF MINISTER OF AGRICULTURE TO OLDS, ALTA.—MOTION UNDER S.O. 43

Mr. Gordon Towers (Red Deer): Madam Speaker, I rise under Standing Order 43 to draw to the attention of this House a matter regarding the recent visit of the Minister of Agriculture (Mr. Whelan) to Alberta.

In view of the fact that the Prime Minister (Mr. Trudeau) cannot afford to ignore western alienation any longer and that, rather than sending "Lean Mean Gene", as the minister refers to himself, to Olds to talk tough, Albertans would rather hear a more conciliatory tone from the federal government, and further, since it was reported that "Lean Gene" looked ridiculous going to the board of trade meeting in Olds to speak dressed in cowboy boots, a western shirt and string tie, and wearing a green cowboy hat, I move, seconded by the hon. member for Cambridge (Mr. Speyer):

That if the federal government really believes in meaningful dialogue, next time it send the organ grinder to Olds, not the monkey.

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PROGRESSIVE CONSERVATIVE PARTY

REPORT CONCERNING B.C. CONVENTION—MOTION UNDER S.O. 43

Mr. Mark Rose (Mission-Port Moody): Madam Speaker, I would like to move a motion under Standing Order 43. In view of reports in the press concerning the B.C. Tory convention over the weekend to the effect that the member for Richmond-South Delta (Mr. Siddon), referred to his fellow MP, the hon. member for North Vancouver-Burnaby (Mr. Cook), as having "very little forethought coming to the meeting and insulting people", and since this member was also described by another Tory as "consistently stupid", I move, seconded by the hon. member for Comox-Powell River (Mr. Skelly):

That this House congratulate the hon. member for Richmond-South Delta for his perception in recognizing these fundamental characteristics, which apply not only to Tory members from British Columbia but are shared in a number of instances by his colleagues from all parts of Canada.

Madam Speaker: I am not sure that this motion is pressing and urgent.

• (1410)

INDUSTRY

ACTION TO EXPAND INDUSTRIAL DEVELOPMENT—MOTION UNDER S.O. 43

Mr. Bill Domm (Peterborough): Madam Speaker, the success of Canadian General Electric in Peterborough is dependent on our national energy package. An executive of the Canadian General Electric plant in Peterborough told me recently that the company's market is based on the expansion of industry and that the more developments in capital investment projects there are, the better it is from the company's point of view. This Liberal government's budget and the energy program is completely counterproductive to this aim in Ontario and thus threatens all of Ontario's industries.

I move, seconded by the hon. member for Durham-Northumberland (Mr. Lawrence):

That under pressing and urgent matters the government act immediately to reattract expansion and development industry to Canada for the good of Ontario and recognize that the government's complete lack of initiative in the area is costing us jobs and economic expansion in Ontario.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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CANADA DEPOSIT INSURANCE CORPORATION ACT

CALL FOR ACTION TO INCREASE COVERAGE—MOTION UNDER S.O. 43

Mr. Joe Reid (St. Catharines): Madam Speaker, I too rise under the provisions of Standing Order 43 to move a motion of urgent and pressing necessity. I urge hon. members on the government side to listen carefully and hope they will adopt the motion.

With the increasing number of trust and finance companies being licensed by this government to do business in Canada, with the consumer price index now at 10.9 per cent, above that of the previous year, and with inflation continuing to rise to double digits, the $20,000 figure fixed over ten years ago as the limit for deposit insurance under the Canada Deposit Insurance Corporation Act is now worth only 47 cents in today's dollars. I move, seconded by the hon. member for Erie (Mr. Fretz):

That the Minister of Finance take immediate action to increase the amount of deposit insurance coverage required under the Canada Deposit Insurance Corporation Act from $20,000 to at least $50,000 so that depositors and purchasers of alleged guaranteed investment certificates do not have to take their lawyers with them when they walk into trust companies.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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ENERGY

PRICE OF GASOLINE—MOTION UNDER S.O. 43

Mr. Dan McKenzie (Winnipeg-Assiniboine): Madam Speaker, I rise under the provisions of Standing Order 43. In his Christmas householder the hon. member for Scarborough West (Mr. Weatherhead) appears to have inadvertently misinformed his constituents when he said that gas prices will have gone up by only 13.3 cents a gallon by the end of this year. Given the fact that the cheap gas promised by the Liberal government has not materialized because gas prices at the pump have gone up as much as 40 cents a gallon since last December, I move, seconded by the hon. member for Peterborough (Mr. Domm):

That this House instruct the hon. member for Scarborough West to correct the obvious error in his Christmas greeting so that no further misunderstandings arise.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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THE ECONOMY

TABLING OF PLANS TO FIGHT INFLATION—MOTION UNDER S.O. 43

Mr. Doug Lewis (Simcoe North): Madam Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43. Whereas Ministry of Finance officials have admitted that the inflation forecast for 1980 of 9.7 per cent used in the budget was too low, and whereas the Minister of State for Finance (Mr. Bussières) is on record as stating that the government will take the measures necessary to stay within the forecast inflation rate increase, I move, seconded by the hon. member for Prince George-Bulkley Valley (Mr. McCuish):

That this government immediately table its plans to fight inflation for the balance of 1980, in keeping with its commitment.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

POST OFFICE

REPORTED APPOINTMENT OF POSTMASTER IN BOW RIVER CONSTITUENCY—MOTION UNDER S.O. 43

Mr. Sid Parker (Kootenay East-Revelstoke): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. In light of the recent disclosure in the media that an unqualified resident of the Bow River constituency was recently hired as a postmaster in that region on the recommendation of her Conservative member of Parliament, a political friend and ally, I move, seconded by the hon. member for Prince Albert (Mr. Hovdebo):

That this House demand that the Postmaster General explain why the hon. member for Bow River is now in a position to appoint the relatives of campaign workers as postmasters, and especially that he be asked to comment on reports that these special considerations are being provided to the hon. member for Bow River in order that he might follow in the footsteps of his former colleague, the Hon. Jack Horner.

Madam Speaker: The presentation of this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

● (1415)

ORAL QUESTION PERIOD

[*English*]

NATIONAL RESOURCES

INDIRECT TAXATION OF RENEWABLE RESOURCES—GOVERNMENT POSITION

Hon. James A. McGrath (St. John's East): Madam Speaker, in the absence of the Minister of Energy, Mines and Resources and the minister responsible for the constitution, the Minister of Justice, may I direct my question to the Deputy Prime Minister. The Prime Minister, in his letter to the Leader of the New Democratic Party on October 20, indicated that the government was prepared "to give the provinces the right to levy indirect taxation on non-renewable resources".

My question to the Deputy Prime Minister is whether it is now the position of the Government of Canada that it is prepared to extend this offer to include renewable resources, specifically hydroelectric power, and, if so, has this been officially communicated to the provinces?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I am not aware of what has been communicated to the provinces on this subject. I understand that the Minister of Justice did make a statement to that effect before the joint committee. The hon. member will know more about the proceedings than I because I am not a member of that committee.

Mr. McGrath: Madam Speaker, I merely wanted to clear up the matter to remove doubt and so that I could ask the Deputy Prime Minister if his colleague, the Minister of National Revenue, was announcing government policy when he said at a press conference last Friday, together with the leader of the Liberal party in Newfoundland, that this right to levy indirect taxation on renewable resources would "enable Newfoundland to recover the money it is losing to Quebec from the Upper Churchill." Is that the position of the government? Does the government hold the position—and I repeat—that this right to levy indirect taxation now gives the province of Newfoundland the right to regain the shortfall in its power sales to Quebec?

Mr. MacEachen: I believe the Minister of National Revenue was merely reiterating what had been stated by the Minister of Justice in the committee, and I am not prepared to draw further legal implications about recovery of any shortfall, and so on, at this point.

Mr. McGrath: I merely want to know if it is now the policy of the Government of Canada that the right to establish indirect taxation on renewable resources gives the provinces the right to levy such a tax on hydroelectric power; and was his colleague, the Minister of National Revenue, speaking for the government when he stated quite clearly to the people of Newfoundland that this would give Newfoundland the opportunity to regain some $600 million in revenue which it is losing annually to the province of Quebec by virtue of being tied into a long-term contract?

Mr. MacEachen: Madam Speaker, may I repeat for the third time now that the Minister of Justice stated the position of the government on this point—

Mr. McGrath: I am talking about the Minister of National Revenue.

Mr. MacEachen: —before the joint committee, and that is the position of the government. It is that position which the Minister of National Revenue repeated on the weekend. I do not intend to go beyond that point until I read the words of the Minister of Justice and not have them provided for me through any other source.

[*Translation*]

INQUIRY RESPECTING INDIRECT TAXATION OF HYDROELECTRICITY SALES

Mr. David Kilgour (Edmonton-Strathcona): Madam Speaker, my question is directed to the Minister of Finance in view of the absence of the Minister of Justice. I shall wait while he speaks to his assistant. I shall try again, Madam Speaker. His colleague, the Minister of National Revenue, indicated clearly over the weekend that his government will give the provinces the right to levy indirect taxes on hydroelectricity. The minister remained silent while the leader of the Liberal opposition in Newfoundland said that his province could increase its revenues by $600 million each year. Can he—Madam Speaker, the Minister of Justice is now in the House. If I may be allowed, I could perhaps direct my question to him; it pertains to the topic his colleague dealt with.

Over the weekend, the Minister of National Revenue made it clear in Newfoundland that his government will give the provinces the right to levy indirect taxes on their resources, on hydroelectricity. The minister remained silent while his colleague, the Liberal leader in Newfoundland, said that his government could thus increase its revenue by $600 million each year. Can the hon. member confirm the remarks of his colleague and, if so, can he also confirm the amount and the fact that Quebeckers will have to bear the financial burden mentioned?

Hon. Jean Chrétien (Minister of Justice and Minister of State for Social Development): Madam Speaker, I have stated several times that we intend to include in the constitutional reform a provision allowing indirect taxation of natural resources. That is the proposal that was put forward at the constitutional conference last summer. Everyone is aware of that. What it would represent in government revenue, I am in no position to assess. It would depend on how provincial governments would use the new power the federal government would hand over to them.

Mr. Kilgour: Madam Speaker, I have before me a copy of the statement he made on November 7 when he explained his position. Can he tell us, Madam Speaker, whether his colleague read the proceedings of the Quebec and Newfoundland contract before speaking as he did?

Mr. Chrétien: Madam Speaker, I do not know exactly what was said by my colleague or by the Liberal leader in Newfoundland. I say that the position is quite clear. We suggested to the provinces last summer that they might levy an indirect tax on natural resources, which they were not allowed to do. Of course, if a province acquires taxing power, it is up to it to determine the amount of taxation it wants to levy. I have no comment nor speculation to make on the possible revenues any province might derive from the decentralization of powers which the federal government is ready to grant to the provinces.

* * *

• (1420)

[*English*]

MONOPOLIES

NEWSPAPER INDUSTRY—PROGRESS OF INVESTIGATION INTO CLOSURES

Mr. Ray Skelly (Comox-Powell River): Madam Speaker, my question is directed to the Minister of Consumer and Corporate Affairs. It relates to the parallel investigation his

department is conducting into the simultaneous closing of *The Ottawa Journal* and the Winnipeg *Tribune*. Is the minister prepared to tell us whether his department has in fact completed that investigation and what his intentions are? Will he be referring information from that investigation to the Minister of Justice for possible action?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs and Postmaster General): Madam Speaker, the director of investigations is completing his investigation. As soon as it is completed, he will report to me and I will then make a decision on the basis of his recommendations. For the time being, it is too soon and I do not want to prejudice his findings.

[*English*]

Mr. Skelly: Madam Speaker, I suspected the conclusions might have already been available, but in any event I have a supplementary question. Does the minister have any intention at all of acting on the fact that the Ottawa paper has now given notice that it intends to increase its advertising rates by some 25 per cent, and the Winnipeg paper, with the absolute lack of competition, has now indicated that it will be increasing its advertising rates to the tune of roughly 35 per cent? Now that this particular monopoly exists and the department seems to be fairly slow in completing this investigation, will the minister be taking any action related to these very dramatic hikes with an absolute lack of competition?

[*Translation*]

Mr. Ouellet: I will be pleased to convey immediately to the director of investigations the hon. member's representations.

[*English*]

Mr. Skelly: Madam Speaker, I have a final question. Our long-term concern is that we are dealing with a whole variety of problems. Is the minister prepared to tell us when he will be bringing forward some legislation to prevent these kinds of things, rather than attempting to do very unsuccessful autopsies on them after the event?

An hon. Member: Start a paper.

Mr. Skelly: When in fact can we expect some legislation on controlling this lack of competition?

[*Translation*]

Mr. Ouellet: Madam Speaker, obviously the legislation on competition in Canada will have to be amended to be much more effective, and I share the views of the hon. member in that respect. To be more specific, I hope to introduce a bill to do just that early next year.

● (1425)

[*English*]

ENERGY

NATURAL GAS EXPORT TAX—GOVERNMENT POLICY

Mr. Harvie Andre (Calgary Centre): Madam Speaker, my question is for the Minister of Finance. The government's decision of last Friday not to raise the export price of natural gas on February 1, 1981, means that the export tax which will come into effect that day will not be paid by U.S. consumers but by Canadian producers and consumers. In answer to a question from the hon. member for Vancouver Centre on October 29, reported at page 4208 of *Hansard,* the minister said:

Are hon. members suggesting that we should levy a tax on Canadian consumers and not levy it on American consumers? Is that their policy?

My question to the minister is, very simply, is that his policy?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): No, Madam Speaker.

Mr. Andre: On the same day, October 29, in justifying his natural gas export tax and domestic tax, the minister said:

We thought no one could take exception to a tax levied on all consumers which affects all consumers, whether in Canada or the United States.

Given that these taxes will be paid only by Canadian consumers and not by American consumers, will the minister now cancel these taxes since his rationale or reasoning, at least as he gave it to the House on October 29, no longer applies?

Mr. MacEachen: Madam Speaker, I disagree with the hon. member's interpretation of the rationale and reason. The tax is still in existence. What the hon. member has failed to note, obviously, is that the price of natural gas to the United States has not been increased at the present time at the request of the western provinces and the producing companies. There will be a further announcement made before mid-December but in the meantime there has been no withdrawal of the tax.

Mr. Andre: Madam Speaker, the rationale I quoted was the minister's rationale. He said the reason he had gone for this export tax plus domestic tax was that he would tax U.S. consumers as well as Canadian consumers. Given this decision to delay this price increase on February 1, which means that Canadian producers and consumers are the only ones paying this tax, will he at least delay the date of implementation until the rationale which he established comes into effect?

Mr. MacEachen: Madam Speaker, the hon. member still does not understand the situation. The tax is still in effect. The producing provinces and the producing companies asked us to defer this particular price increase, and in the meantime they will bear the tax. We agreed to their representations but the tax will continue to prevail as we announced it. We announced this postponement as a result of the representations that were made by the producing provinces. We were attempting to be accommodating in this matter, and I am surprised that the

hon. member does not accept it in that spirit rather than trying to score some temporary debating points in a situation that is bound to require accommodation on both sides from time to time.

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NATIONAL RESOURCES

INDIRECT TAXATION OF HYDROELECTRICITY SALES—GOVERNMENT POSITION

Hon. John C. Crosbie (St. John's West): Madam Speaker, my question is for the Minister of Justice. On Friday the Minister of National Revenue flew to Newfoundland especially to hold a press conference on constitutional matters with the new leader of the Newfoundland Liberal party. He said the proposed amendment to the constitutional resolution will provide to the provinces the right to levy indirect taxation on hydro resources. He said that this will enable Newfoundland to recover the money it is losing to Quebec from the Upper Churchill. He pointed out that the amendment was proposed some weeks ago by the national New Democratic Party and that the federal government has publicly announced its intention to accept the amendment.

My question for the Minister of Justice is: did the Minister of National Revenue properly inform the people of Newfoundland? Is it the official policy of the Government of Canada to permit indirect taxation of hydro resources so that Newfoundland can tax the Upper Churchill contract, thereby gaining something in the order of $600 million a year from Quebec consumers of hydroelectricity purchased from Newfoundland and Labrador? Is that the position of the Canadian government?

● (1430)

Hon. Jean Chrétien (Minister of Justice and Minister of State for Social Development): Madam Speaker, we said during the summer that, if this policy were accepted by the provinces and inscribed in the constitution, natural resources could be taxed indirectly by provincial governments. This right does not exist for the provinces at this time, but may come into existence if we proceed with the constitutional amendments.

In terms of the usage of that power by the provinces, it will be up to them to decide how it will be used. The financial consequences of this devolution of power by the federal government to the provinces will also be in the hands of the provinces. I have no further comment to make.

Mr. Crosbie: Madam Speaker, the minister may have no further comment to make, but we have further questions because he and his colleague are attempting to fool the people of Newfoundland. The leader of the Liberal party of Newfoundland, who was present with the Minister of National Revenue, said that the proposal would amount to $600 million a year for Newfoundland and went on to say:

That's the exciting part of it. If we get this amendment, we can announce to Quebec, "It was a good deal but it's a good deal no longer. How do you want to renegotiate"?

Does the Government of Canada intend to give to the government of Newfoundland the power to force Quebec to renegotiate the Upper Churchil contract with Hydro-Quebec, which would mean an increased cost to hydroelectric consumers in Quebec of $600 million a year now and untold billions in the future? Is that the position of the Government of Canada as stated by the Minister of National Revenue and the leader of the Liberal party of Newfoundland in a deceptive manner last Friday in St. John's?

Mr. Chrétien: Madam Speaker, I just stated very clearly the position of the government, that we are willing to give the provinces the power to tax indirectly their resources.

Mr. Crosbie: You're weaseling.

Mr. Chrétien: Of course, once the federal government gives this power to the provinces, it is theirs to use. What the situation will be in a particular province is hypothetical.

Mr. Crosbie: Not as far as your colleague is concerned.

Mr. Chrétien: I am not a member of the administration of any provincial government. I am glad to see that there are people who recognize that this amendment, which I offered to the provinces this summer and for which the NDP is asking at this moment, will be good for the provinces. However, I am waiting to see what the Tory party will do when this amendment is put forward in committee.

* * *

IMMIGRATION

ARTISTIC DIRECTOR OF STRATFORD FESTIVAL—ISSUANCE OF WORK PERMIT

Mr. Mark Rose (Mission-Port Moody): Madam Speaker, my question is directed to the Minister of Employment and Immigration. It concerns the problems at Stratford. Since a threatened actors' boycott of the Stratford festival next summer is probable unless a qualified Canadian artistic director is named, and since the hiring of a foreigner, in addition to being a slap in the face to creative Canadians, could mean the loss of as many as 1,000 jobs in that region, can the minister assure the House that he will turn down any work permit application for a foreign director attempting to enter Canada to assume this position, since there are a number of qualified Canadians available to fill this job with distinction?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, in a case like this it is a requirement that in determining a fair decision and making a fair choice we attempt to deal with the case on its merits. In this case officials of my office met with the board of directors of Stratford last week to determine what steps the board had taken to secure the services of a Canadian for the position of

artistic director. The board indicated that it had spent almost a full year interviewing a number of applicants, that it had offered the job to a number of Canadians, all of whom turned it down, and that it had finally made the choice of Mr. Dexter, a British citizen, on the ground that he would be the best qualified person to do the job. At that meeting we also asked the board for a specific schedule as to how it conducted the search and to what degree it sought out all possible avenues, and we are still assessing that information.

We will certainly follow the basic policy of the department, which is to ensure that Canadians who are qualified for a particular position have first chance at the job. But we will simply not turn down an application based on some form of public pressure. We will review the decision of the board to determine whether it was fair and impartial and whether it carried out its job according to the law.

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CANADA COUNCIL

STRATFORD FESTIVAL—INQUIRY RESPECTING INCREASE IN GRANT

Mr. Mark Rose (Mission-Port Moody): Madam Speaker, would the minister table the information which he received from the artistic directors? I thank the minister for his answer.

I would like to direct my supplementary question to the Secretary of State. I believe there is a last ditch attempt taking place through conciliation at a meeting this afternoon between the opposing parties. In view of his expressed concern for increasing opportunities for talented Canadian artists, does the minister intend to consult with the Canada Council about future grants concerning this matter in Stratford if a foreigner is in fact employed while qualified Canadians are available? If a Canadian is in fact appointed after these last ditch meetings, would the minister encourage Canada Council to increase its grants since inflation has eaten away at the grants which it received over the last three years?

Hon. Francis Fox (Secretary of State and Minister of Communications): Madam Speaker, like my colleague the Minister of Employment and Immigration, I am most interested in seeing that this type of position is filled by a qualified Canadian if at all possible. As to my intervention with the Canada Council, I will ask my officials to get in touch with the people involved to seek their advice on the matter. However, I would be most reluctant to intervene politically and say that the grants should be increased or decreased depending on the name or quality of the artistic director chosen for any group in this country.

AUTOMOTIVE INDUSTRY

INQUIRY RESPECTING ANTI-CORROSION STANDARD

Mr. Geoff Scott (Hamilton-Wentworth): Madam Speaker, my question is for the Minister of Consumer and Corporate Affairs. It has to do with General Motors, Ford and Chrysler pulling out of the anti-corrosion code as established by the minister's department and the provinces in 1978. Given the fact that these voluntary, anti-rust guidelines seem to have worked pretty well up to the end of the 1980 model year, will the government take the lead and come up with a national standard for all auto manufacturers and for the protection of the consumer?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs and Postmaster General): Madam Speaker, obviously I will have to confer with my provincial counterparts following this decision by the automakers. The fact is, that after discussions, we may come to an amicable arrangement with the automakers. The program to which the hon. member referred is indeed voluntary and is only useful as long as the manufacturers are willing to implement it. They seem to have changed their minds, which means that consumers will have a choice to make and if they are unwilling to pay for this anti-corrosion guarantee, they will probably have to buy other makes than those offered by these automakers who will no longer follow this code.

[*English*]

Mr. Scott (Hamilton-Wentworth): Madam Speaker, given the answer to me in this House on November 14, 1978, by the then minister of consumer and corporate affairs, the hon. member for Notre-Dame-de-Grâce, who said, "We feel that if the voluntary code is a success, we will not have to legislate", and given the fact that the code is now obviously in jeopardy, will the government now make the anti-rust guidelines mandatory?

[*Translation*]

Mr. Ouellet: Madam Speaker, I must repeat, in reply to the hon. member's supplementary question, that I will have to confer with my provincial counterparts, because, as the hon. member probably knows, this is an area of mixed jurisdiction and it is necessary to secure the provincial legislatures's co-operation to adopt legislation making this code compulsory. I suggest to the hon. member that it might have been possible to act more promptly, had the previous task force not been abolished during the federal-provincial conference of consumer affairs ministers which was held last year in Newfoundland.

[*English*]

NATIONAL REVENUE

INQUIRY WHETHER TAXES WILL BE REDUCED

Mr. John Gamble (York North): Madam Speaker, my question is directed to the Minister of Finance. In light of the change in government which we anticipate in the United States as the result of the recent election there and some of the specific promises by the president-elect to reduce taxation, despite the fact that the minister's budget was recently passed by this House, is it his intention to reduce taxes in Canada in order to correspond with intended tax reductions in the United States, so as to offset the magnet-like effect of attracting business in North America to those jurisdictions with the lowest tax rates?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): No, Madam Speaker, that would not be the intention. As I pointed out in the budget speech, there is presently imbedded in the Canadian tax system, through indexation, the kind of decreases in taxation which occur as a result of indexation and which occur in the United States because of such announcements. These tax decreases take place automatically in Canada.

Mr. Gamble: Madam Speaker, what I am talking about, of course, are the intended dramatic tax reductions which are to occur in the United States and I recognize that it would be somewhat anticipatory for this government to introduce plans in this regard today. However, in light of the fact that taxes in the United States are to be reduced by 30 per cent over the next three years, would it not at least be wise for the government to give some indication to Canadian businesses and individuals in Canada that it will seriously examine the possibility of tax reductions in Canada to correspond with those in the United States when they do in fact take effect?

● (1440)

Mr. MacEachen: All I would say on that point, Madam Speaker, is that the Canadian tax system compares favourably with that of the United States or any other tax system from the point of view of attracting investment and from the point of view of the burden on the taxpayer. Furthermore, one would want to wait and see what Congress does with presidential suggestions before following suit.

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THE BUDGET

PROJECTED DEFICITS FOR 1980 AND 1981

Mr. Don Blenkarn (Mississauga South): Madam Speaker, my question is also for the Minister of Finance. The minister knows that this House and the people of Canada are disappointed with his medium-term projections which have the exchange rate totally out of whack and the inflation rate totally out of whack. It is clear that his projections have been wrong. With regard to the deficit, the minister knows that interest rates have increased 1 per cent since the budget. Is he still of the assurance that his deficit next year will be no more than $13.75 billion and his deficit this year no more than $14.15 billion?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, maybe I should reiterate what I said since it is becoming more and more apparent that people are placing a great deal of reliance on my projections, even projections that are made for 1982 and 1983. We all ought to recognize, and I certainly do, that these projections are only that, and they are very risky. My hon. friends opposite ought to have learned that because they learned how wrong some of the projections they made in December were early in 1980. I do not fault the former government for that. It is a fact that has to be understood with respect to any projections that are made.

If hon. members are now asking me to confirm with absolute certainty what will happen based on projections, that is something I will not do. These are assumptions based upon the best possible reading of developments. When these developments change or do not occur, obviously the assumptions and the projections change. The sooner we understand that, the better debate we will have on economic questions in the country.

Mr. Blenkarn: I am pleased the minister has now indicated to the House that those projections were made using the rosiest coloured glasses. It is obvious at this point that those projections were wrong in every sense. Will the minister table in this House a proper set of projections which reflect an 84-cent dollar and 11 per cent inflation rates, so that business people across this country can see where they are going? Surely projections should be available for 1981. Let us not worry about 1982, 1983, 1984. However, with regard to 1981, where are we going with this budget?

Mr. MacEachen: Madam Speaker, this gives me an opportunity to tell the hon. member that through this budget we are laying the foundations for a good recovery of the economy and solid economic growth in the future. That is where we are going.

Some hon. Members: Hear, hear!

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ENVIRONMENTAL AFFAIRS

DUMPING OF CHEMICAL WASTE INTO NIAGARA RIVER—CONSULTATIONS WITH NEW UNITED STATES GOVERNMENT

Mr. Gilbert Parent (Welland): Madam Speaker, my question is for the Secretary of State for External Affairs and has to do with pollutants going into the Niagara River. In view of the fact there is a new administration in the United States, and in view of the fact that SCA Chemical Company has been dumping waste into the Niagara River for some time now, can

the minister bring us up to date as to what our government is doing with regard to dealing with this problem through the United States government?

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, this is a matter in which my colleague the Minister of the Environment is also interested because his department conducted a study on the effect of chemical pollution and found that chemical pollution of the Great Lakes would not be worsened by the operation of the SCA chemical waste plant there. With regard to the Niagara Falls, New York, sewage treatment plant, there has been a great deal of concern expressed by the Government of Canada. My colleague spoke on it several times. We sent a note on that subject to the United States in April and we are considering a further note at this time.

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NATIONAL DEFENCE

F-18 FIGHTER AIRCRAFT—PRODUCTION DIFFICULTIES—GOVERNMENT POSITION

Mr. Bob Ogle (Saskatoon East): Madam Speaker, my question was for the Minister of National Defence but in his absence I will direct it to the Deputy Prime Minister. F-18 airplanes continue to malfunction and crash. Friday's Ottawa *Citizen* carried a story to the effect that U.S. defence secretary Harold Brown is mounting a campaign in the U.S. Senate to save the F-18 and has written to John Stennis, the chairman of the defence subcommittee in this matter, indicating, and I quote:

> The costs of stopping and restarting production efforts by the prime contractor, McDonnell Douglas, and all subcontractors would be prohibitive and tantamount to program cancellation.

Will the Deputy Prime Minister inform the House what the Government of Canada is planning to do in relation to that last event, what costs would be incurred, and what are the present contingency plans?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I will take that question as notice and try to provide the information to the hon. member later.

Mr. Ogle: My supplementary is also for the Deputy Prime Minister. On the weekend the Deputy Prime Minister and the Secretary of State for External Affairs were in attendance at the North-South round table meeting here in Ottawa and gave some excellent input to that meeting. At that meeting, delegates from around the world indicated very clearly that one of the great problems of underdevelopment is the gap they see now between armament and underdevelopment. Will the Deputy Prime Minister inform the Minister of National Defence that we should buy at least one F-18 before they all crash, so that it can be placed in our national air museum to indicate the end of an era?

Some hon. Members: Hear, hear!

Mr. MacEachen: Madam Speaker, I believe the hon. member's question was mainly rhetorical. However, I do not believe I ought to let him escape with the notion that equipping the Canadian Armed Forces so that Canada can participate in the common defence effort as a member of the NATO organization is a dishonourable objective or that it in any way interferes with Canada's determination to co-operate with others in bringing about disarmament throughout the world.

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EXTERNAL AID

CONSIDERATION OF TRIPARTITE AID TO THIRD WORLD COUNTRIES

Mr. Bob Wenman (Fraser Valley West): Madam Speaker, my question is for the Secretary of State for External Affairs. In view of the large surplus of petro dollars available to certain developing states, combined with Canada's status as an industrialized nation possessing technology that is badly needed in the Third World, has the minister considered giving priority to tripartite aid arrangements, whereby Canada would provide technological aid in conjunction with, for example, Arab financing of future development projects, and will the Prime Minister be discussing this subject during his current trip to the Middle East?

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, the issue of the recycling of oil revenues is a matter which concerns the government a great deal. We are certainly exploring co-operation, not only among developed countries but with developing countries such as Saudi Arabia, in dealing with this problem. This is certainly a general area which the Prime Minister is canvassing in his talks with the Saudi government. However, neither our goals nor his talks specifically focus on so-called tripartite arrangements. That is one possibility, but it is only one of a range of possibilities.

● (1450)

Mr. Wenman: A supplementary question, Madam Speaker. Recognizing, of course, that the difficulties being encountered in the Middle East as a result of the Iran-Iraq crisis, and the nature of the multilateral aid from that region, makes tripartite aid even more imperative at the moment, will the minister consider initiating discussions between officials of CIDA and officials of the proposed Alternate Energy Corporation, Enertech Canada, to determine the potential applicability of renewable energy, particularly solar energy? I will give a specific example, such as the solar energy pumps used for pumping water in Somalia. Will the minister consider working with his colleague toward the transfer of technology to Third World countries like Somalia, particularly in relation to solar energy?

Mr. MacGuigan: Madam Speaker, I will certainly be prepared to give that proposal very serious consideration. I might remind the hon. member and the House that in the recent budget it was made clear that Petro-Canada would be launch-

ing a major international initiative with respect to assisting developing countries in discovering their own resources.

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ENERGY

NATURAL GAS RESERVES—REPORTED STATEMENT OF NRC DIRECTOR

Mr. Bill Domm (Peterborough): Madam Speaker, my question is for the Deputy Prime Minister and Minister of Finance. It arises from the current massive program of conversion from oil to gas and the funding of municipalities so that this gas may be made available to them should they not have it available. A report in *The Globe and Mail* last week attributes to a director of the National Research Council the statement that Canada has only about a 20-year supply of natural gas. Is the minister aware of this statement and, if he is, does he feel it likely that we may have to enter into a massive program of reconversion from gas to some alternate energy source in the future when $650 million has already been earmarked for conversion from oil to natural gas? Is the minister aware that a director of the National Research Council is reported as stating that we only have a 20-year supply of natural gas available to Canadians?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I am not aware of the comment attributed to the director of the National Research Council. As the hon. member knows, we are presently engaging in a program to encourage Canadians to switch from oil to a cheaper product, natural gas. That is based on the assumption that supplies of natural gas will be available not only at the present time but in increasing quantities from new discoveries, not only offshore but in the Arctic.

Mr. Domm: Madam Speaker, a supplementary question on the same point. So that we do not find ourselves faced with the same problem as Great Britain where there was a massive conversion, almost 100 per cent, to natural gas and then, because of supply and cost, they had to reconvert—this year there was a 60 per cent increase in the price of natural gas in Great Britain—would the minister try to find out who is right? Are we already in a situation where we thought we had endless supplies of oil and now we find we do not? Are we in the same position in regard to natural gas were the National Research Council disagrees with the National Energy Board and the minister has been misled and misinformed, directing Canada into a program that will require massive reconversion from natural gas to some alternate energy source 20 years ahead, for which this government has no program?

Mr. MacEachen: Madam Speaker, I can only repeat what I said to the hon. member. I believe his fears in this respect are groundless and that it is a prudent course of action at the present time for the Government of Canada to encourage Canadians to switch from dependence upon imported oil to dependence upon a Canadian source of energy. That seems to me to make a great deal of sense both at the present time and for quite a distance into the future.

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GRAIN

STATEMENT RESPECTING EMBARGO ON SALES TO U.S.S.R.

Mr. Stan J. Hovdebo (Prince Albert): Madam Speaker, my question is directed to the Secretary of State for External Affairs and concerns a statement made by a fellow cabinet minister, the Minister of State for the Canadian Wheat Board on Friday in Regina, when he told Saskatchewan wheat pool delegates that Canada has removed any fixed ceiling placed on export grain sales by the Canadian Wheat Board to the U.S.S.R. This statement means that Canada has dropped its policy of embargo on grain to the Soviets. Can the minister confirm that this policy change has taken place and that the minister of state speaks with his knowledge and the approval of the entire cabinet?

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, no change has taken place in the government's policy that only normal sales will be made to the Soviet Union. What is occurring is an attempt to define what level normal sales should be interpreted to mean for the coming year.

Some hon. Members: Oh, oh!

Mr. MacGuigan: Hon. members opposite may laugh but there is a range. Surely they are not going to suggest that the western farmer should get the short end of the stick.

Mr. Hovdebo: A supplementary question, Madam Speaker, for the same minister. Obviously the minister in charge of the Wheat Board was making a genuine attempt to respect the opinion of western farmers. Similar statements were made by the Minister of Agriculture, so obviously these two ministers were speaking out of turn. Under the circumstances, what is the Canadian Wheat Board to do? Does the government's agreement with the United States allow the Canadian Wheat Board to negotiate with the Russians to replace the contract that is presently running out? May the Canadian Wheat Board sell grain to the U.S.S.R. or not?

Mr. MacGuigan: Madam Speaker, of course the Wheat Board may sell grain to the U.S.S.R.. There has never been a complete embargo, only a partial embargo. The way in which it has been phrased is in terms of normal levels of trade in those products. That is still the rule. We are now into a new crop season and we have to try to establish what that means for this year. The Wheat Board is receiving instructions from the government and I believe it will be entering into negotiations with the Soviet government.

EMPLOYMENT

INQUIRY RESPECTING INCREASE IN FUNDING OF COMMUNITY DEVELOPMENT PROGRAM

Mr. Maurice Foster (Algoma): Madam Speaker, I have a question for the Minister of Employment and Immigration. In view of the high seasonal unemployment in many areas of Canada and the oversubscription of the community development program this winter, will the minister give consideration to increasing the funding for the community development program this winter?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, as we pointed out in the House last week, the Minister of Finance, in his generosity, was able to include additional funds in the budget to provide further work incentives and training opportunities for Canadians. The Minister of Industry, Trade and Commerce and I hope that we will be able to make some announcements concerning the wide range of programs within a very few weeks.

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FISHERIES

ALLEGED VIOLATION OF GROUNDFISH MANAGEMENT PLAN

Mr. Lloyd R. Crouse (South Shore): Madam Speaker, I wish to direct my question to the Minister of Fisheries and Oceans. In view of the fact that the minister has received a telex from the Nova Scotia Fish Packers Association charging that the reallocation of 10,000 tons of codfish is in violation of the basic principle of the groundfish management plan, what changes, if any, does the minister contemplate to meet these objections?

Hon. Roméo LeBlanc (Minister of Fisheries and Oceans): Madam Speaker, I would assume that if the fishermen represented by the hon. member were involved in an industrial dispute, then once that was settled, at the end of the season the quota which had not been caught should be primarily reserved for the fishermen of the area or the plants where they have traditionally delivered.

● (1500)

In the case of Newfoundland, there was a lengthy strike this summer. A part of the quota which is normally reserved for the inshore fishery was not caught. Plants were short of supply and I authorized that that fish could be made available to the plants which had been very seriously affected by the industrial dispute. That is the simple explanation.

Mr. Crouse: Madam Speaker, since objections have been raised to the minister's plan of allowing additional foreign participation in the catching of this codfish, I would like to ask the minister why he did not reallocate any surplus quotas for 1980-81 to Canadian trawlers rather than foreigners; and will Canadians be allowed in 1981 to catch any part of the 10,000 ton quota not landed by the end of this year?

Mr. LeBlanc: Madam Speaker, the 10,000 quota is from the Canadian allocation. It was not caught by Canadian inshore fishermen because of the strike, as I said earlier. The trade association and the fishermen's union agreed that the way to allocate it was to the Newfoundland plants which were short of supply. They tried to get Canadian boats to catch some of this fish. In fact, because of the continuing strike at National Sea, the union did not agree to this procedure. Some foreign boats were brought in. Not enough of them could be found. The next question, which nobody ever asked, is whether the plants could afford the fish at the price that Canadian boats would have landed it?

* * *

PRIVILEGE

MR. SIDDON—COMMENT MADE BY MR. ROSE

Mr. Thomas Siddon (Richmond-South Delta): Madam Speaker, I rise on a question of privilege. I will try to be brief. I would like to raise a question of privilege arising out of a comment made by the hon. member for Mission-Port Moody (Mr. Rose) earlier during the question period. I was not able to comprehend what the hon. member for Mission-Port Moody was trying to say when he proposed his motion under Standing Order 43 earlier today, but I do believe I heard him allege that this hon. member is consistently stupid, or that I might have used such a reference in relation to a Conservative colleague of mine from British Columbia.

The hon. member knows that neither of these allegations is true. In fact he knows full well that the only stupidity which is consistent in this House is the consistent inconsistence of the little red rump of the Liberal party which he represents. That was illustrated this past weekend by the open split among his own NDP cohorts in Nova Scotia where the former leader of the NDP apparently resigned in protest because he found the NDP to be full of Trotskyites.

The hon. member for Mission-Port Moody, who has been in this House for many years, should want to maintain normal parliamentary decorum by apologizing for his attempt to insult indirectly and unfairly one of my colleagues from British Columbia who is not here today to defend himself.

Mr. Mark Rose (Mission-Port Moody): Madam Speaker, on the same question of privilege, I regret to report that the hon. member for Richmond-South Delta (Mr. Siddon), who is reported to be a professor of acoustics, apparently cannot listen any better than he thinks.

I would like to repeat what I said. I said that he was quoted in the press concerning his colleague as saying he used "very little forethought coming to the meeting and insulting people", and since the member was also described by another Tory in British Columbia as "consistently stupid", I moved the motion congratulating the hon. member.

There certainly was no insult intended. It was actually a congratulatory message. Since the hon. member is talking

about consistency, I would like to leave him with a quote from Emerson. One day, when Emerson was not doing anything else, he said that "Foolish consistency is the hobgoblin of little minds."

Some hon. Members: Hear, hear!

Madam Speaker: This exchange only proves to me that perhaps I should have asked the hon. member, since he started off by saying he was not sure whether the hon. member had said certain things, to consult the "blues" before he raises questions of privilege. However, the exchange was in good spirit, and there is obviously no question of privilege.

ROUTINE PROCEEDINGS

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 650, 1,023, 1,194, 1,289, 1,513, and 1,575.

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

[*Text*]

STUDIES OF CHILD NEGLECT OR ABUSE

Question No. 650—**Mr. Howie:**

From January 1, 1977, to date, were studies done for the Department of the Solicitor General by outside consultants regarding child neglect or abuse?

Hon. Bob Kaplan (Solicitor General): Between the period from January 1, 1977, to date, the Department of the Solicitor General and Health and Welfare Canada jointly contracted with the Tree Foundation of Canada for a research project to produce an inventory of research and demonstration projector dealing with child abuse and neglect in Canada. Copies of the report are available from Health and Welfare Canada.

CFDC—JOB CLASSIFICATION TITLES

Question No. 1,023—**Mr. Friesen:**

1. What are the job classification titles under which an individual would be employed in the Canadian Film Development Corporation?

2. How many individuals were employed by the CFDC in (a) 1979 (b) 1980 to date and by job classification, how many received incomes per annum (i) of more than $60,000 (ii) between $50,000 and $60,000 (iii) between $40,000 and $50,000 (iv) between $30,000 and $40,000 (v) between $20,000 and $30,000 (vi) between $10,000 and $20,000 (vii) less than $10,000?

3. How many individuals were employed by the CFDC on a contract basis in (a) 1979 (b) 1980 to date and what was the total amount paid for such services?

4. What was the total amount of gross revenues the CFDC received from sources outside the government?

Mr. Peter Stollery (Parliamentary Secretary to Secretary of State and Minister of Communications): I am informed by the Canadian Film Development Corporation as follows:

1. Executive Director
   Assistant Director (Montreal)
   Assistant Director (Toronto)
   Assistant Director—Planning and Policies
   Director—Distribution
   Administrative Director
   Assistant—Distribution (Montreal)
   Assistant—Distribution (Toronto)
   Assistant—Legal Counsel (Montreal)
   Assistant—Legal Counsel (Toronto)
   Co-ordinator—English Language Projects(Toronto)
   Co-ordinator—French Language Projects(Montreal)
   Film Consultant
   Accountant
   Financial Analyst/Co-Production Manager
   Secretaries
   Receptionists.

2. (a) 22
   (i) nil
   (ii) 1 Executive Director
   (iii) 0
   (iv) 2 Administrative Director/Director, Distribution
   (v) 3 2 Film Projects Co-ordinators/1 Financial Analyst-Co-production Manager
   (vi) 16 Administrative Support Employees
   (vii) nil

   (b) 18
   (i) nil
   (ii) 1 Executive Director
   (iii) 0
   (iv) 1 Administrative Director
   (v) 2 2 Film Projects Coordinators
   (vi) 14 Administrative Support Employees
   (viii) nil.

3. (a) Four
   Amount paid: $74,000

   (b) Four
   Amount paid: $54,000.

4. $1,258,176 in our fiscal year ending March 31, 1980.

CITÉ DE LA SANTÉ—LAVAL

Question No. 1,194—**Mr. Roy:**

1. Did the government take part in financing the building of the Cité de la santé in the city of Laval and, if so, under what program was this done?

2. At the official opening presided over by the Premier of Quebec, did the federal Minister of Health and Welfare make a speech and, if not, for what reason?

3. Did the Department of National Health and Welfare have a say in establishing the programs offered by the centre and, if not, for what reason?

Hon. Monique Bégin (Minister of National Health and Welfare): 1. Yes, under the Health Resources Fund Program.

Committed—$15,956,495.50

Paid to date—$14,101,526.74.

2. The Minister of National Health and Welfare participated at the official opening of the Cité de la santé (Laval).

3. Yes. This is one of the projects submitted by the province within the approved provincial five-year program under the terms of the health resources fund program.

CBC—LIBEL SUIT AGAINST "THE FIFTH ESTATE"

Question No. 1,289—**Mr. Corbett:**

Did the CBC pay for legal work, including appeals, in connection with the libel suit filed against the program "The Fifth Estate" by the former New Brunswick minister of justice, John B. M. Baxter and, if so, in what amount and to whom?

Mr. Peter Stollery (Parliamentary Secretary to Secretary of State and Minister of Communications): I am informed by the Canadian Broadcasting Corporation as follows: The CBC paid the legal costs in connection with the suit specified to Thomas B. Drummie, QC of Clark, Drummie & Co., Saint John, New Brunswick. With regard to the amount involved, it has not been customary for Parliament to require the CBC to provide such details of its internal management and administration as its business arrangements with outside individuals and companies. The background to this custom is explained in detail in the reply to question No. 2,530, May 22, 1975.

COMPUTERS—CFB ST. HUBERT AND OTTAWA

Question No. 1,513—**Mr. Herbert:**

What are the manufacturers names of the computers used by the armed forces at St. Hubert, Quebec and Ottawa, Ontario and is communication maintained from one to the other?

Mrs. Ursula Appolloni (Parliamentary Secretary to Minister of National Defence): Manufacturers names of computers used at St. Hubert are as follows:

Digital Equipment Corporation
Sperry Univac
International Business Machines
Data General

Manufacturers names of computers used at Ottawa are as follows:

Digital Equipment Corporation
Sperry Univac
International Business Machines
Data General
Hewlett Packard
Bunker Ramo
Perkin Elmer
Data Acquisition
Micro Computer Machine
GESCAN (General Electric)
MITS
VARIAN
ECLIPSE
DYNALOGIC
Honeywell

Computer communication is maintained at these two locations using Data General equipment as part of the SAMSON strategic communication network.

CFB GAGETOWN—TRAINING FACILITY

Question No. 1,575—**Mr. Howie:**

1. What is the status of the new training facility planned for CFB Gagetown?

2. Has the project received Treasury Board approval and, if so, on what date is it planned to call for tenders?

Mrs. Ursula Appolloni (Parliamentary Secretary to Minister of National Defence): 1. It is expected that the design consultant will be appointed by April, 1981; the first construction package made ready for tender by the spring of 1983; and construction to be completed by the spring of 1986.

2. Yes. Spring of 1983.

[*Translation*]

Madam Speaker: The questions enumerated by the hon. parliamentary secretary have been answered. Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*Translation*]

BANKS AND BANKING LAW REVISION ACT, 1980

MEASURE RESPECTING BANKING INSTITUTIONS

The House resumed, from Friday, November 14, consideration of Bill C-6, to revise the Bank Act, to amend the Quebec Savings Banks Act and the Bank of Canada act, to establish the Canadian Payments Association and to amend other acts in consequence thereof, as reported (with amendments) from the Standing Committee on Finance, Trade and Economic Affairs.

Hon. Pierre Bussières (Minister of State (Finance)) moved:

Motion No. 27

That Bill C-6, an act to revise the Bank Act, to amend the Quebec Savings Banks Act and the Bank of Canada Act, to establish the Canadian Payments Association and to amend other acts in consequence thereof, be amended in clause 2

(*a*) by striking out lines 46 to 48 at page 209 and substituting the following therefor:

"motor vehicle having a gross vehicle"

(*b*) by striking out line 2 at page 211 and substituting the following therefor:

"are situated;

"motor vehicle" means a motorized vehicle designed to be used primarily on a public highway for the transportation of persons or things but does not include

(*a*) any fire engine, bus, ambulance or utility truck, or

(*b*) any other special purpose motorized vehicle

that contains significant special features that make it suitable for a specific purpose and that is manufactured by a person other than the vehicle manufacturer who manufactured the basic chassis;"

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

Some hon. Members: Agreed.

Motion agreed to.

[*English*]

Hon. Stanley Knowles (for Mr. Rae) moved:

Motion No. 28

That Bill C-6, an act to revise the Bank Act, to amend the Quebec Savings Banks Act and the Bank of Canada Act, to establish the Canadian Payments Association and to amend other acts in consequence thereof, be amended in clause 2 by striking out lines 14 to 17 at page 221 and substituting the following therefor:

"tomer and the".

Mr. Ray Skelly (Comox-Powell River): Madam Speaker, it is my understanding that we are dealing now with motions Nos. 24 and 26.

Madam Speaker: We are dealing with motion No. 28.

Mr. Skelly: Madam Speaker, as a point of information, before beginning my discussion may I ask what the disposition of motions Nos. 24 and 26 was?

Madam Speaker: Motions Nos. 24 and 26 could be grouped for debate. At any rate, they have not been dealt with yet. Exactly what will be done with motions Nos. 24 and 26 has not been announced in the House.

Mr. Don Blenkarn (Mississauga South): Madam Speaker, on Thursday there was a House order which said that motions Nos. 24 and 26 would be grouped for debate and that an affirmative vote on motion No. 24 would necessitate a question being put on motion No. 26. Indeed, all of the amendments right through to motion No. 58 were dealt with by House order.

Madam Speaker: I think I can now enlighten the hon. member. There was an order of the House concerning these motions. Motions Nos. 24 and 26 could be grouped for debate, and a negative vote on motion No. 24 will dispose of motion No. 26. An affirmative vote on motion No. 24 will necessitate a question being put on motion No. 26. However, before dealing with that we must deal today with motion No. 28.

Mr. Blenkarn: Thank you, Madam Speaker. I agree that we should proceed with motion No. 28 right through to motion No. 58 in accordance with the House order of November 13, and follow through with motions Nos. 24, 26, 29, 31, 32, 33, 34, 35 and so forth as that House order directed.

● (1510)

Madam Speaker: That is correct.

Is it the pleasure of the House to adopt motion No. 28?

Some hon. Members: Agreed.

Some hon. Members: No.

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

Some hon. Members: Yea!

Madam Speaker: All those opposed will please say nay.

Some hon. Members: Nay!

Madam Speaker: In my opinion the nays have it.

Mr. Knowles: On division.

Madam Speaker: I declare the motion negatived on divison.

Motion No. 28 (Mr. Rae) negatived.

Madam Speaker: We are now on motion No. 30.

Hon. Stanley Knowles (for Mr. Rae) moved:

Motion No. 30

That Bill C-6, an act to revise the Bank Act, to amend the Quebec Savings Banks Act and the Bank of Canada, to establish the Canadian Payments

Association and to amend other acts in consequence thereof, be amended in clause 2 by striking out lines 32 to 36 at page 221.

Madam Speaker: Those in favour of the said motion will please say yea.

Some hon. Members: Yea!

Madam Speaker: Those opposed to the said motion will please say nay.

Some hon. Members: Nay!

Madam Speaker: In my opinion, the nays have it.

Mr. Knowles: On division.

Madam Speaker: I declare the motion negatived on division. Motion No. 30 (Mr. Rae) negatived.

Madam Speaker: We are now on Motion No. 38.

Hon. Stanley Knowles (for Mr. Rae) moved:

Motion No. 38

That Bill C-6, an act to revise the Bank Act, to amend the Quebec Savings Banks Act and the Bank of Canada Act, to establish the Canadian Payments Association and to amend other acts in consequence thereof, be amended in clause 2 by adding immediately after line 43 at page 223 the following new subsection:

"(4.2) A borrower who tenders or pays to the lender all or any amount of the principal amount outstanding under a loan transaction is not liable to pay any penalty on the amount tendered or paid."

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

Mr. Knowles: Madam Speaker, I rise on a point of order. When these motions are called, I wonder if the Chair would not mind giving the number of the motion each time before it is read so that we know what we are dealing with.

Madam Speaker: The Chair will do that with pleasure. For your information, the one which I have just read is motion No. 38.

Mr. Ray Skelly (Comox-Powell River): It was my understanding that we would deal with motion No. 25 of the hon. member for Edmonton West (Mr. Lambert) and that this would be consequential on motions Nos. 24 and 26 which would be dealt with next. Unfortunately we were caught a little unaware by what I perceived as a sudden shift in the order of business.

The Acting Speaker (Mr. Ethier): Order, please. The Chair regrets that the hon. member is perhaps misinformed, but motion No. 25 was dealt with alone and was not grouped with motions Nos. 24 and 26.

Mr. Skelly: I understand, Mr. Speaker, and I think it was unfortunate that we did not deal with motions Nos. 24 and 26 since they appear to be within the same realm. Nevertheless we find ourselves today in a situation where we propose the following addition:

A borrower who tenders or pays to the lender all or any amount of the principal amount outstanding under a loan transaction is not liable to pay any penalty on the amount tendered or paid.

We have had considerable discussion on this proposal. As a matter of fact, it forms one of the very important issues which we feel should be incorporated in the legislation. There was a great deal of discussion about this material appearing in the regulations. It was our feeling that the regulations are too flexible, that in fact there are situations where penalties can be applied and that this can change from time to time. The basic principle here is that anyone who owes money, and who is prepared to pay back the loans, should be encouraged by the banks which are financially sound and should not be required to pay a penalty if he is willing to pay back the full amount of that loan. I think it is fair to say that for my party it is very important that this item be enshrined in the legislation rather than in the regulations which can be adapted and shifted. If this were done, we would look differently at this particular piece of legislation. We are very concerned about this motion in particular.

As I stated before, the bill in front of us is not in what I would consider to be a satisfactory form. We are attempting to discuss these items as they come before us, but for a moment we might look at some of the other more serious items which are related to the motion before us regarding the prepayment of a loan and the penalties which are imposed, which we find unacceptable.

The other major concern we have with regard to this group of motions has to do with the condition of prepayment, and it deals with the disclosing of loans made by Canadian banks to foreign corporations. Another area of serious concern to us is the element of competition from other financial institutions. These provisions, along with this motion, have been laid out very clearly, and it is our hope that the government, which has already acknowledged this principle, will accept the proposition that there should be no penalties.

I assume that the government accepts the proposition that a person attempting to discharge his obligation should not be penalized. As a matter of fact, he should be encouraged. We hope that the government will be in a position to respond in the affirmative on this matter, and I will be very interested to hear the remarks of the government on this motion because it is extremely important to our party.

[*Translation*]

Hon. Pierre Bussières (Minister of State, Finance): Mr. Speaker, motion No. 38 now before us aims at consolidating what is already written in the act, precisely on the suggestion of the member for Comox-Powell River (Mr. Skelly) and his colleague the member for Broadview-Greenwood (Mr. Rae).

I must say, Mr. Speaker, that when we discussed in committee this whole matter of penalty for the early repayment of a loan and the calculation of various costs that may seem hidden from the consumer, the committee was greatly impressed by the climate of these discussions and by the various proposals which were put forward. Following these discussions, we came up with clause 202 of the bill now before us which clearly indicates that the minister may make regulations prescribing

the manner in which the cost of borrowing and, if applicable, any rebate of interest shall be disclosed to a borrower; prescribing the manner of calculating the cost of borrowing; prescribing the circumstances under which the cost of borrowing is to be expressed also as an amount in dollars and cents; regulations specifying any class of loans or advances that is not to be subject to specified subsections of section 202; prescribing also the manner in which any rights, obligations, charges or penalties are to be disclosed to the customer; regulations prohibiting—and I am reading, Mr. Speaker, the new provisions of this legislation approved by the House—prohibiting the imposition of any charge or penalty referred to in this section or providing that such charge or penalty, if imposed, shall not exceed the amount prescribed in these regulations. The minister may also make regulations prescribing the manner of calculating the amount of repayment of a loan. If we examine motion No. 38 of the hon. member for Broadview-Greenwood, we find the following:

● (1520)

A borrower who tenders or pays to the lender all or any amount of the principal amount outstanding under a loan transaction is not liable to pay any penalty on the amount tendered or paid.

Under paragraph 8 of clause 202 of the proposed legislation, Mr. Speaker, we can see that the government has accepted this proposal, with the exception that instead of being a set provision of the legislation, until the new act is reviewed, the Minister of Finance (Mr. MacEachen) will achieve the same results by regulations made under the act. And why did we choose to act by regulation or to provide this flexibility rather than imposing the rigidity of a statute? We did so because we negotiate regularly with the provinces concerning this whole aspect of consumer protection, especially as concerns the relations between consumers the financial institutions. Moreover, as it has often been noted during these discussions, this area is even changing. The activities of banking or financial institutions are changing, and so that the purpose of sections or provisions of the act will adapt more easily to such changes, we have decided to proceed by regulations. As for the intent expressed in the motion of the hon. member, it will be met by us through the provisions of paragraph 8 of clause 202 which I have already read.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I agree with the minister there. This particular point as well as others relating to the global issue have been considered at considerable length in committee and I must say that all sides agreed to eliminate certain practices that have become unfair, namely, the 1978 regulation and others. The proposal made by the hon. members of the New Democratic Party was one of those the government had accepted. I would like it better if the minister had already prepared the regulation, if we could see it. I gave some advice to the minister because he is a young man. It has become a practice to listen to civil servants. They must give in to the House. It must not be the other way around, that is the House and Parliament agreeing to the policies put forward by the civil servants. If we demand something, they will do it. Having said that, I wish to stress one thing. We did it very successfully in the past. When a minister presented a piece of legislation which was rather complicated, and if there were any regulations resulting from the act, everybody worked hand in hand not only to write the act itself, but also the regulations. So I can certainly assure the minister that we could have saved five to ten days of discussion in committee on the Bank Act, had we had the regulations at the same time as the bill. There is always that same old feeling that prevails among hon. members, that kind of mistrust of officials. Because we never know, as experience taught us, whether the regulations will indeed conform with the letter and the intent of the legislator and whether there will not be an about turn. Perhaps a certain tendency always remains.

That is why I for one would have liked it better, and no doubt the hon. member for Comox-Powell River (Mr. Skelly) would have agreed to withdraw the amendment put forward by his colleague from Broadview-Greenwood (Mr. Rae), had the regulations been available to us.

One of my colleagues asked me, what are we going to do here? My answer was, we accept in principle the thrust of the amendment. But in view of the regulations and the authority, we accept, and I accept in good faith on the one condition that we will shortly see the regulations in agreement with the intent of section 202(8).

Mr. Speaker, I would like to caution the minister about our expectations for the future, and I say this to all ministers. Where regulations are to be implemented simultaneously with the legislation or shortly thereafter, these regulations should be made available simultaneously with the legislation. It is as simple as that.

In this respect, I would like my colleagues to accept my comments. In my view, the amendment is not necessary.

[*English*]

Mr. Les Benjamin (Regina West): Mr. Speaker, I rise to support the amendment. I remind the minister, who is a very nice man and a man of the people like myself, that there is a parable in the Bible about the moneychangers being driven from the temple, but since then I think they have "snuck in" the back door.

Many years ago I had a personal experience of borrowing money from a lending institution, which was to be repaid in 12 months. I paid it off in five months, and I was still required to pay the full service charges. I was penalized for paying it off early. The financial institution was very unhappy with me. It could not get away with charging me the full interest for 12 months, but its service and administrative charges applied as if I had taken the full 12 months to repay the indebtedness.

It should be included in the law that there be no penalty for early repayment, and there should be a benefit or refund for paying early. It should be statutory. There should be no penalty for making payments in advance of a scheduled date and there should be no penalty for making full payment of an indebtedness ahead of time.

If the minister wants other regulations which spell out the credit or benefit that a borrower should receive by way of refund of interest charges, administrative charges, carrying charges or any other, they would be good regulations; but surely it should be included in the law that there will not be any penalties for early payments or an early repayment of an indebtedness.

● (1530)

The minister can have his officials devise regulations which will spell out what kind of benefit shall be given by lending institutions to those who make payments early or make settlement in full ahead of time. If the minister wishes he can prescribe a schedule whereby someone who pays off a loan in one month instead of 12 receives a refund of 11 months of carrying and administrative charges and any other charges that the lovey-dovey finance company might dream up. I find it incredible that this should not be a matter of law in any case because for many years borrowers who were excellent repayers have been penalized for paying back too soon and too well.

In fact, I would like to see a regulation which would require a benefit even on the interest charges. For example, if someone borrows money at 15 per cent for 12 months and pays it off in six months, maybe he should then have to pay 14.5 per cent. What happens is that the money is returned and is available for lending to someone else all the sooner—someone else who may desperately need it. The minister could spell that out by regulation, if he wishes, or he could simply say that the bank shall refund some appropriate percentage of the interest charges. This might be a quarter of one per cent or one-tenth of one per cent, which would act as an incentive to people who repay their borrowings ahead of time. Surely that would be a great incentive for people to make a better effort to repay their indebtedness. Thus, they would not let their loan payments drag on or they would not be consistently late in making them.

Surely that would be of benefit to the financial institutions as well. It would keep their funds available for lending and rotating all the more frequently. So I do not understand why the minister cannot agree to put in the law simply that there shall be no penalty for early payment or early full repayment of an indebtedness. He should decide that no penalties should be applied or collected. Then, by regulation, he can encourage and even help the financial institutions to provide people with refunds on administration and service charges, which quite often are paid the day a loan is taken out.

I recall a particular loan I took out for a certain amount of money I wanted. Added to it were the service charges, and together this constituted the total loan. When I paid the loan off five months later did I get any refund of those service charges? I did not. The service charges were based on a 12-month repayment period, and I paid the loan off within five months. I argued with the manager of that lending institution that I should not be charged administrative costs for 12 months when I had the loan for only five. I asked him why I should not just pay the administration charges assessed on my loan based on five months instead of 12. He said it was not the policy of the company. It may not be the policy of the company, but I thought it would be the policy of fair play that the company would have.

I was not assessed five-twelfths of the total administration charge but the full 12 months. They nailed me for the full 12 months. Why? If that is not similar to the moneychangers who were driven out of the temple, I do not know what is. For goodness sake why can the minister not say that is what should be the law in Canada? It should be statutory that no penalties can be charged for making early payments or early full repayment, and that by regulation the minister may require a lending institution to provide some kind of credit or refund to the borrower.

If we want to do something for people who borrow and who want to manage their own personal financial affairs even better, surely this is a good way to go about it. I hope the minister will reconsider, even though he has not been paying any attention to what I have been saying. I guess he is not interested in the matter. He has made up his mind, and it is a stone wall. I do not know why he cannot talk to his colleague some other time. I thought the minister would be somewhat more courteous than this. Would he mind asking his colleagues to go away somewhere? I would expect him to reconsider and to put in the statutes purely and simply what this amendment says, which is that no lending institution will be allowed to penalize someone.

Mr. Speaker, I wonder if the minister would get that idiot who is sitting with him to move somewhere else.

Some hon. Members: Oh!

Some hon. Members: Withdraw!

The Acting Speaker (Mr. Ethier): Order, please.

Mr. Benjamin: I withdraw that. I am glad the hon. gentleman left.

[*Translation*]

Mr. Cousineau: Mr. Speaker, I rise on a point of order.

The Acting Speaker (Mr. Ethier): Is the hon. member rising on a point of order in respect of the remarks about himself made by the hon. member? The hon. member for Regina-West (Mr. Benjamin) just withdrew his remarks. Is the hon. member now raising a point of privilege?

Mr. Cousineau: If the Chair feels that withdrawing the remarks is enough, that is fine with me. Thank you, Mr. Speaker.

[*English*]

Mr. Benjamin: If the hon. gentleman wants to discuss this subject with the minister I hope he will get on his feet and do so. I hope he will support the amendment. I hope he will be courteous enough to allow the minister to listen to the members of the House of Commons who are trying to persuade him to accept the sensible, fair and decent amendment to the government's legislation. It would not be the first time that a minister has done that—listen to a private member of the House from another party.

Mr. Speaker, I am sure the minister does not agree that any financial institution should just be regulated by regulation when it comes to early full or partial repayment of indebtedness. It should be statutory that no lending institution may charge a penalty for early repayment. What can and should be regulatory is a requirement on lending institutions to provide some refund or benefit by way of a proportional refund of service or administrative charges, or any other kind of charges they dream up. This should be a requirement by regulation and should be left to the lending institutions, in whatever limited amount of competition there is amongst them, to advertise to their customers and members that if a loan is repaid so much earlier they will provide so much of a benefit, by way of either refund or credit. But you cannot avoid responsibility for not making it statutory that early repayment should not be penalized. After all, that is just ordinary fairness and decency to people who borrow money from time to time, and borrow it frequently, and pay it off on time or ahead of time, most of the time.

• (1540)

Those who pay off their loans ahead of time should be protected. Surely, making such a provision law would be better than to make it a regulation. I hope that the minister will agree with me and accept the amendment. Then he can make whatever additional regulations he wishes.

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, the proposer of this amendment does not bring to the attention of this House the fact that a great number of loans made by banking institutions are demand loans, for which payment can be demanded almost instantly, or which the borrower can pay off instantly without notice. What we are really talking about is a select loan called a personal loan. Surely the hon. member for Regina West (Mr. Benjamin) would not want large corporate borrowers who know their way around the marketplace, and who can jump in and out of the marketplace, to go to an institution and say, "Interest rates are down half a point today, so I am paying you off", but on the other hand if interest rates were to rise, the bank would not be in a position to demand its money.

We are talking about a particular kind of term loan which is made to individuals. That is the reason why section 202(5) sets out where a bank lends money to an individual it must specify the exact terms of repayment, the exact privileges offered, and the details of the contract must be totally spelled out. That is also the reason why through sections 202(7) and 202(8) the minister can make regulations with respect to the kinds of terms and repayment allowances allowed to a borrower.

But surely, in a matter of commercial and corporate contracts, the New Democratic Party is not saying to this House that any term loan can be paid off without notice or bonus. Requiring some type of bonus on a loan is common practice. Canada Mortgage and Housing Corporation for example, charges individual borrowers three months' interest by way of bonus if the borrower wishes to pay off the mortgage. That is a common, open privilege, and clearly the lending institution must be able to recover its cost of setting up the loan and finding the funds in the first place.

I would expect the regulations which the minister will produce to be specifically designed to protect borrowers. The minister said in committee that he will get rid of the rule of 78 and that he will make sure that the calculation terms in loans is easily understood so there will be no gouging, or no situation where a person is charged three and four months' interest for paying back a loan, and that the terms of payment and terms of openness in bank loans to individuals are fair and reasonable. I do not know what else the minister could do other than to suggest that the matter be handled by regulation.

We live in a rapidly changing commercial world, and different types of personal loans are invented almost daily. Surely we must leave with the minister, in a bill which will run for another ten years, the right to make regulations concerning repayment. While on the face of it if any borrower is able to pay off any loan at any time he wants without bonus, would sound very good, if the New Democratic Party had any knowledge of how a business operates and how large business loans are made on a term basis, they would deem themselves pretty foolish for putting forth this amendment.

The Acting Speaker (Mr. Laniel): The question is on motion No. 38 in the name of the hon. member for Broadview-Greenwood (Mr. Rae).

Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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

Some hon. Members: Yea!

The Acting Speaker (Mr. Laniel): All those opposed to the motion please say nay.

Some hon. Members: Nay!

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

Some hon. Members: On division.

Motion No. 38 (Mr. Rae) negatived.

The Acting Speaker (Mr. Laniel): We move now to motion No. 39.

Hon. Stanley Knowles (for Mr. Rae) moved:

Motion No. 39

That Bill C-6, an act to revise the Bank Act, to amend the Quebec Savings Banks Act and the Bank of Canada Act, to establish the Canadian Payments Association and to amend other acts in consequence thereof, be amended in clause 2 by adding immediately after line 28 at page 225 the following new section:

"202.1 (1) The minister has the power to order all chartered banks to lend a set percentage of their revenues at a level of interest determined by the Minister for the following purposes:

(*a*) housing, including native housing;

(*b*) farm improvement;

(*c*) development of small business; and

(*d*) economic development

(2) Notwithstanding any other section or part of this act, the minister shall

(*a*) monitor any and all interest rates and service charges levied by a bank on any deposit, loan, or transaction, including credit card transactions;

(*b*) determine the reasonableness of such rates and charges, taking into account:

(i) the interest rates set by the Bank of Canada,

(ii) the spread between charges to borrowers and charges to depositors, and

(iii) actual costs incurred by the bank for the provision of any services for which it levies a charge; and

(*c*) order any chartered bank to adjust any interest rates or charges if it is found that such interest rates or charges are unreasonable, following a determination as set out in subsection (2)."

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, I recommend this particular motion to the House. Here is another area in which the hon. member for Mississauga South (Mr. Blenkarn) may want to give his questionable assessment of who understands business. I would have thought that possibly after the discussion the other night there would be a more open interpretation. The amendment reads in part:

The minister has the power to order all chartered banks to lend a set percentage of their revenues at a level of interest determined by the minister for the following purposes:

(a) housing, including native housing;

(b) farm improvement;

(c) development of small business; and

(d) economic development

(2) Notwithstanding any other section or part of this act, the minister shall

(a) monitor any and all interest rates and service charges levied by a bank on any deposit, loan, or transaction, including credit card transactions;

(b) determine the reasonableness of such rates and charges, taking into account:

(i) the interest rates set by the Bank of Canada,

(ii) the spread between charges to borrowers and charges to depositors, and

(iii) actual costs incurred by the bank for the provision of any services for which it levies a charge; and

(c) order any chartered bank to adjust any interest rates or charges if it is found that such interest rates or charges are unreasonable, following a determination as set out in subsection (2).

I would like to address my remarks to one small section of this amendment, that the minister has the power to order banks to lend at a set percentage of their revenue and at a level of interest determined by the minister. We feel that this particular amendment would help small business. The hon. member for Edmonton West (Mr. Lambert) has introduced the proposition that chartered banks be restricted in the amount of mortgage loans they can make against real property. As a result we became concerned about the government's attitude toward small business. We have expressed our concerns on how this proposal would affect housing.

I would like to speak about the kind of problems we feel the small businessman faces and how this amendment would improve the situation. After discussing this legislation with some small businessmen in my riding, one particular individual's response comes to mind. I would suggest to the hon. member for Mississauga South, who seems to have wandered off—Oh! I see that he is still here. This small businessman said that financing was extremely difficult. He felt, considering his business and its location, that he was really at the mercy of the lending institutions. This small businessman has a very small market and does not rely on volume sales due to the small population. However, that same population expects him to maintain a large inventory. He maintains that inventory by borrowing. When the interest rates drifted up from 12 per cent, 13 per cent, to 14 per cent and on up to 19 per cent, this man had a very large inventory for a very small market. And interest rates today are climbing rapidly back to that level.

In the area in which this small businessman operates, everything which comes in and which goes out must be transported great distances. The transportation costs are tremendous. The government has caused high interest rates, with increased fuel costs and energy costs, all of which have caused the cost of this man's goods to climb higher. He said that the higher the costs go up, the fewer people to whom he is able to sell. He is carrying this large, varied inventory to have the products on hand for his customers, but they are buying less. In addition, in the particular area he conducts business, and it is the entire coast of British Columbia north of Vancouver, the people who purchase goods from his business have also been hit by federal government programs and policies.

● (1550)

In the fishing industry a large number of people who purchase goods from his enterprise have had their season and their opportunity to earn income literally destroyed by federal government policies. Openings and closings have operated in a detrimental way. The market is shrinking more. Therefore the fishing season is extremely bad. The projections for next year are bad. He is still at the mercy of the banks, the high interest rates, and the difficulty of lending.

The lumber industry is the other great employer in this area which provides the market for his goods. With the high interest rate program this government has put in place, the market for lumber and plywood for the housing industry has been cut to the bone. Those people who would normally buy goods have been laid off. Their income has been curtailed. That can be directly laid back to the federal government.

The next item is the cutback in unemployment insurance. Northern Vancouver Island and the coast of British Columbia have a cyclical economy. During the fire season, loggers are laid off. During the winter, with the snow they are also laid off. Fishermen have a poor season. In many Indian communities where the unemployment rate rises 75 per cent to 90 per cent, they normally would work a season in the cannery or for a short period of time in the industry when it was open. They would have unemployment insurance to fall back on in the winter. This unemployment insurance would find its way back into this man's shop. Yet the government, through some very foxy manoeuvres, managed to neglect the needs of the people in this whole area by cutting back on unemployment insurance eligibility. This means there is no income, income that normally would have gone into his business.

Now we have high interest rates, poor fisheries management, unemployment insurance legislation, and dramatic increases in fuel prices which reflect directly on transportation. These are the high costs that are being reflected in this individual's business. In the final analysis, there is a tremendous increase in the cost of goods. When I go shopping here and I look at the same products that are sold in the stores, there is no comparison. The difference is tremendous.

When the interest rates went up to 19 per cent, they could not fix a price. Every day suppliers would receive a price increase in the mail. When the interest rates went back down, the prices did not decline. They have continued to rise. The government policy is bearing very hard on small businessmen. The hon. member for Mississauga South might pay attention. It is very important. His support for this might lend itself to having the government improve the situation.

Small business is being harmed very seriously. This legislation is accelerating that kind of harm. We would like to see a serious move by the government to make this legislation more responsive to the needs of people. It is directly responsive to the needs of banks and the banking industry. We would like to see some kind of improvement for small businessmen.

I would like to summarize the benefits of this man's business. It is only one business of dozens and dozens in this region. Therefore, when we talk about the benefits, we can multiply them by a hundred. This individual buys goods in the community. Any income he earns remains in that community. The business is very small. He hires five people. Five jobs have been created.

A lot of the employment along the coast of British Columbia and along Vancouver Island is in single industry towns. There is one big employer. A number of people in the community work for that industry. I am talking about the paper industry, some sawmilling, fish processing plants and mining enterprises. The mines are eventually mined out and the town shuts down. Processors find it easier to centralize processing industries, whether it is logs or fish in Vancouver or Prince Rupert, moving those enterprises out of the central coast.

In a lot of the other ones, through the process of automation we have lost a tremendous number of jobs. The mills are more productive today, but the actual labour input is reduced. We have a situation where the only other employer is small business. They hire mainly men. Generally women and young people have no opportunities in those communities except their opportunities through small businesses.

The majority of apprentices, whether they are welders, automobile mechanics, pipefitters and so on, are hired by small business, not by the major enterprises which get all the breaks, tax concessions, and grants for improvements. Most of the employment occurs there, as does most of the industrial training. They target a group of people who need help more than any others; the young people, women and those in the native community. There must be put into this legislation something to improve benefits for small business.

I will summarize by pointing out where this individual obtains financing. It is all from the bank. It is a line of credit that can only expand as much as his accounts receivable. At this point in time his accounts receivable seem to be a little slower as people do not have the money they anticipated, those who buy parts and equipment for fishing boats. The income is not there, so the accounts receivable are not met. The bank is now lending that money at a very high rate of interest. They expect it to go as high as it did last year, 19 per cent, which is enormous.

The bank loaned him money in order to buy and expand the business by way of a mortgage on real property, his home, his parent's home and his business. Therefore the proposition put forward by the hon. member for Edmonton West that the banks should curtail their activity in lending on real property mortgages is absolutely ludicrous. This business could not continue to exist. In fact it would never have come into operation. The five jobs would not be here, along with a very real service.

That is another source of money. When he has to extend his financing or stock, and his line of credit will not handle it, because the accounts receivable are fixed, he has to go back to that mortgage procedure and borrow more money. In the final analysis he can borrow money at a lower rate than the bank generally produces it on the line of credit approach. The banks have a very strong hold through the debenture and mortgage on real property and through the line of credit system.

In the legislation now before us, we do not find a responsibility to small business. The legislation should be more sensitive and have a greater ability to meet the needs of small business which provide a tremendous service in our communities.

There is one other area which concerns me. I know some of my colleagues will want to speak to this particular element. I refer to the question of native housing. In this amendment we state that we would like to see money set aside from the lending portfolio to deal with housing, particularly native housing, and we would like to see interest rates handled that way also.

There are many people here who probably have not had the opportunity to travel to native communities. They have not had the opportunity of seeing the housing problems that exist

there. Many of the urban members have not seen the very serious lack of decent housing in those communities.

● (1600)

Because of the structure of the Indian Act, we do not have the opportunity to provide native communities with conventional mortgages. This legislation should recognize the need for chartered banks which are tremendous mobilizers of capital. Whether through special institutions or by other means, native communities should have the right of access to the chartered banks, which are the major mobilizers of capital in our society; they should be able to approach those institutions for funds in order to build housing for instance. They cannot do that under the present circumstances. Instead, they are dependent upon federal government handouts. They are dependent on the charity of the federal government which designates how many new housing units may go into a community in any year. The need will never be met.

The needs of those who do not have steady employment may be met by government allocations, but a method should be developed whereby those people who have employment may approach the chartered banks for loans. This could lead to expansion of the amount of housing that is available within native communities.

At present there are very serious problems in the area of native economic development. My colleague, the hon. member for Cowichan-Malahat-The Islands (Mr. Manly), has dealt with the problem of access to adequate capital. The Bank Act is a reasonable place for provision of this responsibility, Mr. Speaker.

I see the minister shaking his head. I do not believe he accepts the proposition that the banks do not have some obligation to society. It may be difficult to place these provisions in the legislation, but the needs do exist in society. The chartered banks exist by virtue of charters and letters patent issued by this House. There are serious problems, of course, but I believe that a whole range of Canadians should have access to the capital that is mobilized by these institutions. It is unfortunate that the Bank Act does not contain provisions to help native communities establish economic enterprises and build a greater number of housing units to meet the needs of their people.

I shall conclude with those remarks, Mr. Speaker, and leave my colleagues to develop some of the other issues.

Mr. Jim Fulton (Skeena): Mr. Speaker, I am pleased to have the opportunity to speak on this matter again today. I must say, following on the remarks of the hon. member for Comox-Powell River (Mr. Skelly) that our friends to the right and those across the floor seem to be mesmerized by the Bank Act. It is as if the overwhelming desire of both the Liberals and the Tories is to make sure that everything in this act is good for the banks. I believe there are other segments of society that should be treated fairly under the provisions of this act, however. My hon. friend made some points with regard to native housing, and this is an area which I feel strongly about as well. The minister should give very serious consideration to this to make sure that capital is mobilized in order to provide decent native housing.

I should like to direct the majority of my remarks today to the problems facing the small business sector. I believe this has been overlooked in the Bank Act. We all appreciate that venture capital is the key to the survival of the small business sector which is facing some very serious problems. This is necessary in order to provide new plants, new techniques, warehousing, distribution facilities, new retail and wholesale outlets.

Inventory is one of the key problems in the small business sector. The cost of carrying any commodity at all can amount to 16 per cent, 18 per cent, or 20 per cent or more per annum. Things are very different in the small business sector today than they were 15 or 20 years ago when, as a business became more successful, it was able to carry more inventory. In turn, this increased the number of customers likely to patronize it because of the variety of goods offered. Such is no longer the case. With increased interest rates and carrying charges, the cost of goods per unit is increased and, as a result, most small businesses have to limit their lines of goods.

In this situation, as capital becomes more difficult to find and as the line of goods offered is more limited, the large multinational companies move in and take over what would ordinarily be a lucrative small or medium-sized business. These companies have greater access to capital than do the small businesses.

I would urge all hon. members to consider carefully the proposal contained in the amendment that banks should make capital available directly to small business. High interest rates are a serious burden and the added restrictions put on available capital are creating problems for the small business sector.

This amendment would make money available through legislation. There is already a proliferation of high interest rates on private mortgages and loans. Any newspaper in almost any area of the country has advertisements in the classified columns which offer money at excessively high rates. A growing number of small businesses are forced to secure their funds in this way in order to survive.

In the first part of this year the monthly rate of small business bankruptcies increased 24.8 per cent over last year. The government has been vague on what it intends to do about this. There has been a short extension of the time that bonds will be available, but that does not really affect the problems facing the small business sector. Despite the fact that members to my right and across the floor claim to be the great, wise purveyors of small business, they rarely speak in this House on the subject.

Businesses with assets of less than $1 million comprise 90 per cent of the businesses in Canada and employ about half the work force. While these small businesses decline, large corporations and multinationals have continued to reap soaring profits. They are able to maintain their spot in the market-

place through the use of internal cash flow which can keep their smaller plants open, even if those small units are in a negative cash flow position. In many cases they have a near monopoly on prices. They can employ the loss leader concept to attract customers, be it a couch or a car, nuts and bolts, nails, or whatever. In face of this competition, some small businesses fail within a short time. The large company also has extensive lines of credit available through the banks.

Motion No. 39 would have the effect of making a specific amount of capital directly available to small businesses. Last year, 75 per cent of bankruptcies were in the small business sector; 48 per cent of big business in Canada is foreign owned, whereas 96 per cent of small business is Canadian owned. That is an important aspect of the branch plant economy in Canada. We need an effective national strategy to deal with the small business sector so that it can move beyond the terminal growth stage of the 49 to 100-employee range, up to the big business sector where it can secure lines of credit as well as developing technologies that will give us international status.

● (1610)

Only 3 per cent of small business loans last year were under the Small Businesses Loans Act. I think that really points out the inadequacy of that act and the real need for an amendment to the Bank Act to provide a much greater level and availability of capital to that sector. That capital is also only eligible for plant expansion, equipment and land assembly, which really even more severely restricts it, particularly at a time when the actual carrying of inventory is one of the greatest problems faced by small business.

Small businessmen require working capital, and this would be legislated by the amendment proposed by the hon. member for Broadview-Greenwood (Mr. Rae) and the hon. member for Comox-Powell River. Small businesses raise money often by mortgaging their real property, so what in effect is occurring is that both the owner and frequently those individuals who are working in a small business take real risks with their own personal property, and in my view, and in the view of my party, the banks have a real social and economic responsibility to make low-cost long-term capital available to small business.

Without the present amendment as proposed, small business will be forced into the private money market, which will increase costs which often cannot be passed on to the consumer. Many small businesses across the country are in a marginal state and are forced to go by the banks and into the private money sector. Adding even a few cents, let alone a few dollars, to the cost of individual commodities forces consumers again to go to larger chains which are capable of having loss leaders and major sales to move much larger bulk units and bulk quantities of goods. That thereby essentially drives the small business sector under again.

Many members of this House tend to forget that half the work force in this country is directly employed in the small business sector. The main reason that this type of unfair competition goes on in this country is that there is no option for small business to go to in order to secure the type of financing it requires either to carry larger inventories, to expand plant facilities, to improve premises or whatever, so again it falls into a situation whereby the medium and large corporations, and particularly the multinationals, have an extremely unfair competitive advantage. This is primarily because of policies which have been passed by this House in the past.

Small business in Canada accounts for 28 per cent of the total business sales, and again that is sort of a deceptive figure. But who would be helped most by this amendment? It would be firms in operation less than two years whose profits during the past year were down 61.5 per cent, and firms which have been in operation five to ten years and which have curtailed expansion during the past year by 19.5 per cent directly related not only to inflation but also to the lack of availability of venture and expansion capital. Therefore, what we are seeing is the increased loss of young enterprises, particularly, which are going through the maximum costs of business development, which are start-up costs, plant development, inventory, advertising, travel, and time spent finding customers and so forth. The medium-term businesses which have had growth curtailed by higher cost have found it extremely hard to find capital in the past five years. Very small businesses tend to be able to weather higher interest rates, and those are the businesses with only one to four employees.

High interest rates last year, however, saw a 56.2 per cent reduction in profits for businesses with 15 to 49 employees, and those small businesses with 50 to 99 employees saw a 59.1 per cent reduction. Medium-sized business appears from these figures to be hurt worst by the problems of capital availability. These problems then allow big business and multinationals to take over in those areas particularly where medium-sized businesses get sluggish for any period of time. They are able to move in and, through a growing number of manoeuvres, take over that market, and essentially push the Canadian businessmen out of that sector.

The sectors which will receive the most support by the proposed amendment are transportation, about 25.1 per cent; agriculture, forestry and fishing, 20.7 per cent; construction, 19.9 per cent; and manufacturing, 19.6 per cent. I think we have to look very carefully at the small business manufacturing sector in this country because it has one of our largest deficits with some $17 billion in trade deficit last year. It is an area of the economy that is seriously sagging, but there is certainly an abundance of entrepreneurs in this country who are capable of making almost any manufactured commodity that we use in our day to day lives.

Without some serious encouragement, which we have not seen in terms of any of the legislation in this present Parliament, we should certainly at least pass this amendment in order to ensure that small business has capital available at a reasonable interest rate so that we can move into that area not only in terms of affecting our balance of trade deficit but also in terms of creating more jobs in that sector for unemployed Canadians.

We have seen a reduction of profits over the past two years in the wholesale sector of 61.2 per cent and in construction of 58.9 per cent. There is a very serious domino effect. As I pointed out last week, the entire forest sector was overlooked in the budget of October 28. I think that is a serious oversight. Coming from British Columbia, I must say that to have the budget overlook what represents 50 per cent of our economy in British Columbia is quite sad. When we start tying together the forestry sector with the construction sector, we are looking at about 40 per cent of the most seriously impacted small businesses in this country, and it is related to an entire slowdown. In the amendment we have indicated a desire to make further funds available for housing, both urban and rural, and particularly for native housing, and in order to get forestry moving again we require funds to be made available so that we can have housing starts and get the construction and building trades moving again. This would have an effect in the forest sector, which is extremely sluggish not only in British Columbia but also across the country.

Those areas which are susceptible to inflation are the hardest hit. I refer to sectors which carry any inventory at all. They are also therefore prone to the impact of energy price increases. With the energy policy coming from the other side of the House, and the lack of any real mobilization to help the small business sector, I think it is important to have an amendment such as this which will force the banks, which make use of the small business capital but in fact move it on to areas where they can make more money, to make capital available to those sectors which are the most economically creative and carry the greatest potential.

Who in the small business sector is increasing output and requires such an amendment most? Between 1970 and 1976 Canadian owned and controlled manufacturing firms increased output by 112 per cent. During the same period U.S. branch plants in this country increased their output by only 85 per cent. I think that says a great deal about the potential and the productivity of the Canadian small business sector, which really has not received anything new from the government opposite. Canadian controlled manufacturing clearly out-produced American branch plants by 32 per cent. This amendment, among other things, would help Canadians to get moving, instead of U.S. controlled branch plants.

I hope hon. members opposite, and particularly the minister, will seriously consider including this amendment in the Bank Act because, as I said in my opening remarks, it seems that too many members of this House, certainly hon. members opposite and to my right, are mesmerized by the name of this act, the Bank Act, and seem to think that this entire six-day exercise is to ensure that the interests of banks rather than those of consumers, native people, people who require housing, farmers and small business people in this country, are protected.

Mrs. Margaret Mitchell (Vancouver East): Mr. Speaker, I wish to speak about this amendment from two points of view. The first is in relation to small businesses, and the second has to do with the economic development sector as it applies to community development in local communities. As my colleagues have already pointed out, unfortunately the past few years have not been good years for the small business sector.

● (1620)

The dominance of large corporations in our economy has made it very difficult for small businesses to compete without access to sophisticated financial, managerial and technical advice. As a result, bankruptcies have increased each year over the past several years. We also know that across Canada in June of 1980, 2,119 individuals and businesses have declared bankruptcy, an increase of 35 per cent over June, 1979. In the first six months of 1980, business bankruptcies have increased by 19 per cent over the last half of 1979, and more than doubled in the years between 1974 and 1979. Bankruptcies have been highest among small businesses in operation for under six years which were in need of capital and advice and did not get much of either. Both were complicated as interest rates increased dramatically in the early part of this year. As my colleagues have pointed out, this has tremendous implications for the Bank Act, for the amendments before us and for the role of banks in our society.

Rather than concentrating today on a more general point of view, I would like to bring to the attention of the House, Mr. Speaker, comments from several interviews that I conducted with local business people in my riding of Vancouver East. I think they are typical of the concerns of business people throughout Canada and have an implication for the Bank Act. When I phoned these people I explained to them that I would be speaking in the House on the Bank Act and I wanted their opinion on matters which concerned them.

First of all, a hardware merchant said:

I am not happy at all with high interest rates that are killing small businesses. The banks seem to have no sympathy with business customers.

Especially small business customers.

If an error is made, the customer pays, whether this is the bank's mistake or the customer's.

Then a TV and radio businessman, who wants to expand his business in the interest of young people in the community who, he knows, are looking for work, said:

Interest rates are preventing us from ordering the new stock we must have to keep customers and expand. I would like to start a small manufacturing business to develop a few jobs for young people in the riding. To do this I need R and D funds for a new type of TV tube production. When I inquired I was told federal business loans are not available unless I moved to an area like Kelowna.

Next, a small developer in the construction business, a person who is very concerned with the community and very much a part of the community, said:

Banks should cater to small business instead of pampering big businesses. Small businesses need capital at favourable rates or they cannot survive. Interest rates have pushed up the cost of building lots to $103,000—

—that is for the land—

—for a 33-foot lot to build a family house. Older family homes are now selling for $150,000 and newer ones for $185,000 in Vancouver East.

I would say again that this is in an average, ordinary, working class part of Vancouver, and we are talking about a three bedroom house for $185,000. He went on to say:

It is impossible for a person to build a house these days.

The culprit, of course, is the high interest rates.

Next, an accountant who helps many small businessmen and women, said:

The banks are quick to push programs that they can gain from with no concern that it exploits small business. For example, the Bank of Nova Scotia recently put out a fact sheet on "small business development bonds." These bonds offered at 9 or 10 per cent are tax free to banks, but the person borrowing them must pay high legal fees and other costs. The small businessman cannot include these as tax deductible expenses while the bank gets all the advantages. Who is the winner in this kind of deal? Ask them, who is the winner?

That is a good question. Next, a wholesale businesswoman said the following. It was difficult to find women in business because, as you know, Mr. Speaker, women in business find it very difficult to get credit, just as they find it very difficult to get a mortgage, no matter what their potential credit rating is. This woman said:

Small businesses that I deal with have to go into hock to start up and have debts and mortgages held by a bank. The banks cover all the risk when they give loans by requiring a personal guarantee. They are well covered and can claim a person's home if the business goes broke.

On the other hand, a supplier such as us—

This woman happens to be a supplier of arts and crafts materials to businesses.

—assumes all the risks and often must refuse some orders if the business seems a poor risk for credit. There are no guarantees the supplier will get paid when businesses go bankrupt.

I think the banks should assist small businesses with advice and realistic planning. Their services are mostly for big investors.

Here we hear it again. She went on to say:

Since they make sure they are fully protected and control all the customers' assets, the banks should provide a letter of credit that can be used with suppliers to guarantee they will be paid. As it is now, the supplier, who is also a small business person, takes the brunt of the bankruptcy. Bankers don't give small business any service at all. They take our money but don't give service.

I have heard this repeatedly.

Staff are underpaid and there are not enough hired. Banks should provide advice and help for small businesses along with financial services.

Finally, a small manufacturer and importer, who is trying to help a number of low-income women who are mainly on welfare and trying to raise children on their own to develop a kind of co-operative business, said:

Chartered banks favour huge corporations. They lend to big businesses who have lots of assets and not to small businesses that could employ local people in manufacturing small items. For example—

This is just a small example.

—nail brushes are imported from Roumania. Only a $3,000 loan is needed to manufacture them locally and employ two or three people. Yet this is not available because banks pay no attention to small businesses.

The Federal Business Development Bank also is of little help. There is considerable potential for handicapped persons and persons now on welfare, many of them single mothers, to work at home on marketable items for sale through a co-operative organization. Initial loans for an investment in supplies and equipment are essential along with the hiring of a trainer and business promoter to develop market-oriented saleable items.

These loans are essential not just for crafts for charity which people buy because they feel sorry for handicapped people, but for sophisticated, market-oriented saleable items. But this fellow has tried and there was no way he could get help from the bank for this kind of thing. Finally, he said:

The Bank Act should include a section that requires banks to have a compulsory allocation of funds for low interest loans to small businesses.

Of course, he did not know about this amendment when he told me this. He went on to say:

Small businesses that can become secure and plan ahead become one of the best employers of local people. They can train and hire unemployed workers, but only if they can survive. The present high interest rates make this very difficult.

I do not need to add any more comments on the need for an interest loan program through the banks which would provide a reasonable rate of interest for credible small businesses, which of course would be investigated and would be found to be a good investment.

The second point I wish to raise has to do with paragraph (d) on economic development. This amendment proposes that the minister should have the power to lend reserves at a feasible rate of interest for what is called economic development. I should like to speak on the basis of the many years of experience which I have had in community development, having seen what has happened to a number of people who have been affected by government sponsored programs, such as LIP and Canada Works, and now the community development projects.

● (1630)

Over the past ten years citizen organizations have organized and developed a variety of very interesting and innovative experiments in self-help at the community level. In a limited way, these LIP and Canada Works projects encourage the initiation of new development by community people. This happens especially in poverty areas—in the inner cities, on Indian reserves, and I am sure in smaller communities throughout Canada. In the days when more money was available, this was an appreciable amount of employment. It was not at the rates we would have liked, nor continuous employment.

In my community—and I am sure this is typical of others—starts were made on more flexible child care services so that mothers could go to work and some people could train in child care. Food co-operatives were developed; public housing projects, home making services, home repairs and sheltered workshops were developed to make items for limited sale. As I said, the salaries were very minimal, sometimes less than unemployment insurance. It allowed projects to get started with a very small amount of overhead, often sponsored by parent organizations.

However, few community services could be developed which involved fund raising. This was a "no-no". They could not compete with the marketplace, so even though income might have been brought in during the initial period and put into a fund to maintain the ongoing service, this was really not allowed under the terms of reference. Many non-profit socie-

ties which sponsored such community service projects would have liked to continue them. These were necessary services of continuing need which would not be automated out of existence. So, it was a continuing potential for local employment as well.

Also they wanted to continue to hire local members of their community who needed work and could contribute more effectively because they knew the needs of the local community. However, they had no ongoing funds to employ even one or two of the team of workers who were on Canada Works projects after projects were completed. Many of the people who were hired on these projects were young people with little job experience. Also many of them were highly-trained university graduates who could not get work. Many were women previously on welfare, and handicapped people who needed a protected work situation or a change to get started and prove that they were as good as anyone else.

These people gained confidence and skills if the project provided adequate training and administrative direction, but by the time their year was almost up, of course once again they were faced with the spectre of unemployment. Certainly this did not discourage motivation for responsible work habits.

Well, Mr. Speaker might well ask what this has to do with the Bank Act and the amendment. It is directly related to the amendment on economic development which we are proposing. The projects I mentioned demonstrated both a valid and important community need and a great potential for community employment. The organizational and development stage was completed when projects were finished. Usually they were ready to go on to become community enterprises. All they lacked was capital, and of course capital was not available through the government, banks or credit unions. In many cases a small co-operative was formed which could have continued these services if funds were available.

I recommend very strongly the endorsement of this amendment, and furthermore that credit unions and banks be empowered to assist communities, particularly low income communities, to develop what I would call a community development corporation and a revolving fund to encourage non-profit self-help services. Low interest loans could be used by reliable community enterprisers to help establish community services essential to people living in the community, each one helping another. Some of the income would come from social and government agencies now paying for homemaking services, transportation for the elderly, child care and other preventive services for low income communities.

Other services such as food co-ops, home repairs, housecleaning and maintenance would have a regular income from sales or pay for services by the community. Members on the other side of the House do not seem to be aware of the point that this kind of approach would be an investment in people, as well as in jobs and future businesses. It would hire local people who know the community needs and are able to relate sensitively to local services, rather than highly paid professionals and commercially run businesses.

In closing, I very much hope members will approve this amendment. We spoke the other day about housing needs; now we are talking about small businesses. It is important to have this amendment to the Bank Act to allow discretion for banks, and I hope credit unions, to offer low interest loans for reliable non-profit enterprises as well as for small businesses which will employ local citizens and strengthen communities.

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, I am glad of this opportunity to speak on this particular amendment to the Bank Act, because it is an area of concern for a great part of the Canadian economy. If we lower the interest rates in this particular area of concern, we can do a lot toward building up the economy of Canada.

Although I am basically concerned with the prominence of financial institutions and their control of the economy, that control of the economy by the banks and related institutions is almost devastating. We are at a point in our economy where small businesses, farms and such organizations are unable to operate without the effective financing of banks or other lending institutions. It has become particularly devastating. I challenge any member here to try to open a small business, to borrow the required financing to start a small business or farm, and after four or five years of operation, to check on how much money was made compared to how much was paid to financial institutions. Almost every small business which is started up now, and almost every farm which was started up in the last ten years, have found that they are paying an inordinate portion of their profits—if one can call them profits—or of the money they have made, to the financial institutions. Consequently, the financial institutions of the country are the only organizations which make profits on ongoing businesses, particularly small ones and farms.

It is a pretty bad situation when one considers the many hours of work, worry and risk taken in the development of small businesses or farms, and at the end of five or ten years finds that most of the profits or most of the money taken in has gone to financial institutions. What did they put up for it? Very little work, if any, and very little risk.

• (1640)

Over the years the failure rate of lack of payment by farmers particularly has been very small. It is around one per cent. So there is very little risk in loaning money to the development of a farm or a small business. The development requires the capital, and the donor gets 15 per cent to 20 per cent of the investment back and the entrepreneur, the worker, feels he is pretty lucky if he gets 5 per cent to 10 per cent back. With respect to this particular case we should look at this amendment, which suggests that we allow or require a certain amount of the revenues at a level of interest determined by the minister for the purposes which are listed in this amendment. We are living in a particular kind of jungle, as far as finance is concerned. It is the responsibility of this House, and has been the responsibility of banks—at least that is what we thought—to apply the rules under which you can survive in this jungle.

Before I go on to some of the factors here let us take a look at what the responsibilities of a bank are. We charter them. We give them the privilege of conducting the banking exercise in our communities. They are major economic actors in our communities and in our country. But what are their responsibilities and how do those responsibilities relate to this particular amendment? They control the cash flow for corporations and the cash flow and credit for individuals. They have a great scope of financial activities, and if this bill were to go through in the way it was originally proposed we would be extending the scope of those activities.

Banks should have some responsibility for our national goals. What are our national goals? They are closely related to farm improvement, the development of businesses, and the economic development of the country. Those are goals which this country and the people of this country have accepted, and which this government has accepted by being the representative of those people. So Canada needs an industrial strategy. Under this particular jungle operation that we have, as far as finances are concerned, we require some control over the finances which would allow those national goals to be achieved. If we consider that the banks are public institutions privileged to operate as public institutions in this country, then we should expect them to accept some of those responsibilities and be willing to provide a certain amount of money to the development of the country.

Maybe the limitations which the hon. member for Edmonton West (Mr. Lambert) suggested in an earlier amendment are a good thing because they may limit the amount of money that is available and consequently many people will not be working for the banks. Many people in this country feel that we have developed well and we have accepted the responsibility of small businesses and farms as being a major part of our economy, and we should therefore make available to them the kind of money which would allow them not only to survive but to make a major contribution to our economy.

Small businesses and farms are having a lot of trouble surviving because of the high interest rates. Therefore we have some responsibility to lower those interest rates so that those types of businesses can survive. In my own part of the country, in the farming area, when farmers go out of business they have been able to sell their land and, because of the price of land, been able to survive to some extent. They do go on to the labour market or attempt to find something else to do. I am not always sure that is a good alternative.

However, let us take a look at the small businesses. As the hon. member for Skeena (Mr. Fulton) mentioned, 75 per cent of bankruptcies today involve small businesses. The figures are quite interesting. In 1977 there were 3,905 bankruptcies in Canada. In 1978 there were 5,546 bankruptcies. The number is higher in 1979, and I am sure that 1980 will show an increased number of bankruptcies.

I will refer again to some of the statistics which were given by the member for Skeena. In Canada 48 per cent of big business is foreign owned while 96 per cent of the small businesses in Canada are Canadian owned and operated. When we look at the figures, 96 per cent of those people who are bankrupt are no longer contributing to the economy, nor are they hiring other Canadians. This Parliament has a responsibility to ensure that small businesses and farmers are not gouged by high interest rates of 19 per cent and 25 per cent. That is what they are paying.

If you were to try to buy a tractor in Saskatchewan right now you would need more capital than most farmers can afford. As a result, they are forced to go out and attempt to borrow if they wish to buy any kind of machinery. In the process they are asked to secure such loans with property. That property is the productive part of their farming operation. Small businesses are asked to secure their loans but putting their plants on the line. In other cases they are asked to secure loans with their stores and buildings. Then they are asked to pay up to 20 per cent of anything they earn with those plants or with that piece of machinery, to the finance company. That just does not contribute to the national economy.

The reason for interest back in the old days of the usurers was because some risk was involved, particularly with respect to farmers. Many of the loans which are made to farmers these days are secured by the federal government under the farm loans legislation. However, just because a loan is secured, it does not mean that the farmer receives the money at a lower rate of interest. The lending institutions do not have that kind of social conscience. They continue to take the highest level of interest possible.

● (1650)

Let us take a look at a situation where this amendment does not exist and interest rates continue to rise. This creates a situation of tight credit which causes interest rates to rise further. Every time the interest rate goes up, it creates a little more hardship for the small businessman or the farmer, the people who need the money to operate. Most businessmen, in order to keep up an available stock, or a farmer to get over seeding or harvesting, require a line of credit. In the past this was not a great problem, but with upwardly spiralling interest rates it is becoming the reason for many bankruptcies and why people are withdrawing from farming.

We constantly hear that it is important to keep producing the kinds of foods necessary to feed the world. It is also important that we keep farmers on the land, because it is good for our economy. Some say that farmers today produce twice as much as the farmers of 20 years ago. The fact is that there are less than half as many farmers today. While they are perhaps producing a little more food, there are fewer people producing that food. The people who left the farms are now either on the unemployment rolls or they have forced others onto the unemployment rolls.

We should try to give the farmer credit at an acceptable rate of interest in order to keep him on the land. That in part is the purpose of this amendment. If we restrict capital we will force interest rates higher. It is quite likely that the number of farmers or businessmen closed down as a result of bankruptcy will become so high that the family farm and the small

business as we know them today will disappear and we will fall entirely under the control of the large corporations.

Mr. Sid Parker (Kootenay East-Revelstoke): Mr. Speaker, I welcome the opportunity to speak on this amendment. I commend my colleague, the hon. member for Broadview-Greenwood (Mr. Rae), for presenting it. I have noticed this afternoon how quiet the members of the Conservative party and the Liberal party have been on this amendment. This amendment could bring stimulus to the housing industry, which would help every Canadian. Canada Mortgage and Housing Corporation recently took a survey in my riding, and they found that in almost every community there was a .0 vacancy rate. The highest vacancy rate they could find was .05.

If this kind of proposal were put in the Bank Act, communities or groups would be allowed to get together to bring about land assemblies, and the average worker would be allowed through such a program to build housing which would meet the needs of the people.

Mr. Blenkarn: Get off it.

Mr. Parker: I was involved in such a program, and I have seen what can be done. I saw a small community with backing from the federal government, the provincial government and the municipal government, put forward 25 acres of land and put in the services. The lots were sold at cost. The individuals involved were able to go to the banks and borrow money. Many of them began building their own homes with their own hands. Others hired contractors. The project, which occurred in the early seventies, stimulated housing in a way such a provision in the Bank Act would stimulate the industry.

I would like to speak about the problems of the small businessman. Many times on the campaign trail I heard the Conservative candidate or the Liberal candidate say that they were the champions of the small businessmen. Several small businessmen have come to me with problems. I can think of one group which operates a small tie mill. They were begging for contracts from CP Rail. These businessmen could not get financing because they did not have the contracts. But CP Rail is going across the line into Washington to buy thousands and thousands of railway ties. I am talking about small industries run by three or four people. In this case it was a small mill which hoped to make a business out of small scrub timber by making railway ties for the railways. If the Bank Act were amended to help small businessmen, we would see many such operations begin.

I have been in larger communities where there are the large shopping malls which have their own means of financing, gathering all of their loot together to squeeze out the small businessman who is unable to get a loan from a bank. If this small businessman is able to get a loan, the interest rates are so high he is unable to sell his goods or maintain an inventory, and he soon goes into bankruptcy. Every small businessman knows what I am talking about.

There is also the tourist industry. Businessmen in my riding promote winter skiing in particular. Once again interest rates will be a deciding factor in whether the business will be a viable operation or whether it will go into bankruptcy.

The other day a woman came to me with her problem. She was trying to develop a small business, but because the banks would not provide her with the capital, she was forced to go to the federal development fund. She faces the possibility of losing her business in December. As a result, I tried to determine how many more small businessmen were finding themselves in this kind of trap. I found many such businessmen in my own community.

• (1700)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Ethier): Order, please. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Vaudreuil (Mr. Herbert)—Public Service—Translators' dispute—State of negotiations; the hon. member for Winnipeg-Assiniboine (Mr. McKenzie)—Veterans Affairs—Request for increase in war veterans allowance and disability pensions; the hon. member for Comox-Powell River (Mr. Skelly)—Consumer Affairs—Justification for certain department stores to increase finance charges.

It being five o'clock, the House will now proceed to the consideration of private members' business as listed on today's order paper, namely, notices of motions.

PRIVATE MEMBERS' MOTIONS

[*English*]

CROWN CORPORATIONS

SUGGESTION LEGISLATION NECESSARY TO INCREASE CONTROL AND ACCOUNTABILITY

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe) moved:

That, in the opinion of this House, the government should consider the advisability of introducing legislation to increase control and accountability of Crown corporations such as the provisions of Bill C-27, an act respecting Crown corporations and matters relating or incidental thereto, which was introduced in the First Session of the Thirty-first Parliament.

He said: Mr. Speaker, on April 30 I put down this motion because I felt it was a matter of great necessity in this country that action be taken in the very near future to bring an appropriate regime of accountability and control to the myriad of Crown corporations for which the federal government has responsibility. I am delighted that the president of the Treas-

ury Board (Mr. Johnston) is present this afternoon to watch the debate and follow the activities here, because he is the minister who now has the responsibility for the Crown corporations bill and who, perhaps, can give some indication to the House as to what the intention of the government is in this regard.

Earlier in this session I raised questions with the President of the Treasury Board and with the Prime Minister (Mr. Trudeau), asking whether they intended to take action similar to that which was proposed by our government a year ago. It would have brought before Parliament legislation to increase accountability on the part of Crown corporations and bring an appropriate regime before Parliament which would allow the flexibility necessary to deal with Crown corporations. It would have addressed a number of concerns raised by the Auditor General, the public accounts committee, the Lambert commission and various other groups who are concerned about the lack of an adequate method of accountability for Crown corporations at the present time.

When I raised the issue in this House previously, I was given the firm indication by the government that it accepted the principles that were involved in the Crown corporations legislation. Indeed, the Prime Minister said that the bill which we introduced in the last Parliament was simply a bill that had been drawn up by the Liberal government and was available to us when we took over. That, of course, was not the case. However, the initiative of trying to bring an appropriate regime with accountability of Crown corporations before Parliament was an initiative which dates back to the previous Liberal government. It was under the Clark administration, the administration led by my leader, that action was finally taken to bring legislation before Parliament which would deal with the myriad problems which had been created by this lack of proper accountability.

Although the President of the Treasury Board and the Prime Minister indicated at that time that they took this matter seriously and action would be forthcoming, and although privately we had indications from some members of the government that action would be taken very early after Parliament resumed in the fall, Parliament has yet to see any indication of seriousness whatsoever on the part of the government with regard to Crown corporations. We have yet to see an indication on the part of the government that it is prepared to take action in bringing legislation before Parliament to address these numerous concerns which were repeated most recently by the former Auditor General of Canada, Mr. J. J. Macdonell. Hon. members will remember that this bill was designed to provide ministers and Parliament with improved means to control and direct the management of Crown corporations and to ensure that their performance was accountable to ministers and Parliament.

The bill, and I stress this, was not part of the former government's privatization initiative. It was quite unique and separate from privatization in that its purpose was to increase the effectiveness of the corporations' various public policy objectives. At the same time, the bill sought to clarify grey areas of jurisdiction that are of concern to Crown corporation managers and to correct the unrestricted proliferation of Crown corporations and their subsidiaries.

Most Canadians do not know the fact, but it is the fact that it is possible for three public servants to go out this afternoon and incorporate a new federal Crown corporation for which the government and taxpayers of Canada would be responsible. It is possible to incorporate Crown corporations through a number of different measures, including even under provincial government legislation. What we were trying to do was to ensure that when a decision was made that a Crown corporation could be created, it was made with the full knowledge of ministers and it was done consistent with the policies of the government and policies approved by Parliament. We do not believe it is in the national interest to have Crown corporations proliferating without any idea as to the numbers involved and as to the reasons why they are even created.

The bill addressed itself only to the control, direction and accountability of corporations that are wholly owned, whether directly or indirectly, by Her Majesty in right of Canada. In total, Bill C-27 applied to 178 corporations. It did not refer to corporations that are not wholly owned by the federal government. In other words, where there was mixed or joint enterprise where the federal government was involved, this was not coming under the ambit of the Crown corporation bill. It was to be dealt with by separate legislation, somewhat further down the line.

I would like to mention, and I think it is of interest to members of the House and the Canadian people, that we always had to revise that number upwards. We got it up to 178 because we kept on discovering Crown corporations which the government did not realize existed, but for which the Canadian people and the Government of Canada were responsible.

One of the provisions in the bill would have required that unless a Crown corporation has been listed in one of the schedules to the bill, it would cease to exist. It would have to be wound up and the people of Canada would not be held responsible for its liabilities. This was a provision designed to enable us to find other Crown corporations which to date had still been able to elude detection by the government. I suspect this figure of 178 Crown corporations wholly owned by the Government of Canada is in fact probably low.

Our government was convinced that the natures of these joint corporations differed so widely that it would be impossible to provide for them in legislation designed for wholly-owned corporations. Nor did Bill C-27 refer to those corporations engaged in functions of an artistic, entertainment or journalistic nature as their primary undertaking. We recognized that the CBC and other cultural organizations had special requirements that historically created a large degree of independence from Parliamentary scrutiny. As such, we made both of these types of corporations the subjects of separate reviews.

I must stress that it was the intention of our government to bring the CBC and the other cultural organizations into some appropriate regime of accountability which would recognize

the need for some element of cultural autonomy, but would still respond to the concern that many Canadians have over the lack of accountability of Crown corporations today. I would be very disturbed if, in legislation brought forward by the present government, there were some attempt made to ignore trying to bring in an appropriate regime of accountability for those Crown corporations.

In general, our government was attempting to replace the traditional philosophy behind the Crown corporations' relationship to Parliament. The belief that Crown corporations ought to be incorporated at arm's length from the government of the day and Parliament is outdated and perverse. While the ostensible purpose behind the arm's length philosophy was to insulate Crown corporations from political intervention in their operations, the practical effect was to break the accountability chain between Crown corporations and the government. As a result, on many occasions an environment has been established whereby management has been unresponsive to public policy objectives. To guard against this situation, we proposed that the governor in council should have the power to issue legally binding directives to Crown corporations to pursue objectives that are in the national interest.

I must stress the fact that these directives were to be issued openly, not secretly and not privately as they can be today. They were to be issued in full view so that Canadians would know the reasons and the nature of government involvement in the day to day operation of Crown corporations.

An example of how directive power might have operated was that the provision might allow the government to dictate the location of new facilities in areas of high unemployment, or the buying of goods and services from Canadian companies. This would be an example of where something could be required by the governor in council in the national interest but the Crown corporations would have the right and the power to apply for compensation, if the government's directives resulted in a loss of revenues to them. They could have some compensation to ensure that their profitability did not suffer as a consequence. We could also recognize the direct cost to the taxpayer in terms of directives which were issued in the national interest.

To protect against abuses, however, all powers exercised had to be done publicly and in the form of a written order in council. These directives would then be automatically tabled in Parliament within 15 days of issuance or, if Parliament was not sitting, within 15 days of the beginning of the subsequent session. This type of stipulation would assure that situations could not arise whereby individual ministers could issue directions orally without it being recorded for public scrutiny. Such a stipulation, I might add, is not envisaged in the current government's Canada Post corporation bill. In this bill, responsibility for directive powers can lie in the hands of an individual minister. Those directives can be given orally. This is one of the concerns I have. In the absence of an initiative of the Crown corporation legislation, similar to the one taken by the previous government, at least a number of provisions in the Canada Post Crown corporation bill appear to fly directly in the face of the policy that was established by the previous government, and which the Prime Minister earlier in this session tried to claim as his own.

● (1710)

Some of the other measures we proposed to ensure the general control, direction and accountability objectives of Bill C-27 were, first, a series of provisions that sought to strengthen the boards of directors of Crown corporations when carrying out their responsibilities. These provisions would be nearly identical to those of the Canada Business Corporations Act as they apply to the duties, responsibilities and liabilities of boards of directors. For example, directors would be responsible for the appointment and setting of salaries for vice-presidents. Since this bill put a premium on effective and efficient management, the board is likely to seek out individuals with demonstrated management abilities.

I might also refer here to Bill C-42, the Canada Post Corporation Act, which is very different in that it requires that appointments of vice-presidents of the Canada Post Corporation will have to be ratified by the governor in council and that the governor in council will have the power to set salary schedules of Crown corporation vice presidents. This obviously flies in the face of the concept that the responsibility of the board of directors of a Crown corporation is to manage the day to day activities of the Crown corporation, free from political interference.

A series of provisions was designed to exert control over the financial expenditures and commitments of Crown corporations by requiring their capital budgets to be submitted to the government for approval and continuing scrutiny. At the same time, these provisions allowed for more responsibility and flexibility for members of the boards of directors to develop corporate plans, capital budgets and to manage their own debt financing.

A key provision in Bill C-27 was the clarification of the meaning and implications of the term "agent of Her Majesty" for Crown corporations, especially as it applies to financing. As a result, corporations wishing to arrange long-term borrowing from private sources would have to do so on their own credit rather than that of the Crown. Moreover, the bill called for the accurate reflection in the public accounts of all liabilities incurred by a Crown corporation since, of course, they are liabilities of the Crown until they are fully repaid with regard to principal and interest.

Finally, there was a series of provisions designed to improve the financial management and control of Crown corporations; a range of proposals to provide members of Parliament on both sides with substantially more information about the activities of the Crown corporations; and a provision that would require statutory authority and governor in council approval of any future acquisitions or incorporations by Crown corporations or their subsidiaries. In sum, the provisions of the bill our government introduced set out what we believe to be an effective, workable and comprehensive Crown corporations bill.

The need for the type of legislation proposed in Bill C-27, Mr. Speaker, was well known before our government was in office. For many years, questions have been asked in the House about activities of various Crown corporations of which ministers have little knowledge. The standard response of "I do not know, but I shall try to find out", proved not only frustrating to the opposition, but embarrassing to members of cabinet. The 1975 Estey inquiry into the affairs of Air Canada not only criticized the lack of accountability to the government, but disclosed details of questionable transactions, shortcomings of financial control accounting procedures, and of fiscal management in the corporation. These findings were substantiated by the Auditor General's 1976 report to the House. That report concluded as follows:

> In the majority of the Crown corporations audited by the Auditor General, financial management and control is weak and ineffective. Moreover co-ordination and guidance by central government agencies of financial management and control practices in these Crown corporations is virtually non-existent.

Two subsequent reports from the Standing Committee on Public Accounts in July, 1977, known as the Polysar report, and the Atomic Energy of Canada Limited report in February, 1978, reiterated the Auditor General's findings.

I remind the hon. members on the other side of the House that it was the Privy Council office in 1977 that published the so-called "Blue Book" which dealt with many of the concerns raised in the reports I have just mentioned. The numerous responses to this book from Crown corporations, the Canadian Institute of Chartered Accountants and the Auditor General, led to the establishment of an interdepartmental task force in mid-1978.

I know it is not the conventional thing in the deliberations of this House, Mr. Speaker, to refer to public servants, but perhaps I can break with the convention and say that in the time I worked with the public servants who served on the Crown Corporations task force, I was impressed by their dedication to the public interest and their concern in addressing those worries which the Auditor General, the Lambert report and members of Parliament, expressed about the need for proper accountability and control of Crown corporations. I should like publicly to express my appreciation to the members of the Crown corporations task force for the tremendous contribution they made.

The task force, which consisted of officials from the Privy Council office, the Department of Justice, Treasury Board, the office of the Comptroller General, the Department of Finance and a Crown corporation, redefined the policy expressed in the "Blue Book". This happened before the Clark government came to office in May, 1979, but that government saw the importance of this initiative and quickly introduced legislation in Parliament.

It was after these efforts took place that our government decided to act upon the further findings of the Lambert commission. It recommended, among other things, a more direct reporting relationship between Crown corporations, management, and Parliament. Our intent was to act upon the Lambert report and the many others that were filed during the previous government's term of office. Although it would be impossible ever to devise a bill that everyone agreed upon, our government was satisfied that strong opposition would not come from any of the quarters affected by the bill. Moreover, let me re-emphasize that there was no ideological premise to the bill. It was designed to bring control, direction and accountability to Crown corporations of the variety any democratic system ought to be able to insist upon. In brief, Mr. Speaker, there would seem to be no reason why the current government should not want either to support the bill we introduced, or table a new one of similar substance without delay. Yet, Mr. Speaker, the government continued to sit on the legislation.

As 1980 draws to a close, are we to wait for yet another Auditor General's report criticizing the current control and direction of Crown corporations before action is taken by the government? Or is the government prepared to follow the course our government set, and restore public confidence in the abilities of Crown corporations to fulfil the policy goals their mandate dictates? Mr. Speaker, the time to move on legislation is now, while the initiative is still fresh. It would be a tragedy for Parliament and the Canadian people if this bill were allowed to wither, simply because of a lack of will to make hard decisions and bring legislation before the House without delay.

I urge the government to give an indication to the House today that it is prepared to give attention to and address the concerns shared by members of Parliament on all sides of the House, and which were expressed by a number of Crown corporations, by the Auditor General, by the Lambert commission and by members of the public. This matter cannot be delayed. It begs for urgent attention.

Some hon. Members: Hear, hear!

Mr. Robert Gourd (Argenteuil): I would like to begin by sharing with members of the House the important past and current role of Crown corporations or public enterprises in the achievement of government objectives. Even before confederation, governments had chosen a public enterprise model to reach a particular goal. In 1841 a Board of Works was created in the United Provinces of Canada to construct a canal system, and a number of harbour boards were also set up as public enterprises before confederation.

In Canada, the development of federal public enterprise is almost completely synonymous with the development of the Crown corporation form of administration.

After confederation in 1867, the federal government continued to use the Crown corporation form for administration of harbour facilities throughout the dominion. All of the individual harbour Crown corporations were eventually subsumed into one—the National Harbours Board.

The year 1919 marked the point at which the federal government made a massive venture into public enterprise and created the company that remains our largest Crown corporation, the Canadian National Railways. The pre-war railway construction boom had ended with only the CPR in sound

financial condition and three new transcontinental roads tottering on the edge of bankruptcy. Because of the federal government's large investment in the railways, and to protect the image of Canada's credit in the foreign capital markets, the government took over ownership of the three railways and brought them together under the corporate umbrella of Canadian National.

● (1720)

The CN experiment, as it was called at the time, was embarked upon by the government with serious misgivings and with much public debate. In spite of early doubts, the federal government was to resort with increasing frequency to the Crown corporation form for the provision of essential services. In 1932 the Canadian Radio Broadcasting Commission, later known as the Canadian Broadcasting Corporation, was established to regulate and administer a national broadcasting service. In 1937 Trans-Canada Airlines was established by the federal government to provide domestic air services across the country. The government had hoped to establish TCA as a mixed enterprise in partnership with the private sector, but was unable to attract private investors. The corporation was consequently established as a wholly-owned subsidiary of Canadian National.

By 1939, aside from CN, the harbour corporations, TCA and the CBC, Crown corporations had been established to operate sea transportation services, market wheat, administer a central banking system, the Bank of Canada, and extend long-term credit to farmers.

The war years, 1939-45, marked a period of tremendous growth of Crown corporations. In scarcely more than five years, 32 Crown corporations were established to assist in production, procurement, construction and distribution for the war effort. The large majority of these corporations were established by the government under the Canada Companies Act pursuant to an authority vested in the minister of munitions and supplies by an act of Parliament.

Although most of the wartime Crown corporations were wound up with the arrival of peace, the federal government created a number of Crown corporations during the reconstruction period immediately following the war, and by 1950 there were 33 in operation. Now, in 1980, there are 63 Crown corporations in existence, excluding subsidiaries. Added to the pre-war and remaining wartime corporations have been marketing boards, a National Arts Centre, an export insurance and guarantee company, an oil company, and companies in the fields of telecommunications, administration of the St. Lawrence Seaway, coal mining, industrial development, electric power production, heavy water and nuclear reactor production and construction, uranium processing, sale and stockpiling, cultural support, unemployment insurance and science, medical and economic research and advice.

The federal Crown corporation is an adaption of the corporate form familiar to the private sector. Each corporation is created either by an act of Parliament or by a minister or cabinet by letters patent under the Canada Business Corporations Act or its predecessors. The latter is done pursuant to an authority vested in a minister or in cabinet by an act of Parliament.

For each Crown corporation an appropriate minister is designed, either by the legislation incorporating the company or by cabinet. The appropriate minister, in constitutional terms, reports to Parliament on behalf of the Crown corporation. Although there are exceptions, most Crown corporations are headed by boards of directors. In many cases the boards of directors consist, in whole or in part, of public servants. In the cases of those corporations that operate in a competitive market or that are expected to operate on a profit basis, the boards of directors are usually composed entirely—or at least a majority—of individuals from the private sector appointed by cabinet.

In a few cases, such as the Canadian Broadcasting Corporation, the legislation incorporating the corporation will state that directors must be appointed from certain regions of the country to obtain a regional balance on a board.

[*Translation*]

Quite often civil servants are appointed to the board of directors of Crown corporations. Members of Parliament or ministers are never appointed, however. The mechanism of federal Crown corporations is used precisely to make sure that the operations are not constantly the object of partisan interventions, government controls or debates in Parliament. The various governments have therefore always refused to appoint ministers or members of their own legislatures to the board of directors of these corporations lest this principle be violated.

In most cases, executive officers and directors of Crown corporations are appointed for a set term; however, most of their positions can be revoked before the end of their term. In certain cases, as for the Canadian Broadcasting Corporation, the positions of executive officers and directors are more secure and they cannot be removed without just cause. The directors of corporations incorporated by letters patent instead of by an act of Parliament are appointed by the competent minister as trustee shareholders. The directors then elect a chairman of the board and an executive director within the corporation or from outside. Usually they seek advice from the government which in turn suggests the person or persons who could fill the positions. The directors have always gone along with these suggestions. On the other hand, it frequently happens that they have already chosen a candidate which is nearly always accepted by the government. With few exceptions, the government is the sole owner of Crown corporations. When a corporation has shares, the minister in charge holds them in trust in the name of Her Majesty in the right of Canada. The government is not only the owner of the corporations, it is also their banker, although many of them can finance their own operation and pay out of their own revenues part of their capital costs. Most of them, when they need outside financing, can obtain subsidies, loans and advance payments from the

Consolidated Revenue Fund. Few are those which obtain financial requirements from private sources, and fewer even are those which do so without the government being called upon to provide security.

[*English*]

The Financial Administration Act is a landmark statute in the development of the Crown corporation form and in their control, direction and accountability. As stated previously, by 1950 there were in existence some 33 Crown corporations. Probably because of the diverse and often urgent requirements that led to their creation over a total of 30 years by successive governments, there was little in the way of consistency in the federal government's formal ability to control and direct Crown corporations or monitor their performance. The connection between Parliament and Crown corporations was particularly weak.

To rectify this situation, Parliament approved the Financial Administration Act in 1951. The act in its entirety provides a foundation for the financial administration of the Government of Canada. Part VIII applies solely to Crown corporations and provides a foundation for the financial relations between Crown corporations and the government on one hand and the government and Parliament on the other.

● (1730)

The issue of parliamentary scrutiny is addressed by having all Crown corporations' annual reports and annual capital budgets tabled in Parliament regardless of sources or requirements for financing.

The major focus of part VIII of the FAA is to define the ministry's powers with respect to Crown corporations, for the fundamental principle around which part VIII was built was that the ministry would exercise the owner's prerogatives with respect to Crown corporations while Parliament would hold the ministry to account for the exercise of those prerogatives. The information provided to Parliament through capital budgets and annual reports assists members of Parliament in holding the ministry to account. It also assists executives of Crown corporations themselves in accounting for their activities when they appear before parliamentary committees.

Before turning to a description of the powers vested in the government by part VIII, it is important to note that it groups Crown corporations in three classes or schedules attached to the FAA. The first group, schedule B, covers what are known as "departmental corporations" and includes those corporations responsible for "administrative, supervisory or regulatory services of a governmental nature." The second group, schedule C, known as "agency corporations", includes those corporations responsible for the "management of trading or service operations on a quasi-commercial basis" or for the "management of procurement, construction or disposal activities" on behalf of the government. In this group are to be found the remaining corporations established during the Second World War. The final group, schedule D, known as "proprietary corporations", includes those corporations managing "lending or financial institutions or commercial and industrial operations" involving the production of, or dealing in, goods and the supplying of services to the public. This last group now lists the major commercially-oriented Crown corporations, including Canadian National, Eldorado Nuclear Limited, Air Canada and Petro-Canada.

On a continuum of independence, the corporations in schedule B are the least independent. For purposes of financial administration they are treated as departments of government under the more or less continuous direction and control of a minister.

At the other end of the continuum are located the schedule D corporations. Aside from the power to appoint and dismiss directors and the chairmen and chief executive officers of most schedule D corporations, the government's major powers of control and direction are limited by the FAA to the approval of annual capital budgets and appointments of auditors. Prior to tabling in Parliament, capital budgets are submitted by each corporation and approved by cabinet on the recommendation of the appropriate minister, the minister of finance and the president of the Treasury Board.

Located between the schedule B and the schedule D corporations, the schedule C corporations are "agents of Her Majesty". As well as submitting annual capital budgets for approval like the schedule D corporations, schedule C corporations must also submit annual operating budgets for approval by the approprate minister and president of the Treasury Board. The cabinet is responsible for appointing the auditor for each schedule C corporation and can also issue regulations respecting the contractural commitments of any or all schedule C corporations.

In addition, part VIII also provides for prescribing the form of annual budgets, regulating the reserves, banking accounts and treating of surplus moneys and requires the submission of annual and other reports to the minister. Annual reports were to include the audited financial statements of the corporation and the form and content was to be prescribed jointly by the appropriate minister and minister of finance. Finally, the reporting requirements for the auditor of a Crown corporation and the minimum content of the annual financial statements were set out in some detail in part VIII.

I would like to conclude by pointing out that it was the previous Liberal government which initiated a major study of the broad issue of the control, direction and accountability of Crown corporations. As a result, a blue paper was published in 1977 outlining the government's proposals regarding a renewed relationship between the government and Crown corporations. Such an initiative has led to important discussions among all interested parties of the role of Crown corporations and the appropriate degree of government and parliamentary scrutiny, control and direction necessary. I should add that an interdepartmental task force established by the previous Liberal government to advise the government on this important question continues to meet and to refine the options for consideration by this government.

Mr. Louis R. Desmarais (Parliamentary Secretary to Minister of Labour): Mr. Speaker, I should like to say at the outset to the hon. member for Wellington-Dufferin-Simcoe (Mr. Beatty) that the control mechanism together with the issue of the accountability of Crown corporations is being examined at present by the Standing Committee on Public Accounts of which I am vice-chairman. Indeed, tomorrow morning three Crown corporations will be appearing before us at eleven o'clock. The committee's purpose is to examine whether or not the provisions of clause 63 of Bill C-27 should be implemented and how it should be done. Specifically, we are studying the advisability of having the auditors of a Crown corporation submit special reports under subclauses 2, 3 and 4 of clause 63. Subclause 2 reads as follows:

If, in the course of making his examination for the annual report under subsection (1), the auditor of a Crown corporation observes anything that he considers to be of significance and of a nature that should be brought to the attention of the board of directors of the corporation, including any case in which he has observed that

(a) money has been expended without due regard to economy or efficiency, or

(b) satisfactory procedures have not been established to measure and report the effectiveness of programs, where such procedures could appropriately and reasonably be implemented,

the auditor shall prepare a report, in addition to his annual report, in which he shall call attention to those observations.

Subclause (3) reads:

The auditor of a Crown corporation named in the schedules shall make the examination that in his opinion is necessary to report whether in the period under examination

(a) money has been expended without due regard to economy or efficiency; or

(b) satisfactory procedures have not been established to measure and report the effectiveness of programs, where such procedures could appropriately and reasonably be implemented.

Finally, subclause (4) reads:

A report under subsection (3) shall be made at least once every five years and at such additional times as the governor in council or the board of directors of the Crown corporation require or, in the case of a Crown corporation named in schedule B to the Financial Administration Act or schedule I to this act, as the auditor of the corporation deems necessary.

● (1740)

I have a very keen interest in the subject of this motion, but I would not want to prejudge the examination of this question by the committee which will begin tomorrow morning. Having said that, it might be useful to review briefly what is being done in some of our provincial legislatures on this subject. This follows along the lines that were expounded upon by the hon. member for Argenteuil (Mr. Gourd) with respect to federal institutions.

Most of the electric power consumed by Canadians is produced by some form of public enterprise. In many parts of Canada, especially in the prairie provinces, telephone systems are owned and operated by government-owned corporations. All alcohol consumed legally by Canadians is distributed by some form of government enterprise, and, at the municipal level, most of the water consumed is provided through public enterprise, again all under provincial jurisdiction. The first major venture of British Columbia into public enterprise was strikingly similar to the federal government's creation of the railroad.

The Pacific Great Eastern, now known as the British Columbia Railroad Authority, stands as a classic example of public enterprise established to provide essential services. Also British Columbia assumed control over B.C. Electric Company and B.C. Hydro to form yet another major public corporation, the British Columbia Hydro and Power Authority. The province has also established the following entities as public corporations: British Columbia Ferry Corporation, the Housing Corporation of British Columbia and the Insurance Corporation of British Columbia. It has enacted legislation concerning the accountability of the four previously mentioned corporations. Other involvement by this province has included the Ocean Falls Corporation, a pulp and paper mill enterprise; Panco Poultry Limited and British Columbia Petroleum Corporation, the sole marketing agent for all natural gas produced in the province.

Prior to the end of the Second World War there were only two Crown corporations in existence in Saskatchewan, one operating the provincial telephone system, the other a small power utility. In the period between 1973 and 1976, ten new Crown corporations were set up. Three of these were major proprietary natural resources corporations—the Saskatchewan Oil and Gas Corporation, the Saskatchewan Mining Development Corporation and Potash Corporation of Saskatchewan. The remaining seven were generally smaller in scale and most of them had a departmental or agency function. One of the remaining seven Crown corporations is the Saskatchewan Development Fund Corporation which serves as an investment vehicle for Saskatchewan residents, providing minimum risk investment and a source of capital to assist in the retention of the control of the Saskatchewan economy by residents of the province.

Almost from the beginning the government of Saskatchewan maintained a comprehensive system for the accountability and control of Crown corporations. The system consists essentially of four key elements: the practice of cabinet ministers serving as chairmen and directors of the boards of Crown corporations; the government finance office which itself is a holding Crown corporation; a general statute called the Crown Corporations Act and a select standing committee of the legislature on Crown corporations which scrutinizes the activities of corporations.

[*Translation*]

In Quebec, Mr. Speaker, Crown corporations are limited to those with an industrial, commercial and financial purpose. Before the sixties, the intervention of the Quebec government in the provincial economy had been limited to the creation of the Quebec sugar refinery and Hydro-Québec. These two corporations were created to meet the needs of the day without any expression of a general desire for government intervention in the provincial economy by such corporations. In the early sixties, the government clearly made its intention known to set up industrially, commercially and financially-oriented Crown

corporations, the main purpose of which, despite very diversified aims, is to promote economic development and to contribute to the renewal of Quebec's industrial structure.

The establishment of the Société générale de financement, the takeover of private power companies by Hydro-Québec, the establishment of the Société québécoise d'exploitation minière—SOQUEM—and of the Caisse de dépôt et de placement were the first concrete elements of this policy. A few years later, Mr. Speaker, the establishment of Sidbec and of the Société québécoise d'initiatives pétrolières was based on the same problematics.

In the early seventies, always in the same perspective, the Société de récupération, d'exploitation et de développement forestier du Québec—REXFOR—became really a government corporation and the Société des traversiers du Québec, the Société québécoise d'initiatives agro-alimentaires and the Société de développement immobilier were created. More recently, in difficult circumstances, the government established the Régie des installations olympiques which had the mandate to see that the works were completed in time for the Olympic Games; it is presently responsible for the administration and the marketing of the equipment which was used for those games.

Similarly, it must be pointed out that the James Bay Development Corporation, though very similar to the other corporations in many of its functions, does have a broader mandate, in that it is responsible for the development of a huge area of the province.

In Quebec, the control of public enterprises, in its application, resembles that which generally applies to Canadian and British corporations. That is readily understood since the fundamental principle was also adopted according to which the members of the board of directors are the main trustees of the public property whose administration they are responsible for. As a consequence, government interventions can only be justified by reference to elements of general policy: the creation of business and liquidation, determination of its sphere of activity, setting up of its board of directors, the requirement to present an annual operations report to the National Assembly. Those are as many controls which apply to the general administration of Crown corporations and which constitute the basic framework of relations between the government and public corporations in almost every country.

Of course, the financial structure constitutes the very core of that government control, even though it differs necessarily from that which applies in the integrated public service. Loans, usually, tariffs, rates of interest, contributions or fees, sometimes require prior authorization. But, as I have already said, that is the purpose of the study in the public accounts standing committee of the House, which study is scheduled to start tomorrow morning.

[*English*]

In Ontario, public enterprises exist in such varied areas as housing; energy, including utilities; economic development; transportation; culture and the arts. Recently the Ontario government established the Small Business Development Corporation in order to expand the small business sector and encourage more employment.

In Newfoundland, the Lower Churchill Development Corporation, established with the help of the federal government, identified market opportunities in Quebec, the maritimes and the United States for the proposed 1,600-megawatt Gull Island project in Labrador.

Alberta resorted to the public corporation model in order to provide regional air services by means of Pacific Western Airlines, and Manitoba continues to support industrial development through the Manitoba Development Corporation, the provincial lending agency.

All the previously-mentioned examples well illustrate the diversified use of public enterprises in Canada. They help emphasize the importance of such vehicles in the social, economic and cultural development of this country. Their control and accountability is all the more vital to Canadians and the federal government. Certainly, the federal government should lead the way in developing policies which will clearly indicate how they can best be controlled and how best we can achieve efficiency of operation. To help us get on with the job it would be very useful if the member for Wellington-Dufferin-Simcoe would prevail upon his hon. friends to help us clean up the backlog of legislation we face.

● (1750)

[*Translation*]

Mr. Marcel Roy (Laval): Mr. Speaker, I thank the hon. member who gives me the opportunity this afternoon to participate in this debate on the need for greater control over Crown corporations. I was particularly interested in this subject, Mr. Speaker, when we were in the opposition and the government was planning, under its program of privatization of Crown corporations, to sell to the private sector Canadair, a corporation with a brilliant record which is today the pride of all Canadians.

It was proposed to turn this corporation over to the private sector under the privatization program of Crown corporations. Mr. Speaker, I then introduced in the House a private bill, Bill C-237, an act to provide for the accountability to Parliament of Crown agencies, precisely in order to prevent a decision from being taken without all members having been informed, namely of the sale or the sale at a loss of a corporation such as Canadair to the private sector.

I heard the hon. member for Dollard (Mr. Desmarais) and the hon. member for Argenteuil (Mr. Gourd) structure somewhat the Crown corporations in the area of their industrial responsibility, at the service and commercial level. I think it is in that context that we must consider the development of our

Crown corporations. In my capacity as vice-chairman of a special committee, I would use as an example the Canadian Trade Corporation, which is to inquire into every possibility of developing Canadian trade and manufactured goods on the export markets.

The Liberal government is committed to the development of our export markets, the development of our manufactured goods trade, increasing our share of the global market for manufactured goods. To that end, we are considering every opportunity to find a vehicle for our small and medium-size businesses, our small manufacturers, to take part in that global market open to every nation. And we see how aggressively corporations from every nation are competing for that global market. We have been acting through various bodies, some government, some private and some mixed ones, Crown corporations acting with the private sector. I am thinking, for instance, of what France is doing to develop markets for its mixed corporations, with mixed credit provisions. That country is very aggressive on international markets.

Because the terms of reference we had on June 11 last simply referred to a national trade corporation, we received more than 150 briefs from manufacturers, across Canada and abroad . They told us: Please, do not set up another Crown corporation because you have too much control over them. You do not have enough leeway to take decisions at the right time. It is my feeling that the phrase "Crown corporation" scared the majority of manufacturers who made representations to committee members. When we talk about Crown corporations, as the hon. member for Argenteuil has mentioned, we have the corporations listed in Schedule B, which includes the Agricultural Stabilization Board and the Economic Council of Canada, those which come under schedule C, such as Loto Canada, which was then classified as a Crown corporation in this category, those in schedule D to which the hon. member for Argenteuil referred and which includes Air Canada, the Export Development Corporation, the Federal Business Development Bank and Canadair. These organizations have a private boad of directors made up of directors, industrialists and companies, which can act much more quickly within the activities of these Crown corporations. From the testimonies that we have heard, I believe that the manufacturers are mostly afraid to have more control which would greatly delay the decisions made by the boards of directors of these Crown corporations.

Mr. Speaker, what is important in the terminology or the designation of a Crown corporation—and this is exactly what the two previous speakers have tried to say—is the explanation of the activities and the role of these Crown Corporations. For my part, I would like to recall in this debate that when I introduced Bill C-237, an act to provide for the accountability to Parliament of Crown agencies, my objective was precisely to provide more information to members of Parliament, not only by receiving an annual report from Crown corporations, but also by getting a bit more involved as need be in the planning and implementation programs of the next few years.

There are certain Crown corporations where we might make some improvement in this regard. When the annual report is published, we should as soon as possible refer it to a committee of the Senate or the House, so that the parliamentarians may have more information and play a more direct role in the activities of Crown corporations. I am happy to see that the hon. member for Dollard has stated that the objectives of the present government include a review of the role of these Crown corporations, and I understand that starting tomorrow, the Standing Committee on Miscellaneous Estimates will review the role and the evolution of Crown corporations.

I will conclude on this point, Mr. Speaker. I suggest that it is a matter of defining our Crown corporations and of determining their responsibilities. According to my experience, when one mentions a national trading corporation, as I was able to learn last summer, manufacturers, businessmen, industrialists are afraid of this designation, because it is said, maybe due to excess control, maybe because decisions have to be made after consultation with several people. In the trade sector, decisions have to be made in due time, because we are aware of the aggressiveness of our competitors. Far from being opposed to Crown corporations, I suggest—

The Acting Speaker (Mr. Ethier): Order, please. The hour provided for the consideration of private members' business having expired, I do now leave the chair until eight o'clock.

At 6 p.m. the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

BANKS AND BANKING LAW REVISION ACT, 1980

MEASURE RESPECTING BANKING INSTITUTIONS

The House resumed consideration of Bill C-6, to revise the Bank Act, to amend the Quebec Savings Banks Act and the Bank of Canada Act, to establish the Canadian Payments Association and to amend other acts in consequence thereof, as reported (with amendments) from the Standing Committee on Finance, Trade and Economic Affairs and motion No. 39.

The Acting Speaker (Mr. Blaker): Order, please. When the debate was interrupted at five o'clock this afternoon the hon.

member for Kootenay East-Revelstoke (Mr. Parker) had the floor on motion No. 39.

Mr. Sid Parker (Kootenay East-Revelstoke): Mr. Speaker, when I was interrupted at five o'clock, I was speaking about foreclosures and the Federal Business Development Bank. Concerned about the fact that the Federal Business Development Bank was affecting the borrowing of many people, I contacted its offices in an attempt to trace down how many loans in my riding it had foreclosed in the last year. I was told that this information was not available to me. It would appear the number is quite serious.

I would like to get back to the amendment introduced by my hon. friend from Broadview-Greenwood (Mr. Rae). It is very important that this amendment be given serious consideration by both sides of the House. I urge all hon. members to take the initiative and support the amendment because it would stimulate the housing industry to such an extent that the small entrepreneur would become involved in housing projects. I can foresee farmers coming forward and making use of the lower interest rates which would result. Small businesses would become more competitive and more involved once again, and there would be more economic development.

Rather than increasing unemployment, taxes and costs in general, the economy would be stimulated and more challenging, particularly in the business sector, the farm sector, the housing sector and the economic development sector. I do not wish to carry on the debate any longer, but I would encourage hon. members to take a serious look at the amendment and then support it.

[*Translation*]

Hon. Pierre Bussières (Minister of State, Finance): Mr. Speaker, I shall be very brief. The proposed amendment would allow the members of the New Democratic Party to give us a really exhaustive view of the kind of bank act that would meet the requirements of the socialist philosophy. Unfortunately, I must take exception with most members who have spoken for their failure to develop that socialist philosophy, as the amendment proposed by the hon. member for Broadview-Greenwood (Mr. Rae) provided them with a wonderful opportunity to do so.

As concerns our government, it has no intention at all to legislate and to control bank activities. It feels that the Bank Act establishes the framework and limits the operations and the activities of these institutions called banks in the best interests of Canadians. We are not ready to nationalize banks through the back door or in a round about way by saying to the banks: You are going to make mortgage loans to such and such a category of people rather than to another. You are going to make loans at a preferred rate to such and such a type of industry rather than to another. This amendment would nationalize chartered banks in a round about way, which this government is not ready to do.

• (2010)

[*English*]

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

Some hon. Members: Question.

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

Some hon. Members: Yea!

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

Some hon. Members: Nay!

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

Mr. Knowles: On division.

The Acting Speaker (Mr. Blaker): I declare the motion negatived on division.

Motion No. 39 (Mr. Rae) negatived.

The Acting Speaker (Mr. Blaker): The House will now proceed to the consideration of Motion No. 40.

Hon. Stanley Knowles (for Mr. Rae) moved:

Motion No. 40

That Bill C-6, an act to revise the Bank Act, to amend the Quebec Savings Banks Act and the Bank of Canada Act, to establish the Canadian Payments Association and to amend other acts in consequence thereof, be amended in clause 2 by adding immediately after line 28 at page 225 the following new section:

"202.2(1) A bank shall inform its customers who may be eligible, of any federal government financial assistance programs offered through the banks.

(2) A bank may not require a borrower to provide collateral in excess of 100 per cent of the value of a loan.

(3) A bank shall provide a borrower who has applied for a loan and been turned down with a clear statement of the reasons why a loan was denied.

(4) Where, on an application to, and in proceedings before, a superior court of a province, a county court or any court of competent jurisdiction in a province, it is determined by the court, that

(*a*) the credit charge rate in a lending transaction was unwarranted, or

(*b*) the refusal of a bank to lend to a borrower was unwarranted,

the court may reopen the transaction, set aside, either in whole or in part, revise or alter any agreement made or security given in respect of the transaction in the case of the transaction in the case of paragraph (*a*), require the lender to enter into a loan transaction, in the case of paragraph (*b*)."

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

Some hon. Members: Question.

The Acting Speaker (Mr. Blaker): All those in favour will please say yea.

Some hon. Members: Yea!

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

Some hon. Members: Nay!

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

Mr. Knowles: On division.

The Acting Speaker (Mr. Blaker): I declare the motion negatived on division.

Motion No. 40 (Mr. Rae) negatived.

Hon. Stanley Knowles (for Mr. Rae) moved:

Motion No. 41

That Bill C-6, an act to revise the Bank Act, to amend the Quebec Savings Banks Act and the Bank of Canada Act, to establish the Canadian Payments Association and to amend other acts in consequence thereof, be amended in clause 2 by adding immediately after line 42 at page 225 the following new subsection:

"(1.1) A bank shall cash all cheques issued by the Government of Canada and shall not make a charge regardless if the person holds an account with the bank, provided the person provides proper identification."

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

Some hon. Members: Question.

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

Some hon. Members: Yea!

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

Some hon. Members: Nay!

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

Mr. Knowles: On division.

The Acting Speaker (Mr. Blaker): I declare the motion negatived on division.

Motion No. 41 (Mr. Rae) negatived.

Hon. Marcel Lambert (Edmonton West) moved:

Motion No. 42

That Bill C-6, an act to revise the Bank Act, to amend the Quebec Savings Banks Act and the Bank of Canada Act, to establish the Canadian Payments Association and to amend other acts in consequence thereof, be amended in clause 2 by striking out line 11 at page 231 and substituting the following therefor:

"banks;

(*d*) Canadian currency deposits with any bank that was a bank at the coming into force of this act and that, as at the end of the financial year immediately preceding the coming into force of this act, had total assets of three billion dollars or less, if such deposits have an original term of maturity of one year or more and are not encashable, and encashable Canadian currency deposits with such a bank that are not encashable until after one year from the date of issue; and"

and that paragraph (d) be renumbered (e).

He said: Mr. Speaker, this is a very short point that I hope will commend itself to members opposite. The minister will recall that when the committee considered clause 208(8) at page 231, it had been agreed that Canadian currency deposits, particularly non-interest bearing demand deposits, should figure in the determination of reserves, but when there had to be some deposit liabilities contained, we had to consider which deposit liabilities of the banks required reserves. The original bill proposed that since deposit certificates with a maturity date of over one year were not really current liabilities, they would not require such deposit liabilities. However, discussion in the committee showed that instead of writing certificates for one year or 365 days, the banks were proposing to write them for 366 days which, of course, immediately took them out of the category of deposit liabilities requiring reserves.

In competition with the trust companies for the very same money which is invested in deposit liabilities, the banks have to maintain reserves. It should be remembered that the bill does not change the requirement for secondary reserves. The banks have been given a fair break on the question of reserves; lower reserves are being required than was the case 12 years ago and what the law calls for today. In so far as these deposit certificates were concerned, it was going to give them an advantage of about three-eighths of 1 per cent over the trust companies in the same field.

In the whole spectrum of financial institutions in Canada, we start out with the chartered banks, then the trust companies, caisses populaires, credit unions and a number of other quasi-banks. The trust companies, whether they are federally or provincially incorporated, constitute an important sector in that whole spectrum. In fact, they are the only ones allowed to carry out fiduciary responsibilities. Because they must invest 75 per cent of their money in mortgages, it is essential that they get the longer-term money, particularly the five-year certificates.

The committee agreed with this proposal which was made both here and in the Senate. However, I am prepared to put forward a moderating amendment, and this is the nature of it. It effects the change we brought about in the committee. It causes some real problems for the newer banks that are just starting up such as the Continental, the Northland and the Bank of British Columbia as well as the Canadian Commercial and Industrial Bank. Not all of these write certificates, but some may. I know that the Continental Bank in particular is rather hard pressed by this requirement upholding reserves. My amendment is very simple. I believe businesses which are starting up should be given a chance. That is what I am doing with this amendment. It states, if at the time of coming into force of this act, a bank and I quote:

—as at the end of the financial year immediately preceding the coming into force of this act, had total assets of $3 billion or less, if such deposits have an original term of maturity of one year or more and are not encashable, and encashable Canadian currency deposits with such a bank that are not encashable until after one year from the date of issue—

This means that the small nascent banks will not be caught by our deposit liability reserves on deposit certificates. The Mercantile Bank would come in at about $5 billion, but it has had a good 12 years in its present form plus some years of prior experience.

I therefore commend this amendment to hon. members. I think the minister has some sympathy for it. It is an enabling amendment to cover new banks which started up in the past four or five years. The Bank of British Columbia is a little older than that, but I understand it has not done much deposit certificate writing. However, this is a field of operations into which it may wish to move. I am not grinding any particular axe, except I wish to alleviate the burden we impose upon the banks with an amendment we made in committee.

• (2020)

[*Translation*]

Hon. Pierre Bussières (Minister of State, Finance): Mr. Speaker, in order to justify the position I will take in respect of the amendment before us, motion No. 42 of the hon. member for Edmonton West (Mr. Lambert), I wish to review briefly rather than the change in provision in clause 202(8), to which the hon. member referred and that he wants to "correct" or to soften in a way, but a few provisions of the white paper and of the act as far as reserves are concerned.

First of all, let us consider that aspect, reserves, by comparing them with the situation provided for in section 72 of the present Bank Act. The first kind of reserves that we shall have and which is not provided for under present section 72 of the act is 3 per cent in compulsory reserves on deposits in foreign currencies, but which belong to Canadian citizens. Therefore, this is a new provision, 3 per cent on deposits in foreign currencies belonging to Canadians. This provision did not exist in section 72 of the existing act and it was included in the new legislation. According to section 72(1)(a) of the existing act, 12 per cent of the demand deposit liabilities must be in reserves. The legislation before us, and which will come into force, I hope, within a few hours, reduces the compulsory reserves on demand deposit liabilities from 12 per cent to 10 per cent. It is therefore a 2 per cent reduction of the reserve requirement, a rather considerable amount considering the volume of currency involved.

Notice deposit liabilities amounted to $500 million, and this is extremely important for the kind of institutions which the member for Edmonton West (Mr. Lambert) wants to protect. Section 72 of the existing act specifies 4 per cent, while notice deposit liabilities have now been reduced from 4 per cent to 2 per cent. It is therefore an important relief for those first $500 of notice deposit liabilities which particularly affect those institutions. A 2 per cent reduction is most significant.

Notice deposit liabilities, under section 72 of the act, are for an amount exceeding $500 million. Therefore for the largest institutions section 72 now specifies 4 per cent, but now it will only be 3 per cent. On the first $500 million, a greater reduction from 4 per cent to 2 per cent is granted to the smaller institutions, while over $500 million, the reduction is only from 4 per cent to 3 per cent. As for term deposits of residents in Canadian currency, as provided in clause 208(8), the hon. member indicated that we had brought in an amendment to restore or maintain a certain balance among financial institutions. We know that such reserves stipulated under section 72 of the existing act will no longer exist under the new legislation. We have agreed to reintroduce temporarily this reserve requirement—and I do say temporarily—until the government introduces legislation concerning trust and finance companies as well as savings banks. We will then create a new competitive environment for financial institutions such as trust and finance companies. This new competitive balance, so to speak, with respect to banks will allow us to reinstate the original provision and to remove the reserve requirements we had reintroduced.

However, in view of the reductions in the bank reserves, we have already provided, as I indicated and which are significant, it does not appear that the reinstatement of this provision will endanger the financial outlook of the banks and especially their competitiveness. We are maintaining the status quo in one area while providing many breaks in others where reserves are concerned, and that is why we are opposed to the amendment proposed by the hon. member for Edmonton West.

[*English*]

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, the amendment before us deals with reserves. Its purpose is to change some of the conditions concerning reserves that we discussed with the minister and his assistant to protect trust institutions by giving them some advantage as the banks are already heavily in the mortgage industry. It came to our attention, however, that some of the smaller banks, particularly the Continental Bank, borrowed a great deal of money on term deposits. As we all know, the Continental Bank has been expanding rapidly and has been dealing with small business in particular. Indeed, in my community of Mississauga, it operates a first-class institution, which gears its entire activity to the small business community.

The amendment proposed by the hon. member for Edmonton West (Mr. Lambert) would protect banks with less than $3 billion worth of assets. It would give an opportunity for not requiring them to have a secondary reserve.

As the minister has pointed out, when our minds were directed to reserves being required, it was with the idea that if the large banks were given permission to borrow on deposit terms in excess of one year without filing reserves for those deposit terms, they would be able to compete seriously with the trust industry. The minister pointed out that until there was an amendment to the Loan Companies Act giving trust companies certain additional powers in terms of investment, the trust industry would be in serious difficulty concerning its GICs.

This amendment protects the smaller chartered banks in the country. It enables them to be competitive. In effect, the minister is saying that if you are going to be in the business, you have to be in it with the big boys all the way. The amendment protects some very small institutions in relative terms—the Northland Bank, the Continental Bank, the Bank of British Columbia, the Canadian Commercial Bank—and that is all it protects. It is particularly valuable to the Continental Bank, however.

The bank interest rates allowable on one to five-year GICs were published this morning. It appears that in order to raise money, the Continental Bank must pay between .25 per cent and .5 per cent more than the other chartered banks in Canada. In effect, with the reserve requirement, this increases what they must pay for their money by three-eights of 1 per cent. It is a serious penalty to the smaller banks.

One of the purposes of this bill was to improve competition. It may well be that our pressure convinced the government to change this section. We were directing our minds to the large institutions but the small institutions may have been very seriously penalized.

I think it would not do the government any harm to support this amendment since it would encourage the relatively small Canadian-owned banks, at least for the time being. As the minister has stated, this is a short-term problem. In committee, he promised to introduce a new bill in connection with the loan and trust companies. He promised it for this fall, but we have not seen it yet. We are concerned, because we think it should have been introduced long ago. The minister fails to understand the concept of removing the requirement for reserves on these relatively small institutions. A specific provision is required in order to bring this about.

● (2030)

The minister is suggesting that this particular reserve will be removed from all banks under a separate amendment to the Bank Act when the Loan Companies Act is amended. We are waiting for the amendment to the Loan Companies Act, but we suggest that in the meantime the requirement for a second reserve in accordance with the suggestion of my colleague from Edmonton should be reserved in the case of the small banks because these are Canadian-owned banks. What we should do is make sure that they have a little bit of a competitive advantage. I suppose it is very difficult theoretically to say one bank should be treated differently from another, but we do this in many places in this act. We treat the Mercantile Bank, for example, a little differently from other banks. We allow it to have the right to have its shares held a little differently. We are going to treat Citibank, a company which owns a foreign bank in this country as well as a piece of the Mercantile Bank, a little differently. I think we should treat smaller banks a little differently from the way we are prepared to treat the big five, six or seven, as the case may be.

These smaller banks need a bit of an advantage, a bit of assistance to carry on, particularly in the sense that there are three or four trust companies which are larger than these small banks and lending institutions. We should give them the advantage of not having to file this reserve. This would give them an edge on their term deposits of one year to five years which I think is deserved and in the interest of Canada.

I am very disappointed that the minister is not prepared to accept this amendment.

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

Some hon. Members: Question.

The Acting Speaker (Mr. Blaker): Is it the pleasure of the House to adopt the motion?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Blaker): All those in favour will please say yea.

Some hon. Members: Yea!

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

Some hon. Members: Nay!

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

Mr. Lambert: On division.

The Acting Speaker (Mr. Blaker): I declare the motion negatived on division.

Motion No. 42 (Mr. Lambert) negatived.

Hon. Stanley Knowles (for Mr. Rae) moved:

Motion No. 43

That Bill C-6, an act to revise the Bank Act, to amend the Quebec Savings Banks Act and the Bank of Canada Act, to establish the Canadian Payments Association and to amend other acts in consequence thereof, be amended in clause 2 by striking out lines 33 to 37 at page 238 and substituting the following therefor:

"for the financial year;

(f) the policy and guidelines used in credit extension, including

(i) consumer credit standards and legal requirements

(ii) interest rate charges

(iii) loan fees, and

(iv) the title insurance, closing costs, terms and conditions on real estate loans, appraised value of property and collateral;

(g) the policies regarding the purchase of goods and services, including competitive bidding practices;

(h) the policies for selecting sites for branches;

(i) the real estate conflict of interest policy;

(j) policies and procedures for safeguarding confidentially, records, customer information;

(k) advertising practices;

(l) procedure for customer complaints;

(m) contributions to political campaign funds;

(n) names and functions of bank legislative lobbyists;

(o) policies on political contributions and activities involving foreign governments: breaches of those policies;

(p) criteria for selecting recipients of charitable contributions and grants;

(q) charts showing the organization and structure of the bank, its subsidiaries and affiliates, including foreign corporations and the functions and legal relationship between them;

(r) the membership, functions and objectives of board and management committees; and

(s) a statement of types of shares, size of holdings and residences of shareholders."

Mr. Bob Ogle (Saskatoon East): Mr. Speaker, this evening I would like to bring before the House some ideas which I feel are very important before we vote on motion No. 43 because this amendment has a direct relationship to the way banks are now influencing and working within the whole world. It has to do with the whole question of our knowing what banks are doing with respect to the whole world. I feel Canadians should have a very clear understanding and knowledge of what is happening in international banking. I believe, as does my party, that there should be a means by which Canadians can know this.

When we spoke about this bill at another stage, I dealt with the same question—the necessity that Canadians know what Canadian banks are doing with their money in other countries and particularly in countries which we call developing countries. Canadians have a right to know and must know what their savings—their money in the bank—are doing to other people, and this is why I feel that when it comes to disclosure of information we as Canadians have a very clear and distinct right to know what our banks are doing.

In the past few months international finance has undergone dramatic changes. Because of world inflation and the rise in international energy prices many countries in which Canadian funds have been invested have experienced severe crises with regard to financing. International banks fear—and probably rightly so—that many of their investments in foreign countries are becoming fragile and could in the long run prove to be poor investments because the Third World, consisting of the developing countries, is not able at this time and may not even in the future be able to pay the banks on the terms under which investments have been made. Banks are going to be looking for areas operating under what they feel are stable governments. Unfortunately, in many cases stable governments are governments which are the result of military takeovers or whose philosophies are such that the human rights of people who live under them will not be protected. Investments are more or less stable in such circumstances, but the investment of Canadian money by Canadian people is not leading to the true development of people in this situation but, in reality, is oppressing them. I refer particularly to the poor. For this reason I believe Canadian banks should be made to disclose where they have made their investments.

In line with that approach I would like to read into the record of this House the statement the Canadian Task Force on the Churches and Corporate Responsibility made to the government in relation to loans made to such countries as South Africa, Chile and Bolivia where there has been forceful destruction of human rights. In a brief to the Standing Committee on Finance, Trade and Economic Affairs this task force made the following recommendation on January 23, 1979:

In order that the Canadian public be in possession of information which permits it to form valid judgments about the foreign loan policies of Canadian banks and other financial institutions involved in international investment or underwriting and in order that clients and shareholders be given the legitimate choice of raising questions about these policy decisions, the task force submitted the following recommendations for inclusion in the revised Bank Act:

1. that the Bank Act make provision for uniform and equitable public disclosure requirements of loans by Canadian banks, their subsidiaries and affiliates and by other financial institutions made directly or through consortia to foreign government or agencies of foreign governments of amounts totalling more than $1 million;

2. that in the interest of public and shareholder accountability, Canadian banks and other financial institutions be required to disclose the amount and the dates of such loans and publish them as a matter of record;

3. that in order to preserve the principle of client/banker confidentiality and in order to safeguard the principle of competition, financial institutions should not be required to disclose such loans prior to 30 days following signed agreements.

The people who presented this recommendation to the Government of Canada are no mean group. They represent the church people of the main church groups in Canada and speak for a great number of Canadian citizens.

● (2040)

Beyond being responsible for countries which, in many cases, are developing with great difficulty because of lack of funds, I should like to bring to the attention of the House the necessity for these kinds of loans made in international circles becoming public knowledge to Canadians. During the past summer, this government boycotted the Olympic Games in the U.S.S.R. and many young Canadians were deprived of the opportunity to participate in the games. The reason for the boycott was well founded, I suspect, in that it was a spoken testimony against the invasion of Afghanistan by the U.S.S.R. However, at the same time young Canadian athletes were being deprived of their right to compete in the Olympic Games, Canadian banks were making money for the loans they had made in Russia. For instance, the Bank of Montreal made two major loans to the International Investment Bank in Moscow, one for $500 million and one for $600 million. Those loans were in force during the time of the boycott. I do not see why it should be necessary for young Canadian athletes to be deprived of the one and only chance they will probably ever have to compete in international sport at that level and call this our protest against something which is a grave injustice in international order, namely, the invasion of Afghanistan, while at the same time Canadian banks are not deprived of anything and are not called upon to sacrifice anything in the name of a protest against the invasion.

An hon. Member: Utter hypocrisy!

Mr. Ogle: The Royal Bank of Canada also took part in this activity. We were able to discover this because of the Euromoney Syndication Service, not from any disclosure by the bank of what had happened. The participation by the Royal Bank of Canada in loans to the Bank for Foreign Trade of the U.S.S.R. amounted to $400 million U.S. in the first case and

$200 million U.S. in the second. These were loans which were in force at the time the Russian Olympic Games were boycotted at the expense of Canadian athletes. When I request that it be made public which Canadian banks are making international loans, I simply ask that justice be done for one and all, that when Canadian athletes are made to suffer, banks should likewise be responsible and, in a sense, be made to suffer. Furthermore, Canadians who have put their investment money into banks will know for sure that their money is not being used internationally to bring about the oppression of the poor wherever they may be.

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

Some hon. Members: Question.

The Acting Speaker (Mr. Blaker): Those in favour of the said motion will please say yea.

Some hon. Members: Yea!

The Acting Speaker (Mr. Blaker): Those opposed will please say nay.

Some hon. Members: Nay!

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

Mr. Knowles: On division.

The Acting Speaker (Mr. Blaker): I declare Motion No. 43 negatived on division.

Motion No. 43 (Mr. Rae) negatived.

The Acting Speaker (Mr. Blaker): The House will now consider Motion No. 44.

Hon. Stanley Knowles (for Mr. Rae) moved:

Motion No. 44

That Bill C-6, an act to revise the Bank Act, to amend the Quebec Savings Banks Act and the Bank of Canada Act, to establish the Canadian Payments Association and to amend other acts in consequence thereof, be amended in clause 2 by adding immediately after line 37 at page 238 the following new subsection:

"(3.1) A bank shall include in its annual statement and make available on request

(*a*) the criteria and procedures for selecting all directors and their other corporate affiliations;

(*b*) a description of the functions and duties of directors;

(*c*) the retainers paid to directors;

(*d*) the total of loans made to directors and any companies to which they are affiliated;

(*e*) the guidelines covering conflict of interest;

(*f*) the criteria used to set salary structure, salary grade system and salary ranges;

(*g*) the special benefits and programs available to employees; and

(*h*) the number of overseas employees."

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

Some hon. Members: Question.

The Acting Speaker (Mr. Blaker): Those in favour of the said motion will please say yea.

Some hon. Members: Yea!

The Acting Speaker (Mr. Blaker): Those opposed, will please say nay.

Some hon. Members: Nay!

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

Mr. Knowles: On division.

The Acting Speaker (Mr. Blaker): I declare the motion negatived on division.

Motion No. 44 (Mr. Rae) negatived.

The Acting Speaker (Mr. Blaker): We go on now to Motion No. 46.

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

Motion No. 46

That Bill C-6, an act to revise the Bank Act, to amend the Quebec Savings Banks Act and the Bank of Canada Act, to establish the Canadian Payments Association and to amend other acts in consequence thereof, be amended in clause 2 by striking out lines 45 to 49 at page 265 and lines 1 to 7 at page 266 and substituting the following therefor:

"(4) The Inspector, whenever he has reason to believe that an offence against this act or the Criminal Code of Canada has been or is about to be committed by a bank or by any director, officer or employee of a bank, shall make such examination and inquiry and at the conclusion thereof shall report to the minister and, if an offence is still believed to have been committed, also refer all relevant information and documents to the commercial crime branch of the Royal Canadian Mounted Police for immediate investigation and for the purpose of determining facts the commercial crime branch shall make or cause to be made such examination and inquiry and at the conclusion thereof shall report thereon to the Solicitor General of Canada, the Minister of Justice and the Minister of Finance, with recommendations as to whether charges should be laid."

Mr. Speaker, this is one of the motions that did not have the advantage of being before the committee, but nevertheless I would ask hon. members to consider its contents. It is often said that we must move into the twentieth century and into the 1980s. Indeed, much of the revised Bank Act before us today is designed to modernize the act to bring it into the 1980s. But there is one clause in particular which needs to be strengthened in order to update the act and to deal with the problems which we face in our society today. I think it is safe to say that the Bank Act continues to operate under the same premises as those which existed when it was first introduced, that is that banking institutions are fine, upstanding institutions, pillars of society and all that, that their sense of honour would prevent them from engaging in anything that might be considered fraudulent, and that it is inconceivable that there might be bank managers who would do something wrong.

However, times have changed and the motion before the House tonight attempts to deal with those changes. There is no

intention to cast any aspersions on head officers or on the broad banking policies. The object, rather, is to deal with problems of human nature which arise out of changes that have come about as a result of developments in our society. There was a time when the bank manager was a local person who knew everyone in the community and who was known to members of the community. That kind of camaraderie put constraints on the manager to behave in an honourable way with his clients. But with the kind of population growth we have experienced and with the depersonalization of the banking industry, particularly in the large urban centres, it is easy for the head office to be caught in the quandary of having employed people who are not always scrupulous. These people do not necessarily operate within the stated banking policy. The Bank Act does nothing to deal with potentially fraudulent activities being carried on by banking officials in any branch of the bank. I refer, for example, to clause 246 which refers to the Inspector General who will, from time to time, carry out inspections in the bank. The clause reads:

—if the need should arise, for the purposes of satisfying himself that the provisions of this act having reference to the safety of the interests of the depositors, creditors and shareholders of the bank and other provisions of this act are being duly observed and that the bank is in a sound financial condition, and at the conclusion of each examination and inquiry shall report thereon to the minister.

The thrust of that provision and of subsequent ones is to make sure that the banks remain solvent. That is a good motive. I think Canadian banks are probably some of the most solid institutions in the world and we respect them for being so, but that does not stop a clerk or an assistant manager or divisional manager of a bank from carrying on an activity that is fraudulent. For example, a few months ago I brought to the attention of the House the case of a family wishing to expand its business. In order to borrow money from the bank, it needed securities. The family left in deposit some blue chip securities for the bank to hold as collateral for that substantial loan. Time passed and the loan was paid off. After some time, the family went to the bank to collect its securities, but the bank manager asked, "What securities? We do not have any securities." They were nowhere to be found. Then followed a maze or a nightmare for that family trying to locate those securities. I raised the matter in the House by asking the Minister of Finance (Mr. MacEachen) about it. It was only after the publicity subsequent to my question that the bank came forward and said, "Oh, yes, we found them. Here they are, you can come and get them any time". I am sure head office was not saying that is what it wanted, but evidently some local officer tried to rip off the family, as he could have done had the matter not come to public attention.

● (2050)

We can no longer assume as we did 100 years ago when banking institutions were formed that all banks by the goodness of their hearts will carry on, in all their departments, division and branches, activities which are completely lawful. Therefore, the citizen who has very few means at his disposal to redress grievances, needs in particular, some kind of help from the government to ensure that a bank will be brought to task if it carries on fraudulent activities.

As I said, I brought this matter to the attention of the Minister of Finance. Later on the member of Parliament in whose constituency these people lived, called me and said, "I think I know that case". He described it for me. Sure enough, he remembered it. I said, "If a private citizen did what this bank did, what would you call it?" He said, "Fraud. It would be fraud". I said, "If it is fraud for the private citizen, why is it not fraud for the bank to do it?" He said, "That is right, but it would be much better to leave it alone, let it go away, because these people will be hurt more if it is pursued than if it is left alone".

That is not good enough, and that is why I submitted the amendment asking that the Inspector General of Banks be empowered to conduct an investigation if, in the course of his examination of a bank, he is led to believe that some fraudulent activity is being carried on by an officer of the bank. He should be empowered to call in the commercial crime section of the RCMP to do an investigation, and if the RCMP finds the evidence, it should recommend that charges be laid against that officer of the bank, thereby protecting the depositor.

Some years ago a number of newspaper articles appeared in the Vancouver press dealing with evidently fraudulent or near fraudulent activities on the part of bank officers. One was called the "Greek connection". In order to redress their grievances, they took part in criminal activities, the destruction of property, to try to "get even" with the bank. The private citizen should not have to reach that point of exasperation. I know members who will say that if a depositor feels he has been fraudulently treated by a bank, he can sue, he can go to court. But, the family I referred to earlier does not have many resources. In fact, a couple of weeks ago a member told me about one of his constituents who laid down a $10,000 bond with the bank. His signature was on it; it had to be redeemed by him. Somebody in the bank allowed another party, albeit a friend, to redeem that bond, so that the actual owner never got hold of it. It was a fraudulent act. Of course the automatic response is—"Take them to court:" But not everyone has the resources to take multinational corporations to court. They do not have the necessary resources to stick with it. Under the present system such cases are usually handled in the civil courts. They are civil actions and, as hon. members know, most civil actions literally take years to be dealt with. The cost may represent a great deal for most private citizens but for a bank perhaps it is not much. Most private citizens cannot afford such litigation, and even if they could, any amount they might recover could be eaten up by legal fees.

I should like to relate my own experience of what happens when a matter is referred to the Minister of Finance. When I brought this particular matter to his attention some months ago, he said he would take note of my representation and get in touch with the inspector general, which he did. Later I heard from the inspector general, and I have a copy of his letter with me. He indicated that if I had evidence, it should be submitted to the RCMP. That is not good enough. It is an

endless round of buck passing. One makes a representation to the Minister of Finance; the minister goes to the Inspector General; the Inspector General comes back to the one making the representation who in turn goes back to the Minister of Finance. It is a circular route, and nothing really happens to protect the depositor.

I refer again to the phrase in the act that the job of the inspector general is simply to secure the solvency of banks. It assumes that all activities of bank officers will be upright and honest; sometimes incompetent perhaps, but at least honest. Times have changed, and that assumption cannot be made any more. There are people who will deliberately defraud. In these days of electronic banking, it becomes ever more possible for officers to defraud.

I ask hon. members to consider this amendment closely so that redress can be provided for the private citizen who does not have the wherewithal to engage in lengthy litigation and who can easily be victimized by the large multinationals at the hands of employees who do not necessarily have the greatest scruples in the world. I ask hon. members to consider motion No. 46, so that the inspector general is given the necessary powers to ensure for the citizens of Canada the benefit of proper redress of grievances.

The Acting Speaker (Mr. Blaker): The question is on motion No. 46. Is the House ready for the question?

Some hon. Members: Question.

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

Some hon. Members: Yea!

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

Some hon. Members: Nay!

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

Some hon. Members: On division.

The Acting Speaker (Mr. Blaker): I declare the motion negatived on division.

Motion No. 46 (Mr. Friesen) negatived.

Hon. Stanley Knowles (for Mr. Rae) moved:

Motion No. 47

That Bill C-6, an act to revise the Bank Act, to amend the Quebec Savings Banks Act and the Bank of Canada Act, to establish the Canadian Payments Association and to amend other acts in consequence thereof, be amended in clause 2 by striking out lines 27 to 47 at page 266.

The Acting Speaker (Mr. Blaker): The question is on motion No. 47. Is the House ready for the question?

Some hon. Members: Question.

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

Some hon. Members: Yea!

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

Some hon. Members: Nay!

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

Mr. Knowles: On division.

The Acting Speaker (Mr. Blaker): I declare the motion negatived on division.

Motion No. 47 (Mr. Rae) negatived.

Hon. Marcel Lambert (Edmonton West) moved:

Motion No. 48

That Bill C-6, an act to revise the Bank Act, to amend the Quebec Savings Banks Act and the Bank of Canada Act, to establish the Canadian Payments Association and to amend other acts in consequence thereof, be amended in clause 2 by adding immediately after line 48 at page 268 the following new subsection:

"(5) Notwithstanding subsection (1), the inspector shall disclose, on a confidential basis, to any standing or special committee of Parliament charged with examining the business of banking, the Bank Act, or any other statutes of Parliament relating thereto, information

(a) regarding the business or affairs of any bank carrying on business in Canada

(b) received in the course of an international exchange of information such as is referred to in paragraph (2)(b)

(c) furnished to the Inspector pursuant to subsection 303(7)

(d) of a general nature pertaining to the business of banking

provided that such information is requested of the Inspector in a formal resolution adopted by such a committee."

and by renumbering the present subsection (5) as subsection (6).

He said: Mr. Speaker, I would have thought my proposal would commend itself to all hon. members because it deals with the furnishing of information to standing committees of the House. In the 20 years I have been here, the occasions on which banking matters have gone before the Standing Committee on Finance, Trade and Economic Affairs have been few and far between, even taking into consideration the two revisions to the Bank Act. There was a time many years ago when we would see private bills to incorporate banks. That gave us an opportunity to go into the preliminaries, to find out who was there, what was being done, what was being proposed. But once the bill was passed one had to watch *The Canada Gazette* very carefully to see the order in council authorizing the issuance of the certificate to commence business. That was the last members heard of it. That was the last they heard about it until they saw the annual reports of such banks. That was the only information they had.

● (2100)

In the past there were one or two banks which, frankly, gave rise to questions as to whether all information had been fully disclosed or not. In fact, in connection with their operations

these banks gave pause to the Inspector General of Banks and to the minister of finance of the day. But what I want, particularly, is not to reflect on the Inspector General of Banks. He is bound by his position as a senior bureaucrat. Under this government senior bureaucrats seem to be bound to give as little information as possible, even to their own ministers. Members of this House who are parliamentary secretaries know that they get precious little information either. The administration in many departments is a closed book, and no legislation is coming forward on the basis of freedom of information to open this up. Hon. members know how frustrated they become because they cannot get information, particularly if they are on the government side. It is not that they would profit personally by the information but that such information would make better members of them—it would make them more intelligent in their dealings with legislation and give them greater knowledge in handling other problems. Many times when I have sat on the finance committee I have felt like one who was playing blind man's buff. The information was all on one side and it was not even disclosed to the government members. How can we discharge our obligations to discuss legislation as elected representatives of the people when the government will not trust members of this House with the necessary information? I have had 23 years of almost unbelievable frustration because of this situation. What kind of job was I to do? Was I to be like the proverbial first-time patron at the racetrack, the woman who claims she picks a horse by sticking a pin in the program. That is about the way it is done here.

Miss Bégin: Could a man not have done that?

Mr. Lambert: Mr. Speaker, I will correct myself. But the caricature usually relates to a woman going to the racetrack for the first time. She is outnumbered four times to one. Perhaps men do it, too, but I would not be so touchy. But then, they are usually luckier.

I am sure members on both sides, cabinet ministers of today and yesteryear included, will realize how little one knows about a subject when one is brought to decide upon it. What government members admit, and what cabinet ministers will tell you, is that party discipline is there. They feel that because they are the government the Lord has anointed them for the next four or five years, that they have all knowledge and that they can do no wrong. We know that is not so.

What I am asking of those members who sat through all the committee hearings this summer on the Bank Act and of other members who sat in 1978-79 during the public hearings and who worked on the committee report, those who saw a great number of changes, is that they read my amendment very carefully. Subsection (1) imposes a degree of silence; the Inspector shall not disclose to any other person except the minister, the deputy minister of finance, the governor of the Bank of Canada, a representative of the deputy minister of finance or of the governor of the Bank of Canada, if authorized in writing, or directors of the Canada Deposit Insurance Corporation, any information regarding the business or affairs of a bank or its customers. Similarly, confidentiality is imposed with respect to information:

(*b*) received in the course of an international exchange of information contemplated by paragraph (2)(*b*); or

(*c*) furnished to the Inspector pursuant to subsection 303(7)

These are particular returns which are given to the Inspector General of Banks and I say in my amendment that notwithstanding this the inspector shall disclose on a confidential basis, to any standing or special committee of Parliament. That imposes a responsibility upon the members of any standing or special committee of Parliament charged with the examination of the business of banking—and I use that phrase because I think I know what it means, having tried to put it in the act. This is another reason why hon. members should vote for my amendment later tonight or tomorrow. My amendment says:

—the Bank Act, or any statutes of Parliament relating thereto, information

(*a*) regarding the business or affairs of any bank carrying on business in Canada

I do not say "of its customers". Notice that.

Over in section 251(1)(*a*) the information that is to be kept secret is information concerning the business or affairs of a bank I do not think members need to know anything about the affairs of the customers, so it is deliberately left out of my amendment. But a different position is rather if it is regarding the business affairs of any bank or is:

(b) received in the course of an international exchange of information such as is referred to in paragraph (2)(b)

(c) furnished to the Inspector pursuant to subsection 303(7)

(d) of a general nature pertaining to the business of banking

These are position papers within the Department of Finance or which the Inspector General of Banks may have, provided such information is requested of the inspector in a formal resolution adopted by such a committee. This is not merely somebody teeing off and saying, "Oh, I would like to know something about what happened to that particular bank". It is in keeping with the degree of knowledge of which members of a banking committee should be apprised.

● (2110)

Mr. Blenkarn: Absolutely.

Mr. Lambert: I am not being partisan. I am relying upon, shall I say, my experience in this committee. I think it would be a much better committee if in the ten-year period, say three or four years down the road, we could, for instance, seek information regarding the business of leasing automobiles and ask such questions as, "Where was it concentrated? What had been the trend as the result of the amendments we put; what had been the trends with regard to banking operations in data processing?"

Outside the revision to the Bank Act, there is no opportunity to summon the president of the Canadian Bankers' Association. The committees are very limited. One day there may be more congressional power in the committees, and I hope so. I also hope that the committee members will be fewer in num-

bers so that members may serve on one or two committees and there is not the massive change and platooning to keep up strength because of fear that there might be a vote. Some members join the committee and want to reinvent the wheel, as it were. They want to start from square one again, and that should not be allowed.

Mr. Blenkarn: You are absolutely right.

Mr. Lambert: Once a committee begins work, its membership should remain and when a member comes on, let him pick up the testimony of the past and read. The good Lord gave him the ability to read. To come to committee absolutely green on a subject and, as I say, reinvent the wheel, is not the way in which a committee should be conducted.

In any event, how does one obtain this information when the committee decides, two or three years down the road, that, for instance, it would like some information, about reciprocity? Remember, the Inspector General cannot be summoned on the examination of estimates. How much time can the finance committee spend on the examination of estimates when it is already overloaded? It would be lucky to have 80 minutes with the Inspector General of Banks in any full term, and that is not good enough.

What we require is a careful preparation of the information requested by the committee, and then the committee may debate that information. I hope it is not a case where one side sits there with a hedgehog mentality to protect the government's interests. All members are responsible for the passage and for intelligent consideration of legislation, and I would like to see an improvement in our work. This is what I would call a technical amendment within the act. Such an amendment has nothing to do with the operation of the banking system, but it certainly improves the readiness with which information would be available to members on the banking committee so that more informed decisions could be made.

I suggest that such a proposal should be implemented in many other fields. I hesitate to suggest income tax because we would never get around to studying all the questions, but there are many other fields of legislation, I think, in which this amendment could apply with equal facility. Hopefully, with the freedom of information legislation this will come about in some areas.

I believe I have qualified matters as much as possible in the amendment. The Inspector General is fully protected. The committee will take the responsibility of putting the matter on a confidential basis, and I know what my reaction would be if an hon. member of that committee suddenly became leaky tap. I think the rest of the committee would literally put the boots to that hon. member in their criticism of such bad behaviour. We as members of Parliament have responsibilities, and I do not have to engage in a lecture on that subject, nor would I wish to do so. I honestly and earnestly plead with members of the House to accept what I consider is a very important, non-partisan amendment to the Bank Act which will not affect the technical workings of the act but will affect the limits which affect us in reaching intelligent and informed decisions regarding the banking system of this country.

The Acting Speaker (Mr. Blaker): Does the minister rise on a point of order?

[*Translation*]

Hon. Pierre Bussières (Minister of State, Finance): Mr. Speaker, I rise on a point of order. I should like to answer briefly. I do not want us to be unable to go through all the amendments before ten o'clock. If I were convinced that the members of the committee on Finance, Trade and Economic Affairs, did not have sufficient information when they considered the Bank Act, I wold not hesitate to recommend that such an amendment be accepted. However, I am convinced that all the information needed to evaluate the work we have to do as members of Parliament can be secured in committee, and I relate that to the activity of the committee concerning the Bank Act, and I am convinced that we have all the information which is necessary; consequently I do not see the necessity for that amendment.

[*English*]

The Acting Speaker (Mr. Blaker): The question is on motion No. 48 in the name of the hon. member for Edmonton West (Mr. Lambert).

Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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

Some hon. Members: Yea!

The Acting Speaker (Mr. Blaker): All those opposed to the motion will please say nay.

Some hon. Members: Nay!

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

Some hon. Members: On division.

Motion No. 48 (Mr. Lambert) negatived on division.

The Acting Speaker (Mr. Blaker): We pass now to motion No. 49.

Hon. Stanley Knowles (for Mr. Rae) moved:

Motion No. 49

That Bill C-6, an act to revise the Bank Act, to amend the Quebec Savings Banks Act and the Bank of Canada Act, to establish the Canadian Payments Association and to amend other acts in consequence thereof, be amended in clause 2 by striking out subsections (2) to (8) of section 302 and sections 303 to 307 inclusive at pages 306 to 318.

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

Some hon. Members: Question.

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

Some hon. Members: Yea!

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

Some hon. Members: Nay!

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

And more than five members having risen:

The Acting Speaker (Mr. Blaker): Pursuant to Standing Order 75(11) the recorded division on the proposed motion No. 49 will be deferred.

We now move to motion No. 50.

Hon. Marcel Lambert (Edmonton West) moved:

Motion No. 50

That Bill C-6, an act to revise the Bank Act, to amend the Quebec Savings Banks Act and the Bank of Canada Act, to establish the Canadian Payments Association and to amend other acts in consequence thereof, be amended in clause 2 by striking out line 29 at page 308 and substituting the following therefor:

"ten per cent of the total domestic assets"

● (2120)

He said: For the edification of certain members who felt I was wrong on my last stand and perhaps for the edification of the minister who came in contact with this act only this year, I want to point out that motion No. 50 is designed to restore to the legislation a conclusion which the banking committee reached in March, 1979. It was composed of senior members on the then government side along with others from this side.

The whole question had been very carefully considered with witnesses and public testimony, and had been discussed with the Inspector General of Banks. It was decided that the volume of business to be ultimately allowed for foreign banks within ten years, bearing in mind the degree of inflation that might be around, could go up to 10 per cent of the total domestic assets of Canadian banks. The original white paper had said 8 per cent of the assets contained in schedule Q, quite a different formula. I remember the then member from Montreal, Mr. Jacques Trudel—I see his successor—had been successful in negotiating on the government side and that was for 10 per cent. That was a more appropriate figure. Lo and behold, somebody in the Department of Finance or the Inspector General of Banks put it at 8 per cent. No one has ever told us why. There have been no reasons other than it was a judgment decision.

In putting forward this amendment, I want to question the inability to obtain the information as to why it was done, and to establish that bureaucratic decisions shall not prevail over decisions of House committees. We are charged with determining the policy and the legislation. I find it, frankly, a supine attitude to accept, if we accept it, that the bureaucracy should tell a House committee or this House what policy should be.

I have put down this motion to discuss that point and to emphasize it. I do not like that situation. If hon. members will reflect upon it, I think they will agree with me. This happens all too often, particularly in legisation of this kind. There was public testimony. The committee worked hard and came to a conclusion. As is often the case, there was some negotiation. Then some faceless individual in the background made a change. They told me that the cabinet approved. Even on this side, I can tell you how cabinet approves. The bill slides through and that feature does not get drawn to the attention of the cabinet committee or of the whole cabinet in approving the legislation.

I know what happened at the time the hon. member for St. John's West (Mr. Crosbie) was minister of finance and a bill was okayed to go through with the figure changed. I do not know who changed it, but it was changed to some figure judged more important by a bureaucrat. That has to stop. If a House committee decides as a matter of policy that there shall be a certain level of activity by foreign banks as compared with Canadian banks, it is not up to any bureaucrat to downgrade that figure.

The minister cannot tell me why it is at 8 per cent. He has not been told. He was not responsible for that, except in the technical sense that he has been charged with bringing the legislation forward in this House and must assume responsibility for it. However, the point I want to make is that he does not know.

When dealing with my previous motion, the minister said he thought we already had sufficient information. The minister should blush a little, because the motion now before us points to a situation in which he knows the committee did not have the information it should have been given. We should have much more information. The previous committee set the figure at ten. The minister in this legislation says it is eight. No reasons have been given for the change.

Long before this minister ever came near the legislation, somebody had written in the figure eight. Why? That is something that we, as legislators, should know. It is a situation over which we have no control. We do not have the control over legislation that we should have in Parliament. That is a regrettable lesson I have learned over many years.

[*Translation*]

Hon. Pierre Bussières (Minister of State, Finance): Mr. Speaker, the hon. member is no longer asking why we do not accept his amendment, but why a suggestion made by a previous committee was not retained by the government. If we consider the amendment put forward by the hon. member for Edmonton West (Mr. Lambert), we see that it would increase the maximum of the collective domestic assets of foreign banks to 10 per cent of the domestic assets of all the banks which are

operating in the country. What we are saying is that 8 per cent, which is 2 per cent less, is sufficient for foreign banks.

It is quite obvious that a judgment decision was made on that 2 per cent margin; in this instance it was the government which decided that it would be preferable for Canadians and Canadian financial institutions that the volume of business for foreign banks be limited to 8 per cent of the total domestic assets of Canadian banks.

• (2130)

[*English*]

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

Some hon. Members: Question.

The Acting Speaker (Mr. Blaker): Is it the pleasure of the House to adopt the said motion? All those in favour of the motion will please say yea.

Some hon. Members: Yea!

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

Some hon. Members: Nay!

The Acting Speaker (Mr. Blaker): In my opinion the nays have it. I declare the motion lost.

And more than five members having risen:

The Acting Speaker (Mr. Blaker): Order please. I said I declared the motion lost, but perhaps I spoke too quickly. I see that several hon. members have risen. I will undo what I have done.

In accordance with Standing Order 75(11) the recorded division on the proposed motion stands deferred.

Hon. Flora MacDonald (for Mr. Stevens) moved:

Motion No. 51

That Bill C-6, an act to revise the Bank Act, to amend the Quebec Savings Banks Act and the Bank of Canada Act, to establish the Canadian Payments Association and to amend other acts in consequence thereof, be amended in clause 2 by adding immediately after line 48 at page 309 the following:

"(2.1) Where a foreign bank would be deemed to be a corporation associated with another foreign bank under section 303(2) by reason of any class of its shares being owned directly or indirectly by the other foreign bank and

(*a*) not more than fifty percent of the issued and outstanding shares of such class are owned directly or indirectly by the other foreign bank at the coming into force of this act;

(*b*) the issued and outstanding shares of any class of the first foreign bank owned directly or indirectly by the other foreign bank were owned by it prior to May 18, 1978; and

(*c*) each of the foreign banks owned one or more subsidiary corporations that carried on business in Canada prior to May 18, 1978;

the other foreign bank shall, for the purposes of this part, be deemed not to own any shares of the first foreign bank."

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

Some hon. Members: Question.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I am very pleased to see that those hon. members who do not know the first damned thing about this act are the first to call "question". The amendment proposed by my hon. friend from York-Simcoe (Mr. Stevens) is to protect the operation of Grindley's Bank. It introduces a "grandfather" clause. Grindley's Bank is caught in a bind. It has been operating for close to ten years and it has done some very good business. As a matter of fact, Mr. Speaker, I do not think there would be any Laser racing boats manufactured in Canada were it not for the financing provided by Grindley's Bank. That is only one item in the chapter, however.

The bank is owned 40-odd per cent by Citibank of New York, or what is known as Citicorp. and 50-odd per cent by Lloyd's Bank of England. That is a bank that is, frankly, caught by the legislation. We were hoping that we could let "grandfather" in.

The minister may have an answer that would satisfy my hon. friend. He had hoped to be here this evening but was detained in Toronto. On the basis of the progress made this afternoon, we anticipated that this legislation would not get through tonight so I put forward this explanation of the amendment. If the minister can give what he understands to be the solution, I shall be very glad. I think it would be Canada's loss if Grindley's Bank were to disappear.

[*Translation*]

Hon. Pierre Bussières (Minister of State, Finance): Mr. Speaker, I shall speak to the provisions dealing with the authorization for two foreign banks, which are associated, to have one subsidiary each in Canada; we know that under the bill now before us this cannot be done. Still, upon examination of the provisions of section 303, if I remember correctly, under paragraph (4), it is indicated that, notwithstanding paragraph (2) which restricts affiliations very severely, that "where less than 50 per cent of the issued and outstanding voting shares of a corporation that is a foreign bank are owned, directly or indirectly, by a foreign bank, the Minister may"—discretion is clearly indicated here—"by order, deem that corporation and foreign bank, not to be associated for such period ending not later than ten years after the coming into force of this Act as specified in the order and for the purpose only of allowing the corporation and the foreign bank each to have a foreign bank subsidiary and for such other purposes as may be specified in the order."

I have had talks with people who are close to the institutions that could be affected. We discussed the bill in general terms. They are aware that, by demonstrating the will and a plan to change their portfolio in such a way as to meet the requirements of section 303(4) that could be considered as a way out, of the problem created by the act as it now stands. And after discussing and examining this provision, it appeared to me that this type of possible alternative seemed quite acceptable to them.

[*English*]

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

Some hon. Members: Question.

The Acting Speaker (Mr. Blaker): Is it the pleasure of the House to adopt the said motion? All those in favour please say yea.

Some hon. Members: Yea!

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

Some hon. Members: Nay!

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

An hon. Member: On division.

The Acting Speaker (Mr. Blaker): I declare the motion negatived on division.

Motion No. 51 (Mr. Stevens) negatived.

Hon. Marcel Lambert (Edmonton West) moved:

Motion No. 53

That Bill C-6, an act to revise the Bank Act, to amend the Quebec Savings Banks Act and the Bank of Canada Act, to establish the Canadian Payments Association and to amend other acts in consequence thereof, be amended in clause 2 by adding immediately after line 35 at page 321 the following new paragraph:

"(*b*) with the approval of the Inspector General of Banks, in relation to a business that, although engaged in financial activities, does not compete with banks incorporated under this act in both lending money and accepting deposit liabilities;"

and by renumbering the subsequent paragraphs accordingly.

Mr. Knowles: Question.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker—

An hon. Member: Not again.

An hon. Member: Give us a break.

Mr. Lambert: Mr. Speaker if the hon. member requires a break, all he has to do is withdraw. It might improve his knowledge of banking!

This amendment would allow the use of the term "merchant banker" upon application to the Inspector General of Banks. There are certain prohibitions about using the word "bank". There are individuals in this country, however, who carry on the business of merchant banking and they would like to be able to advertise themselves as such.

If we are to build a fully mature financial system across the country, we certainly need merchant bankers. London, Frankfurt, New York, Paris—all the financial centres of the world have merchant bankers. I do not know whether it is because we have a boy scout attitude in this country, but for some reason we have excluded merchant bankers—and to the detriment of our economic system. Merchant bankers from other jurisdictions have been encouraged to come to Canada under representative offices. They lend money, and then join the boards of Canadian firms; that is the function of the merchant banker.

I seek the approval of the inspector general for that action, Mr. Speaker. The other conditions do not require the approval of the Inspector General. It seems to me that we could certainly use the title "merchant banker".

[*Translation*]

Hon. Pierre Bussières (Minister of State, Finance): Mr. Speaker, if I may, I shall say very briefly that I am certain that the hon. member for Edmonton West (Mr. Lambert) is aware that I am very sympathetic to his amendment. Moreover, he knows why we must restrict the use of the term "bank" in the legislation. He knows that this is at the source of the difficulty that we have in defining the word "bank" and the expression "banking operation". I recognize these difficulties.

If we accepted the amendment, it is very obvious in my opinion that a very great number of financial institutions could fall under the limitation of operations defined by the hon. member for Edmonton West and that the Inspector General of Banks would receive a great number of applications to be designated as a bank. I know that the hon. member for Edmonton West is thinking of a particular case. However, other cases could occur if the amendment were accepted. The hon. member knows quite well that this limitation is related to the very nature of the legislation, as I have said, to the type of definition that we are using and to the control that we want to have over banking institutions. Finally, he also knows that to protect the public it is important that we should restrict use of the term "bank" to the institutions covered by the present legislation.

• (2140)

[*English*]

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

Some hon. Members: Question.

The Acting Speaker (Mr. Blaker): Is it the pleasure of the House to adopt the motion? All those in favour of the motion will please say yea.

Some hon. Members: Yea!

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

Some hon. Members: Nay!

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

Some hon. Members: On division.

The Acting Speaker (Mr. Blaker): I declare the motion negatived on division.

Motion No. 53 (Mr. Lambert) negatived.

Hon. Stanley Knowles (for Mr. Skelly) moved:

Motion No. 58

That Bill C-6, an act to revise the Bank Act, to amend the Quebec Savings Banks Act and the Bank of Canada Act, to establish the Canadian Payments Association and to amend other acts in consequence thereof, be amended in clause 62 by adding immediately after line 39 at page 431 the following:

"(1.1) The Minister of Finance shall appoint an individual(s) to be a director of the association."

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

Some hon. Members: Question.

The Acting Speaker (Mr. Blaker): Is it the pleasure of the House to adopt the motion? All those in favour of the motion will please say yea.

Some hon. Members: Yea!

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

Some hon. Members: Nay!

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

Mr. Knowles: On division.

The Acting Speaker (Mr. Blaker): I declare the motion negatived on division.

Motion No. 58 (Mr. Skelly) negatived.

The Acting Speaker (Mr. Blaker): The House will now have before it the motions which have been grouped by the order made earlier. Motions Nos. 24 and 26 have been grouped for debate. A negative vote on motion No. 24 will dispose of motion No. 26, and an affirmative vote on motion No. 24 will necessitate the putting of the question on motion No. 26.

Hon. Marcel Lambert (Edmonton West) moved:

Motion No. 24

That Bill C-6, an act to revise the Bank Act, to amend the Quebec Savings Banks Act and the Bank of Canada Act, to establish the Canadian Payments Association and to amend other acts in consequence thereof, be amended in clause 2 by striking out line 14 at page 177 and substituting the following therefor:

"that are made by the bank, and by any company engaged in mortgage lending in which the bank has an ownership interest, on the security".

Hon. Marcel Lambert (Edmonton West) moved:

Motion No. 26

That Bill C-6, an act to revise the Bank Act, to amend the Quebec Savings Banks Act and the Bank of Canada Act, to establish the Canadian Payments Association and to amend other acts in consequence thereof, be amended in clause 2 by adding immediately after line 29 at page 177 the following new subsections:

"(3) Should more than one bank have ownership interest in any individual company engaged in mortgage lending, the principal amount outstanding of all mortgages of that company shall be apportioned to each bank for the purposes of subsection (2) in direct proportion to each bank's ownership interest in that company.

(4) Should the aggregate principal amount outstanding of mortgage loans made by a bank and any company engaged in mortgage lending in which the bank has an ownership interest exceed the limitations imposed by subsection (2) when this Act comes into force, the bank and any mortgage lending company in which the bank has a controlling interest shall not be allowed to increase the total principal amount outstanding of mortgage loans until the bank is in compliance with the limitations imposed by subsection (2)."

and by renumbering the present subsection (3) as subsection (5).

He said: Mr. Speaker, I would just recall to hon. members that we had a full debate on motion No. 25. Actually motions Nos. 24 and 26 are related to motion 25, and there would be no purpose in carrying on the debate. I trust hon. members will not go blithely into a voting stance but will see the reasoning behind motion No. 24.

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

Some hon. Members: Question.

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

Some hon. Members: Yea!

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

Some hon. Members: Nay!

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

Mr. Lambert: On division.

The Acting Speaker (Mr. Blaker): I declare the motion negatived on division.

Motions Nos. 24 and 26 (Mr. Lambert) negatived.

Mr. Knowles: That disposes of motion No. 26 too.

The Acting Speaker (Mr. Blaker): As I indicated prior to putting the question, a negative vote on motion No. 24 would dispose of motion No. 26. Accordingly, both motions Nos. 24 and 26 are negatived on division.

Motions Nos. 29, 31 and 32 are grouped for debate, and a vote on motion No. 32 will dispose of motions Nos. 29 and 31.

Hon. Stanley Knowles (for Mr. Rae) moved:

Motion No. 29

That Bill C-6, an act to revise the Bank Act, to amend the Quebec Savings Banks Act and the Bank of Canada Act, to establish the Canadian Payments Association and to amend other acts in consequence thereof, be amended in clause 2 by striking out line 28 at page 221 and substituting the following therefor:

"manner prescribed by subsection (6), the".

Bank Act

Hon. Stanley Knowles (for Mr. Rae) moved:

Motion No. 31

That Bill C-6, an act to revise the Bank Act, to amend the Quebec Savings Banks Act and the Bank of Canada Act, to establish the Canadian Payments Association and to amend other acts in consequence thereof, be amended in clause 2 by striking out line 1 at page 222 and substituting the following therefor:

"by subsection (6), the way in which the".

Hon. Stanley Knowles (for Mr. Rae) moved:

Motion No. 32

That Bill C-6, an act to revise the Bank Act, to amend the Quebec Savings Banks Act and the Bank of Canada Act, to establish the Canadian Payments Association and to amend other acts in consequence thereof, be amended in clause 2 by striking out lines 4 to 24 at page 222 and substituting the following therefor:

"(6)(*a*) A bank shall disclose to depositors the rate of interest and manner of calculation that reflect the annual rate of interest;

(*b*) for accounts where a depositor may have to give prior notice for the withdrawal of funds, earnings shall be given, on the basis of the rate disclosed, for exactly the number of days an amount has remained on deposit;

(*c*) where earnings are offered on deposits, a bank shall use a daily balance method of calculating interest earnings, however

(i) the minister may grant temporary exemptions to institutions operating on a manual accounting system where they may face serious problems in adapting to a calculation method based on the daily balance concept, and

(ii) this subsection shall not come into force until the day that is six months after the Banks and Banking Law Revision Act, 1980 is assented to;

(*d*) a bank shall credit a depositor's account or otherwise pay earnings as follows:

(i) for fixed term deposits, at the end of the term, exceeds one year, the rate disclosed shall reflect annual compounding.

(ii) for variable term deposits crediting shall be made once a year, and

(iii) a depositor shall be credited with earnings whenever an account is closed; and

(*e*) a bank shall disclose to depositors once each year the terms and conditions under which their deposits are held."

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

Some hon. Members: Question.

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

Some hon. Members: Yea!

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

Some hon. Members: Nay!

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

Mr. Knowles: On division.

The Acting Speaker (Mr. Blaker): Accordingly motions Nos. 29, 31 and 32 negatived on division.

Motions Nos. 29, 31 and 32 (Mr. Rae) negatived.

The Acting Speaker (Mr. Blaker): Motions Nos. 33, 34 and 35 have been grouped for debate and will be voted on separately. Shall I dispense?

Some hon. Members: Dispense.

Mr. Lawrence: No, I would like to hear the amendments.

Hon. Stanley Knowles (for Mr. Rae) moved:

Motion No. 33

That Bill C-6, an act to review the Bank Act, to amend the Quebec Savings Banks Act and the Bank of Canada Act, to establish the Canadian Payments Association and to amend other acts in consequence thereof, be amended in clause 2 by adding immediately after line 43 at page 222 the following:

"(2.1) Specific charges in connection with a loan or advance that are payable by the borrower shall include where applicable

(a) costs of administration, including any service, transaction or activity charge;

(b) loan fees, finder's fees, brokerage fees and similar charges;

(c) charges for an approval, investigation or credit report;

(d) charges for any guarantee or insurance to protect the bank against the borrower's default or other credit loss;

(e) charges for the insurance of the life or health of the borrower; and

(f) charges for the consolidation and refinancing of the lending transactions."

The Acting Speaker (Mr. Blaker): Is it the pleasure of some hon. members that I pursue the other amendments referred to in this group and read them?

Some hon. Members: No. Dispense!

Mr. Lawrence: Yes, read them, please. Take your time, too. We are going to be here until at least ten o'clock.

Mr. Knowles: On a point of order, Mr. Speaker, may I point out that motion No. 34 is more than two columns long. I think common sense would suggest that it could be put into *Hansard* as if it had been read.

Mr. Lawrence: No. I am sorry. We are not going to vote tonight.

The Acting Speaker (Mr. Blaker): There is usually unanimous consent to proceed in a certain fashion. That unanimous consent has been denied, and the Chair has no option but to proceed with the reading of the motions.

Hon. Stanley Knowles (for Mr. Rae) moved:

Motion No. 34

That Bill C-6, an act to revise the Bank Act, to amend the Quebec Savings Banks Act and the Bank of Canada Act, to establish the Canadian Payments Association and to amend other acts in consequence thereof, be amended in clause 2 by striking out lines 44 to 46 at page 222 and lines 1 to 36 at page 223 and substituting the following therefor:

"(3) A bank shall not grant to a person a credit in respect of loans or advances repayable in Canada or make to a person a loan or advance repayable in Canada unless the cost of borrowing as calculated and expressed in accordance with subsection (4), in addition to all other terms of the loan or advance as defined in this act, or otherwise prescribed, has been disclosed by the bank to such person and his or her guarantors in the manner prescribed at or prior to the time when the credit is granted or the loan or advance is made.

(*a*) Except where a loan or advance is secured by a mortgage on real property, where the total of loans and advance and the cost of borrowing is

to be repaid in fixed amounts on fixed dates, the bank shall disclose to the borrower and his or her guarantors:

(i) the net amount of the loan

(ii) the cost of borrowing as an amount in dollars and cents

(iii) the total obligation of the borrower

(iv) the effective annual percentage rate of interest

(v) the dollar amount that the borrower is required to pay periodically on the unpaid balance, and

(vi) the number of frequency of periodic payments.

(*b*) Where a loan or advance is secured by a mortgage on real property, the bank shall disclose to the borrower;

(i) the net amount of the loan

(ii) the effective annual percentage rate of interest

(iii) the dollar amount that the borrower is required to pay periodically

(iv) the total obligation of the borrower

(v) the term of the mortgage, the number and frequency of periodic payments

(vi) the net amount outstanding at the end of the term of the mortgage.

(*c*) Where the total of loans and advances and the cost of borrowing is repayable on the demand, the bank shall disclose to the borrower the effective annual percentage rate of interest.

(*d*) Where an arrangement allows the borrower thereunder to obtain loans or advances of variable amounts periodically, the bank shall disclose to the borrower:

(i) the maximum amount, if any, that may be outstanding under the credit

(ii) the term of each period for which a statement of account is furnished

(iii) the minimum charge, if any, for each period or the minimum annual charge in dollars and cents

(iv) the length of the period, if any, during which the borrower may discharge his obligation without incurring any cost of borrowing

(v) the effective annual percentage rates of interest that apply on the unpaid balance.

(*e*) Where a lending transaction provides for a variable rate of interest the bank will:

(i) disclose such provision to the borrower in a manner and form prescribed by this act

(ii) insure that the variable rate of interest is directly related to an index that is readily available to the borrower, and

(*f*) A bank may provide additional information or explanations with any disclosure required by this Act, but none shall be stated, utilized or placed so as to contradict, obscure or detract attention from the information required by this act.

(*g*) A bank shall disclose to the borrower and his or her guarantors the information required to be disclosed by subsection (3)(*b*) and (*c*), (*d*) and (*e*).

(i) as part of the proposed contract between the bank and the borrower

(ii) in a statement given to the borrower and his or her guarantors, or

(iii) in a promissory note to be signed by the borrower and his or her guarantor

(*h*) A bank shall disclose to the borrower and his or her guarantors information required to be disclosed by subsection (3)(*a*) in a separate statement in the form set out in the regulations.

(*i*) In order to fulfil the requirements for disclosure of the cost of borrowing in a transaction involving more than one borrower, the bank shall disclose the information required to be disclosed by this act to the borrowers and their guarantors.

(*j*) Any information required to be disclosed by a bank to a borrower and his or her guarantors pursuant to this act, shall be given in person or sent by mail to the most recent addresses of the borrower and his or her guarantors."

Bank Act

Hon. Stanley Knowles (for Mr. Rae) moved:

Motion No. 35

That Bill C-6, an act to revise the Bank Act, to amend the Quebec Savings Banks Act and the Bank of Canada Act, to establish the Canadian Payments Association and to amend other acts in consequence thereof, be amended in clause 2 by adding immediately after line 36 at page 223 the following new subsection:

"(3.1)(a) Where a lender:

(i) fails to make full disclosure to a borrower and his or her guarantors regarding the lending transaction between them as and when required by this act, or

(ii) fails to give to a borrower a copy of any agreement evidencing the lending transaction between them, as required under this act;

the effective rate of interest in respect of the lending transaction is the prime rate on the day the transaction is entered into.

(b) Subsection (a) does not apply in respect of a failure to make full disclosure to a borrower and his or her guarantors in respect of a lending transaction where a court finds in proceedings relating to the lending transaction commenced by the lender, that the error, omission or insufficiency in the disclosure to the borrower and his or her guarantors was not of such a nature as to be likely to mislead or deceive."

● (2150)

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

Some hon. Members: Question.

The Acting Speaker (Mr. Blaker): The hon. member for Winnipeg North Centre (Mr. Knowles) corrects me. The order indicates that the motions are to be voted on separately. Accordingly, may the Chair assume that they have now been read and put to hon. members?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Blaker): The question is on Motion No. 33. those in favour of the said motion will please say yea.

Some hon. Members: Yea!

The Acting Speaker (Mr. Blaker): Those opposed, will please say nay.

Some hon. Members: Nay!

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

Mr. Knowles: On division.

The Acting Speaker (Mr. Blaker): I declare the motion negatived on division.

Motion No. 33 (Mr. Rae) negatived.

The Acting Speaker (Mr. Blaker): The question is on motion No. 34. Those in favour of the said motion will please say yea.

Some hon. Members: Yea!

The Acting Speaker (Mr. Blaker): Those opposed, will please say nay.

Some hon. Members: Nay!

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

Mr. Knowles: On division.

The Acting Speaker (Mr. Blaker): I declare the motion negatived on division.

Motion No. 34 (Mr. Rae) negatived.

The Acting Speaker (Mr. Blaker): The question is on Motion No. 35. Those in favour of the said motion will please say yea.

Some hon. Members: Yea!

The Acting Speaker (Mr. Blaker): Those opposed, will please say nay.

Some hon. Members: Nay!

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

Mr. Knowles: On division.

The Acting Speaker (Mr. Blaker): I declare the motion negatived on division.

Motion No. 35 (Mr. Rae) negatived.

The Acting Speaker (Mr. Blaker): Motions Nos. 36 and 37 have been grouped together for debate and the vote on motion 37 will dispose of Motion No. 36.

Is the House ready for the question?

Some hon. Members: Question.

Mr. Lawrence: Will you read the motion, Mr. Speaker, please.

Hon. Stanley Knowles (for Mr. Rae) moved:

Motion No. 36

That Bill C-6, an act to revise the Bank Act, to amend the Quebec Savings Banks Act and the Bank of Canada Act, to establish the Canadian Payments Association and to amend other acts in consequence thereof, be amended in clause 2 by striking out lines 37 and 38 at page 223 and substituting the following therefor:

"(4)(*a*) The cost of borrowing shall be calculated on the".

Hon. Stanley Knowles (for Mr. Rae) moved:

Motion No. 37

That Bill C-6, an act to revise the Bank Act, to amend the Quebec Savings Banks Act and the Bank of Canada Act, to establish the Canadian Payments Association and to amend other acts in consequence thereof, be amended in clause 2 by adding immediately after line 43 at page 223 the following:

"(*b*) The cost of borrowing shall be calculated on an interest bearing method and on no other basis."

Hon. Yvon Pinard (President of the Privy Council): With regard to those two motions, Mr. Speaker, rather than speak on them—

[*Translation*]

I move, supported by the hon. Minister of State for Finance, under the provisions of Standing Order 6(5), that the House sit beyond the ordinary hour of adjournment to consider this bill at the report stage, and perhaps also on third reading.

[*English*]

The Acting Speaker (Mr. Blaker): The House has heard the motion of the President of the Privy Council (Mr. Pinard) under Standing Order 6(5)(a) that the House sit beyond the normal adjournment hour in order to continue its study of Bill C-6.

Mr. Lawrence: Is that a debatable motion?

Some hon. Members: Order.

The Acting Speaker (Mr. Blaker): All those opposed to the motion please rise.

And more than ten members having risen:

The Acting Speaker (Mr. Blaker): More than ten members having risen, I declare the motion lost.

Motion negatived.

The Acting Speaker (Mr. Blaker): Is the House ready for the question on motions Nos. 36 and 37?

Some hon. Members: Question.

The Acting Speaker (Mr. Blaker): Those in favour of the motions will please say yea.

Some hon. Members: Yea!

The Acting Speaker (Mr. Blaker): Those opposed, will please say nay.

Some hon. Members: Nay!

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

Mr. Knowles: On division.

The Acting Speaker (Mr. Blaker): I declare the motions negatived on division.

Motions Nos. 36 and 37 (Mr. Rae) negatived.

The Acting Speaker (Mr. Blaker): Motions Nos. 45 and 54 have been grouped for debate and a vote on Motion No. 45 will dispose of Motion No. 54.

Hon. Stanley Knowles (for Mr. Rae) moved:

Motion No. 45

That Bill C-6, an act to revise the Bank Act, to amend the Quebec Savings Banks Act and the Bank of Canada Act, to establish the Canadian Payments Association and to amend other acts in consequence thereof, be amended in clause 2 by adding immediately after line 35 at page 246 the following new subsection:

"(3) A bank shall within 60 days after the end of the calendar year make a return to the minister in the form set out in schedule R with respect to all new

loans and with respect to any syndicated or joint loans to foreign governments or their agencies during that calendar year."

Hon. Stanley Knowles (for Mr. Rae) moved:

Motion No. 54

That Bill C-6, an act to revise the Bank Act, to amend the Quebec Savings Banks Act and the Bank of Canada Act, to establish the Canadian Payments Association and to amend other acts in consequence thereof, be amended in clause 2 by adding immediately after schedule Q the following new schedule R:

Schedule R
(Subsection 223(3))

Return of New Bank Loans made to foreign governments and their agencies for the year ended December 31st, 19 _____

Country A

_____

sub-total _____

Country B

Total new loans made to foreign government and their agencies

_____

sub-total _____

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

Some hon. Members: Question.

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Mr. Speaker, I move, supported by the hon. Minister of State responsible for Finance, that we sit beyond the hour of adjournment under the provisions of Standing Order 6(5).

[*English*]

The Acting Speaker (Mr. Blaker): The House has heard the motion of the President of the Privy Council (Mr. Pinard) to continue to sit beyond the normal hour in accordance with Standing Order 6(5)(*a*). But that motion has just been put.

Mr. Lawrence: Enough of these games.

The Acting Speaker (Mr. Blaker): Will those opposed to the motion please rise?

And more than ten members having risen:

The Acting Speaker (Mr. Blaker): More than ten members having stood in their place, I declare the motion lost.

Motion negatived.

Some hon. Members: Question!

Some hon. Members: Ten o'clock!

The Acting Speaker (Mr. Blaker): Shall I proceed with the motions or shall I see the clock?

Mr. Knowles: Mr. Speaker, you were about to put the question on motion No. 45. We do not intend to debate it but we intend to ask for a recorded vote. I suggest we be permitted to do that tonight so that members know how many recorded votes there are.

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

Some hon. Members: Agreed.

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

Some hon. Members: Agreed.

Some hon. Members: No.

The Acting Speaker (Mr. Blaker): Those in favour of the said motion will please say yea.

Some hon. Members: Yea!

The Acting Speaker (Mr. Blaker): Those opposed, will please say nay.

Some hon. Members: Nay!

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

And more than five members having risen:

The Acting Speaker (Mr. Blaker): Pursuant to section 11 of Standing Order 75, the recorded division on proposed motion No. 45. stands deferred.

• (2200)

[*Translation*]

Mr. Pinard: Mr. Speaker, I rise on a point of order.

The Acting Speaker (Mr. Blaker): The President of the Privy Council on a point of order.

Mr. Pinard: Mr. Speaker, in view of the discussions that have been held and in view of the good faith shown by my colleagues opposite, which I presume still exists, I ask for unanimous consent to sit beyond the normal hours tonight in order to complete the report stage of Bill C-6.

Some hon. Members: Agreed.

[*English*]

Mr. Lawrence: If unanimous consent is required, it is not given.

The Acting Speaker (Mr. Blaker): Is the hon. President of the Privy Council (Mr. Pinard) referring to Standing Order 6(5) or Standing Order 6(6)?

[*Translation*]

Mr. Pinard: Mr. Speaker, I have not moved a motion this time, I have simply appealed to the good faith of my colleagues opposite and asked for unanimous consent. I presume that my colleagues agree, except one.

[*English*]

Mr. Lawrence: Mr. Speaker, I deny unanimous consent. It is ridiculous for the House to start voting on approximately 12 motions at ten o'clock at night.

Some hon. Members: Oh, oh!

The Acting Speaker (Mr. Blaker): Order, please. I take the comments of the hon. member for Durham-Northumberland (Mr. Lawrence) as constituting a denial of unanimous consent.

Mr. Lawrence: That is perfectly correct.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

PUBLIC SERVICE—TRANSLATORS' DISPUTE—STATE OF NEGOTIATIONS

Mr. Hal Herbert (Vaudreuil): Mr. Speaker, on November 7 I put a question to the President of the Treasury Board (Mr. Johnston) which was answered by his parliamentary secretary. It dealt with the alleged refusal of Treasury Board officials to permit the Department of the Secretary of State to predetermine the amounts of the salary deductions which would apply during the slowdown period. Of course I was referring to the strike of the translators. On the preceding Monday, November 3, an agreement was reached on the essential points. As a matter of fact, on the day in question I gave the President of the Treasury Board my understanding of the agreement which the translators were prepared to accept. Essentially it was the agreement which was eventually signed.

However, from that Monday until the following Friday, there was continuing conflict on one point. It was that the translators who had admittedly been on a "go-slow" campaign for some weeks in the summertime were to be penalized. A deduction would be made from their salaries, and they wanted some idea of either the amount to be deducted or the basis upon which the deduction was to be calculated.

The problem we are running into is one we have encountered in many instances in negotiations. It came up again in a release of the Public Service Alliance of Canada dated November 12 protesting the threat of what they term "unwarranted disciplinary action". In this second case it was again the threat of a deduction from salary or non-payment of salary should certain employees who ordinarily provided services in both official languages choose to speak only one language. In the second case, involving the Social Sciences and Humanities Research Council, the employees are not paid a bilingualism bonus and that is their particular problem. The difficulty, Mr. Speaker, stems from the fact that in both cases there is a classification difficulty and, as we know, classification is not bargainable.

● (2205)

I have brought up the subject many times in the past five years. It was almost five years ago—in fact in February next we will be celebrating the fifth anniversary—that a report was tabled in this House popularly known as the Finkelman committee or, more properly, the Joint House of Commons and Senate Committee on Employer-Employee Relations in the Public Service. That committee tabled 72 recommendations to improve the bargaining situation and morale in the public service. No action has been taken on any of those 72 recommendations and I suggest we are finding ourselves in difficulty today because no action has been taken. Although we have the excuse of the elections having taken place and changing governments, we cannot get away from the fact that five years later we still have these problems recurring on almost a monthly basis.

I am not going to pronounce on whether classification should be bargainable or not. In fact, that was not one of the recommendations although it was suggested that it be discussed by the parties. In both cases—in the translator's strike and the problem with the second group of the Public Service Alliance of Canada—part of the difficulty stems from separating the normal requests of a bargaining group from this issue of classification which, according to existing legislation, is not bargainable.

Mr. Speaker, the issue still remains. The strike of the translators was settled but I repeat my request to the President of the Treasury Board (Mr. Johnston) and to whichever hon. gentleman is speaking for him tonight: when are we to get some answer from the President of Treasury Board on actions he proposes, either in the way of acceptance or refusal, with regard to the 72 recommendations to improve working conditions and morale in the public service which were tabled in this House in February almost five years ago?

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the government commends the hon. member for Vaudreuil (Mr. Herbert) for his initiative this evening in raising this question.

As was announced by the Treasury Board on November 10, 1980, a settlement has been reached with the Canadian Union of Professional and Technical Employees representing the translation group, subject to ratification by the union members. This agreement was reached with the assistance of Mr. Maurice Cantin, Acting Chairman of the Public Service Staff Relations Board, following earlier mediation attempts by Mr. Ken Strike.

The agreement incorporated recommendations made by Mr. Strike and, as has been announced, included an understanding concerning actions taken during the strike by the Department of the Secretary of State to dock the pay of employees who were at work but who did not perform their work in accord-

ance with departmental directives or standards. This agreement provides that in certain instances the over-all number of person days for which the department had determined that payment should not be made would be limited to 1,000 and recognizes the principle that pay should be directly related to satisfactory performance of the work. This understanding does not apply to disciplinary actions taken by the department for unlawful actions committed during the strike. In such cases, employees can, of course, resort to the normal grievance procedure. Further consultation on a number of these matters is taking place between the department and the union.

The Treasury Board is nearing the conclusion of a review of employer-employee relations in the public service. The hon. member is very familiar with the various important events which have taken place in the review of employer-employee relations in the public service over the past several years. This review, of course, commenced with Mr. Jacob Finkelman's report which was received in March, 1974. As the hon. member is fully aware, the Special Joint Committee on Employer-Employee Relations in the Public Service of Canada reported to Parliament in 1976. Earlier, in 1975, as a result of preliminary recommendations of that committee, amendments to the Public Service Staff Relations Act were enacted, principally providing for a full-time Public Service Staff Relations Board. I should note that while Mr. Finkelman recommended a series of changes in the Public Staff Relations Act, he found that the basic structure of the legislation was sound. In its report, the Special Joint Committee recommended the establishment of a special task force to review the Public Service Employment Act and the role of the Public Service Commission in personnel management and employer-employee relations in the public service.

● (2210)

Together with that recommendation, as the hon. member will recall, the committee recommended that the review include an examination of the role assigned to the Public Service Commission and its relationship with Treasury Board and the Public Service Staff Relations Board. In response to this recommendation, the government in 1977 established the Special Committee on the Review of Personnel Management and the Merit Principle, which produced what is known as the D'Avignon report. The report of his committee was received in September, 1979.

It should also be noted that during this same period, the Royal Commission on Financial Management and Accountability had been established. Its report was published in March, 1979. As the President of the Treasury Board noted in his reply to questions posed by the hon. member before the Standing Committee on Miscellaneous Estimates on November 3, 1980, Mr. W. A. B. Anderson has the responsibility, under his direction, for co-ordinating the government's response to both the Lambert report and the D'Avignon report.

As the President of the Treasury Board noted at that time, it is his intention to bring forward a complete response to the recommendations of these two reports. As mentioned earlier, the Treasury Board is in the process of completing a review of employer-employee relations in the public service, including the recommendations of the Finkelman report, the report of the special joint committee and certain pertinent recommendations of the D'Avignon report and the Lambert report. It is anticipated that this review will be completed in the not-too-distant future and that it will be followed by the introduction of any necessary amendments to the appropriate legislation.

In conclusion, I note that the President of the Treasury Board, in replying to the hon. member's last question before the Standing Committee on Miscellaneous Estimates, indicated that he "has made some very constructive suggestions in the past" and hoped he would continue to do so in the future.

VETERANS AFFAIRS—REQUEST FOR INCREASE IN WAR VETERANS ALLOWANCE AND DISABILITY PENSIONS

Mr. Dan McKenzie (Winnipeg-Assiniboine): Mr. Speaker, on November 4, 1980, as reported at page 4400 and 4401 of *Hansard*, I asked the acting Minister of Veterans Affairs (Mr. Lamontagne) the following questions:

The minister must be aware of the fact that recipients of war veterans allowance have been particularly hard hit by the cruel and devastating budget brought down by the Minister of Finance, in contrast to measures proposed by this party which would have protected these veterans. Will the minister recommend to cabinet that the war veterans allowance and disability pensions be increased, in view of the fact that any benefit from the veterans affairs will passed in July has now been wiped out?

My supplementary question was:

I should like to ask the acting minister if the government will incorporate in the Pension Act on a permanent basis a formula to keep the basic rate of disability pension adjusted to increases in the pay scales of the five selected categories of public service workers in order to offset the harmful effects of this harsh budget?

As Conservative spokesman for veterans affairs, I feel it is my duty to get some straight answers out of the government as to how it intends to cushion the devastating effect of this budget on veterans with low and fixed incomes. The Crosbie budget had built in an energy tax credit which would have resulted in a rebate of $200 a year for a family of four, or $80 per individual taxpayer. I have been receiving letters from pensioners and widows. Typical of these letters is the one I received from London, Ontario, dated November 10. It reads:

I read in our paper that the government is going to give $21 million to improve veterans health care. That's nice, but what are they going to do for us poor veterans widows? They gave us a $10 raise recently. It should have been $100 more per month so we could at least be equal to a senior citizen. We are all living far below the government poverty line, so we should at least be brought up to that level. Don't you agree?

I certainly agree. I would also like to point out that OAP recipients who receive the guaranteed income supplement and live at home have now fallen 22 per cent below the poverty line.

Unless there is a substantial increase in the basic rate of disability pensions and a parallel increase in WVA rates, veterans will be falling very far below the poverty line. We were most pleased to see the minister's announcement of the program for aging veterans last week. We have long supported

the idea of veterans being able to maintain themselves in their own homes where possible, and we welcome this step. However, this offers assistance to only a very small percentage of veterans. We must work to help the neglected categories. Very few veterans can afford to run a car these days. In some cases, however, a small car provides transportation to and from medical appointments plus limited city driving. With gas up as much as 40 cents a gallon, some of these veterans will have to take their cars off the road. To add insult to injury, some Liberal members are stating in their "Householders" that by the end of this year, gasoline will have gone up 13.3 cents per gallon though we know the figure should be 40 cents a gallon. That is a cruel hoax on every Canadian citizen.

● (2215)

It is estimated that the basic rate of disability pension will fall $500 behind the basic rate for the five selected categories of public servants by 1981. This is just not good enough. The government must act now to tie the basic rate to the five categories. Our veterans should not have to go cap in hand year after year asking for an increase. They should have the same security as the civil servants and the ability to plan ahead for their needs.

In presenting a motion in this House on November 4, my hon. friend from Bow River (Mr. Taylor) stated the following:

> Whereas more than 10,000 widows of deceased veterans and some 9,000 of their children were promised pension benefits over the next six years under Bill C-40, whereas many of these widows are left below the poverty line and may not survive until 1986 or 1987 and since the care of veterans and their widows and children is a national obligation and not just another piece of social legislation, I move—
>
> That this House request the government to find the money this year to pay these widows and children their proper pension benefits.

I hope the parliamentary secretary will have some good news for us.

Mr. John Campbell (Parliamentary Secretary to Minister of Veterans Affairs): Mr. Speaker, in responding to the hon. member's question, I would state that I have just returned from a visit to France and Belgium where I visited the graves of our fallen comrades. I would like to point out that our benefits in Canada are superior to those in other countries.

I thank the hon. member for Winnipeg-Assiniboine (Mr. McKenzie) for an opportunity to provide the House with information concerning the positive action taken by this government to help Canada's veterans and their families.

In July 1980 a bill which made very significant improvements to veterans legislation received royal assent. Contrary to the implication contained in the hon. member's, question, all war veterans allowance recipients will continue to have their allowances increased quarterly in keeping with any increases in the consumer price index. In addition, the allowances of those under 65 years of age were increased by $10 per month for single recipients and $12 per month for married recipients effective July 1, 1980.

Furthermore, similar increases will be automatically awarded annually until by April 1, 1986, the allowance levels for recipients over and under 65 years of age will be identical. Bill C-40 also provided that all future increases in either OAS or GIS rates will automatically be incorporated in the same amounts in WVA and CWA.

Over the next six and a half years some $150 million will go to veterans because of these measures and because of this government's promise to help those persons who need it most.

Mr. Knowles: If they live.

Mr. Campbell: On January 1, 1981 the basic rate of disability pensions is being increased by 9.7 per cent in accordance with the rise in the consumer price index. This means that the amount payable to an unmarried disability pensioner whose disability is assessed at 100 per cent will be increased to $811 a month or $9,737 a year. Married 100 per cent pensioners with two dependents will receive $1,196 a month or $14,629 per year. All other pensions and allowances will be increased in the same proportion.

The Government of Canada remains committed to helping veterans and their families. We are always looking for ways to improve veterans' legislation to meet changing needs of veterans. To answer my hon. friend's interjection at the moment widows are presently receiving pensions at the 47 per cent to 38 per cent rate, and next April 1 widows of pensioners who were receiving pensions of between 48 per cent and 33 per cent will be eligible for these benefits. Those disabled veterans I was able to see during my visit to those countries are certainly entitled to it. Members of the Legion, two presidents of councils, have agreed that the proposals put forward by the late minister, the Hon. Daniel J. MacDonald, are to their benefit.

● (2220)

Mr. Knowles: Six and a half years is a long time for 75-year-old widows to wait.

The Acting Speaker (Mr. Blaker): Order please. The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned.

May I remind hon. members that the House will sit tomorrow morning between the hours of 11 a.m. and 1 p.m. for the further consideration of Bill C-6?

It being 10.30 p.m. this House stands adjourned until eleven o'clock tomorrow morning pursuant to special order made on Wednesday, November 5, 1980.

At 10.21 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Tuesday, November 18, 1980

The House met at 11 a.m.

GOVERNMENT ORDERS

[*English*]

BANKS AND BANKING LAW REVISION ACT, 1980

MEASURE RESPECTING BANKING INSTITUTIONS

The House resumed, from Monday, November 17, consideration of Bill C-6, to revise the Bank Act, to amend the Quebec Savings Banks Act and the Bank of Canada Act, to establish the Canadian Payments Association and to amend other acts in consequence thereof, as reported (with amendments) from the Standing Committee on Finance, Trade and Economic Affairs.

Hon. Stanley Knowles (for Mr. Skelly) moved:

Motion no. 56

That Bill C-6, an act to revise the Bank Act, to amend the Quebec Savings Banks Act and the Bank of Canada Act, to establish the Canadian Payments Association and to amend other acts in consequence thereof, be amended in clause 57 by striking out lines 16 to 21 at page 429 and substituting the following therefor:

"Quebec Savings Banks Act applies;

(d) any other person(s) who is appointed by the Minister of Finance to be a member of the corporation; and

(e) any other person(s) who is entitled under this act to be a member and who, on application to the Association for membership in the Association, establishes that he is entitled to be a member."

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

Some hon. Members: Agreed.

Some hon. Members: No.

Madam Speaker: All those in favour will please say yea.

Some hon. Members: Yea!

Madam Speaker: All those against will please say nay.

Some hon. Members: Nay!

Madam Speaker: In my opinion the nays have it.

Mr. Knowles: On division.

Madam Speaker: I declare the motion negatived on division.

Motion no. 56 (Mr. Skelly) negatived.

Hon. Stanley Knowles (for Mr. Skelly) moved:

Motion no. 57

That Bill C-6, an act to revise the Bank Act, to amend the Quebec Savings Banks Act and the Bank of Canada Act, to establish the Canadian Payments Association and to amend other Acts in consequence thereof, be amended in Clause 57 by striking out line 13 at page 430 and substituting the following therefor:

"referred to in paragraphs (1)(a) to (d), shall".

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

Some hon. Members: Agreed.

Some hon. Members: No.

Madam Speaker: All those in favour will please say yea.

Some hon. Members: Yea!

Madam Speaker: All those against will please say nay.

Some hon. Members: Nay!

Madam Speaker: In my opinion the nays have it.

Mr. Knowles: On division.

Madam Speaker: I declare the motion negatived on division.

Motion no. 57 (Mr. Skelly) negatived.

Madam Speaker: The House will now proceed to the taking of the deferred divisions on Bill C-6. Call in the members.

● (1140)

[*Translation*]

Order. The first question is on motion No. 1 under the name of the hon. member for Edmonton West (Mr. Lambert).

The House divided on motion No. 1 (Mr. Lambert) which was negatived on the following division:

(*Division No. 22*)

YEAS

Messrs.

Andre	Cardiff	Cossitt
Baker (Nepean-Carleton)	Clarke (Vancouver Quadra)	Crombie
Beatty	Cook	Crosbie (St. John's West)
Blenkarn	Cooper	Crouse
Bosley	Corbett	Dantzer

Messrs.

Darling
Dick
Domm
Epp
Fraser
Fretz
Friesen
Gamble
Greenaway
Gurbin
Hamilton
(Qu'Appelle-Moose Mountain)
Hargrave
Hawkes
Howie
Jarvis
Jelinek
Kempling
Kilgour
Korchinski
Lambert
Lawrence
Lewis
MacDonald
(Miss)
(Kingston and the Islands)
Malone
Mayer
McCain
McCuish
McDermid
McGrath
McKnight
McMillan
Mitges
Neil
Nickerson
Nielsen
Nowlan
Oberle
Paproski
Patterson
Reid
(St. Catharines)
Roche
Schellenberger
Scott
(Victoria-Haliburton)
Shields
Siddon
Speyer
Stevens
Stewart
Towers
Vankoughnet
Wenman
Wilson
Wright
Yurko—69.

NAYS

Messrs.

Allmand
Althouse
Appolloni
(Mrs.)
Axworthy
Bachand
Baker
(Gander-Twillingate)
Bégin (Miss)
Benjamin
Berger
Blackburn
Blaikie
Bloomfield
Bockstael
Bossy
Breau
Bujold
Bussières
Campbell
(Miss)
(South West Nova)
Chénier
Chrétien
Collenette
Corbin
Cousineau
Cullen
Cyr
Dawson
De Bané
de Corneille
Demers
Deniger
Desmarais
Dingwall
Dion
Dionne
(Northumberland-Miramichi)
Dubois
Duclos
Dupont
Dupras
Duquet
Erola (Mrs.)
Ethier
Evans
Ferguson
Fisher
Foster
Fox
Frith
Fulton
Gauthier
Gendron
Gimaïel
Gingras
Gourd
Gray
Guilbault
Henderson
Herbert
Hervieux-Payette
(Mrs.)
Hovdebo
Hudecki
Irwin
Ittinuar
Jewett (Miss)
Johnston
Joyal
Kaplan
Kelly
Knowles
Kristiansen
Lachance
Lajoie
Lamontagne
Laniel
Lapierre
Lapointe
(Charlevoix)
Lapointe
(Beauce)
LeBlanc
Leduc
Lefebvre
Lumley
MacBain
MacEachen
MacGuigan
Mackasey
MacLaren
MacLellan
Malépart
Maltais
Marceau
Massé
Masters
McCauley
McRae
Miller
Mitchell
(Mrs.)
Munro
(Hamilton East)
Murphy
Nicholson
(Miss)
Nystrom
Ogle
Olivier
Orlikow
Ostiguy
Ouellet
Parent
Parker
Penner
Pepin
Peterson
Pinard
Portelance
Prud'homme
Rae
Regan
Reid
(Kenora-Rainy River)
Robinson
(Burnaby)
Rompkey
Rooney
Rose
Roy
Schroder
Simmons
Skelly
Stollery
Tardif
Tobin
Tousignant
Turner
Weatherhead
Whelan
Yanakis—131.

Madam Speaker: I declare motion No. 1 lost.

[*English*]

Mr. Lambert: On a point of order, Madam Speaker, motion No. 2 could quite as conveniently have been grouped with motion No. 1. They were both on the same subject and therefore it will not be necessary to call a formal vote on motion No. 2. It could go on division.

[*Translation*]

Madam Speaker: Is it agreed?

Some hon. Members: Agreed.

Some hon. Members: On division.

[*English*]

Madam Speaker: Motion No. 2 (Mr. Lambert) negatived on division.

The next division is on motion No. 5 standing in the name of the hon. member for Broadview-Greenwood (Mr. Rae).

The House divided on motion No. 5 (Mr. Rae) which was negatived on the following division:

(*Division No. 23*)

YEAS

Messrs.

Althouse
Benjamin
Blackburn
Blaikie
Fulton
Hovdebo
Ittinuar
Jewett (Miss)
Knowles
Kristiansen
Miller
Mitchell
(Mrs.)
Murphy
Nystrom
Ogle
Orlikow
Parker
Rae
Robinson
(Burnaby)
Rose
Skelly—21.

NAYS

Messrs.

Allmand
Andre
Appolloni
(Mrs.)
Axworthy
Bachand
Baker
(Gander-Twillingate)
Baker
(Nepean-Carleton)
Beatty
Bégin (Miss)
Berger
Blenkarn
Bloomfield
Bockstael
Bosley
Bossy
Breau
Bujold
Bussières
Campbell
(Miss)
(South West Nova)
Cardiff
Chénier
Chrétien
Clarke
(Vancouver Quadra)
Collenette
Cook
Cooper
Corbett
Corbin
Cossitt
Cousineau
Crombie
Crosbie
(St. John's West)
Crouse
Cullen
Cyr
Dantzer
Darling
Dawson
De Bané
de Corneille
Demers
Deniger
Desmarais
Dick
Dingwall
Dion
Dionne
(Northumberland-Miramichi)
Domm
Dubois
Duclos
Dupont
Dupras
Duquet
Epp
Erola (Mrs.)
Ethier
Evans
Ferguson
Fisher
Foster
Fox
Fraser
Fretz
Friesen
Frith
Gamble
Gauthier
Gendron
Gimaïel
Gingras
Gourd
Gray
Greenaway
Guilbault
Gurbin
Hamilton
(Qu'Appelle-Moose Mountain)
Hargrave
Hawkes
Henderson
Herbert
Hervieux-Payette
(Mrs.)
Howie
Hudecki
Irwin
Jarvis
Jelinek
Johnston
Joyal
Kaplan
Kelly
Kempling
Kilgour
Korchinski
Lachance
Lajoie
Lambert
Lamontagne
Laniel
Lapierre
Lapointe
(Charlevoix)
Lapointe
(Beauce)
Lawrence
LeBlanc

Messrs.

Leduc
Lefebvre
Lewis
Lumley
MacBain
MacDonald (Miss)
MacEachen
MacGuigan
Mackasey
MacLaren
MacLellan
Malépart
Malone
Maltais
Marceau
Massé
Masters
Mayer
McCain
McCauley
McCuish
McDermid
McGrath
McKnight
McMillan
McRae
Mitges
Munro (Hamilton East)
Neil
Nicholson (Miss)
Nickerson
Nielsen
Nowlan
Oberle
Olivier
Ostiguy
Ouellet
Paproski
Parent
Patterson
Penner
Pepin
Peterson
Pinard
Portelance
Prud'homme
Regan
Reid (St. Catharines)
Reid (Kenora-Rainy River)
Roberts
Roche
Rompkey
Rooney
Roy
Schellenberger
Schroder
Scott (Victoria-Haliburton)
Shields
Siddon
Simmons
Speyer
Stevens
Stewart
Stollery
Tardif
Tobin
Tousignant
Towers
Turner
Vankoughnet
Weatherhead
Wenman
Whelan
Wilson
Wright
Yanakis
Yurko—180.

● (1150)

Mrs. Ursula Appolloni (Parliamentary Secretary to Minister of National Defence): Madam Speaker, through an oversight, my name was not called. I voted against this motion.

Madam Speaker: It is recorded.

[*Translation*]

The motion is lost.

The question is now on motion No. 6, under the name of the hon. member for Comox-Powell River (Mr. Skelly).

The House divided on motion No. 6 (Mr. Skelly), which was negatived on the following division:

(*Division No. 24*)

YEAS

Messrs.

Althouse
Benjamin
Blackburn
Blaikie
Fulton
Hovdebo
Ittinuar
Jewett (Miss)
Knowles
Kristiansen
Miller
Mitchell (Mrs.)
Murphy
Nystrom
Ogle
Orlikow
Parker
Rae
Robinson (Burnaby)
Rose
Skelly—21.

NAYS

Messrs.

Allmand
Andre
Appolloni (Mrs.)
Axworthy
Bachand
Baker (Gander-Twillingate)
Baker (Nepean-Carleton)
Beatty
Bégin (Miss)
Berger
Blaker
Blenkarn
Bloomfield
Bockstael
Bosley
Bossy
Breau
Bujold
Bussières
Campbell (Miss) (South West Nova)
Cardiff
Chénier
Chrétien
Clarke (Vancouver Quadra)
Collenette
Cook
Cooper
Corbett
Corbin
Cossitt
Cousineau
Crombie
Crosbie (St. John's West)
Crouse
Cullen
Cyr
Dantzer
Darling
Dawson
De Bané
de Corneille
Demers
Deniger
Desmarais
Dick
Dingwall
Dion
Dionne (Northumberland-Miramichi)
Domm
Dubois
Duclos
Dupont
Dupras
Duquet
Epp
Erola (Mrs.)
Ethier
Evans
Ferguson
Fisher
Foster
Fox
Fraser
Fretz
Friesen
Frith
Gamble
Gauthier
Gendron
Gimaïel
Gingras
Gourd
Gray
Greenaway
Guilbault
Gurbin
Hamilton (Qu'Appelle-Moose Mountain)
Hargrave
Hawkes
Henderson
Herbert
Hervieux-Payette (Mrs.)
Howie
Hudecki
Irwin
Jarvis
Jelinek
Johnston
Joyal
Kaplan
Kelly
Kempling
Kilgour
Korchinski
Lachance
Lajoie
Lambert
Lamontagne
Laniel
Lapierre
Lapointe (Charlevoix)
Lapointe (Beauce)
Lawrence
LeBlanc
Leduc
Lefebvre
Lewis
Lumley
MacBain
MacDonald (Miss)
MacEachen
MacGuigan
Mackasey
MacLaren
MacLellan
Malépart
Malone
Maltais
Marceau
Massé
Masters
Mayer
McCain
McCauley
McCuish
McDermid
McGrath
McKnight
McMillan
McRae
Mitges
Munro (Hamilton East)
Neil
Nicholson (Miss)
Nickerson
Nielsen
Nowlan
Oberle
Olivier
Ostiguy
Ouellet
Paproski
Parent
Patterson
Penner
Pepin
Peterson
Pinard
Portelance
Prud'homme
Regan
Reid (St. Catharines)
Reid (Kenora-Rainy River)
Roberts
Roche
Rompkey
Rooney
Roy
Schellenberger
Schroder
Scott (Victoria-Haliburton)
Shields
Siddon
Simmons
Speyer
Stevens
Stewart
Stollery
Tardif
Tobin
Tousignant
Towers
Turner
Vankoughnet
Weatherhead
Wenman
Whelan
Wilson
Wright
Yanakis
Yurko—181.

● (1200)

[*English*]

Madam Speaker: I therefore declare the motion lost.

The question is on motion No. 10 in the name of the hon. member for Broadview-Greenwood (Mr. Rae).

The House divided on motion No. 10 (Mr. Rae) which was negatived on the following division.

Bank Act

(Division No. 25)

YEAS

Messrs.

Althouse
Benjamin
Blackburn
Blaikie
Fulton
Hovdebo
Ittinuar
Jewett (Miss)
Knowles
Kristiansen
Miller
Mitchell (Mrs.)
Murphy
Nystrom
Ogle
Orlikow
Parker
Rae
Robinson (Burnaby)
Rose
Skelly—21.

NAYS

Messrs.

Allmand
Andre
Appolloni (Mrs.)
Axworthy
Bachand
Baker (Gander-Twillingate)
Baker (Nepean-Carleton)
Beatty
Bégin (Miss)
Berger
Blaker
Blenkarn
Bloomfield
Bockstael
Bosley
Bossy
Breau
Bujold
Bussières
Campbell (Miss) (South West Nova)
Cardiff
Chénier
Chrétien
Clarke (Vancouver Quadra)
Collenette
Cook
Cooper
Corbett
Corbin
Cossitt
Cousineau
Crombie
Crosbie (St. John's West)
Crouse
Cullen
Cyr
Dantzer
Darling
Dawson
De Bané
de Corneille
Demers
Deniger
Desmarais
Dick
Dingwall
Dion
Dionne (Northumberland-Miramichi)
Domm
Dubois
Duclos
Dupont
Dupras
Duquet
Epp
Erola (Mrs.)
Ethier
Evans
Ferguson
Fisher
Foster
Fox
Fraser
Fretz
Friesen
Frith
Gamble
Gauthier
Gendron
Gimaïel
Gingras
Gourd
Gray
Greenaway
Guilbault
Gurbin
Hamilton (Qu'Appelle-Moose Mountain)
Hargrave
Hawkes
Henderson
Herbert
Hervieux-Payette (Mrs.)
Howie
Hudecki
Irwin
Jarvis
Jelinek
Johnston
Joyal
Kaplan
Kelly
Kempling
Kilgour
Korchinski
Lachance
Lajoie
Lambert
Lamontagne
Laniel
Lapierre
Lapointe (Charlevoix)
Lapointe (Beauce)
Lawrence
LeBlanc
Leduc
Lefebvre
Lewis
Lumley
MacBain
MacDonaid (Miss)
MacEachen
MacGuigan
Mackasey
MacLaren
MacLellan
Malépart
Malone
Maltais
Marceau
Massé
Masters
Mayer
McCain
McCauley
McCuish
McDermid
McGrath
McKnight
McMillan
McRae
Mitges
Munro (Hamilton East)
Neil
Nicholson (Miss)
Nickerson
Nielsen
Nowlan
Oberle
Olivier
Ostiguy
Ouellet
Paproski
Parent
Patterson
Penner
Pepin
Peterson
Pinard
Portelance
Prud'homme
Regan
Reid (St. Catharines)
Reid (Kenora-Rainy River)
Roberts
Roche
Rompkey
Rooney
Roy
Schellenberger
Schroder
Scott (Victoria-Haliburton)
Shields
Siddon
Simmons
Speyer
Stevens
Stewart
Stollery
Tardif
Tobin
Tousignant
Towers
Turner
Vankoughnet
Weatherhead
Wenman
Whelan
Wilson
Wright
Yanakis
Yurko—181.

Madam Speaker: I therefore declare the amendment lost.

The question is on motion No. 11 in the name of the hon. member for Broadview-Greenwood (Mr. Rae).

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

(Division No. 26)

YEAS

Messrs.

Althouse
Benjamin
Blackburn
Blaikie
Fulton
Hovdebo
Ittinuar
Jewett (Miss)
Knowles
Kristiansen
Manly
Miller
Mitchell (Mrs.)
Murphy
Nystrom
Ogle
Orlikow
Parker
Rae
Robinson (Burnaby)
Rose
Skelly—22.

NAYS

Messrs.

Allmand
Andre
Appolloni (Mrs.)
Axworthy
Bachand
Baker (Gander-Twillingate)
Baker (Nepean-Carleton)
Beatty
Bégin (Miss)
Berger
Blaker
Blenkarn
Bloomfield
Bockstael
Bosley
Bossy
Breau
Bujold
Bussières
Campbell (Miss) (South West Nova)
Cardiff
Chénier
Chrétien
Clarke (Vancouver Quadra)
Collenette
Cook
Cooper
Corbett
Corbin
Cossitt
Cousineau
Crombie
Crosbie (St. John's West)
Crouse
Cullen
Cyr
Dantzer
Darling
Dawson
De Bané
de Corneille
Demers
Deniger
Desmarais
Dick
Dingwall
Dion
Dionne (Northumberland-Miramichi)
Domm
Dubois
Duclos
Dupont
Dupras
Duquet
Epp
Erola (Mrs.)
Ethier
Evans
Ferguson
Fisher
Foster
Fox
Fraser
Fretz
Friesen
Frith
Gamble
Gauthier
Gendron
Gimaïel
Gingras
Gourd
Gray
Greenaway
Guilbault
Gurbin
Hamilton (Qu'Appelle-Moose Mountain)
Hargrave
Hawkes
Henderson
Herbert
Hervieux-Payette (Mrs.)
Howie
Hudecki
Irwin
Jarvis
Jelinek
Johnston
Joyal
Kaplan
Kelly
Kempling
Kilgour
Korchinski
Lachance
Lajoie
Lambert
Lamontagne
Laniel
Lapierre
Lapointe (Charlevoix)
Lapointe (Beauce)
Lawrence
LeBlanc
Leduc
Lefebvre
Lewis
Lumley
MacBain
MacDonald (Miss)
MacEachen
MacGuigan
Mackasey
MacLaren
MacLellan
Malépart
Malone
Maltais
Marceau
Massé
Masters
Mayer
McCain
McCauley
McCuish
McDermid
McGrath
McKnight
McMillan
McRae
Mitges
Munro (Hamilton East)
Neil
Nicholson (Miss)
Nickerson
Nielsen
Nowlan
Oberle
Olivier
Ostiguy
Ouellet
Paproski
Parent
Patterson
Penner
Pepin
Peterson
Pinard
Portelance
Prud'homme
Regan
Reid (St. Catharines)
Reid (Kenora-Rainy River)
Roberts
Roche
Rompkey
Rooney

Messrs.

Roy
Schellenberger
Schroder
Scott
(Victoria-Haliburton)
Shields
Siddon
Simmons
Speyer
Stevens
Stewart
Stollery
Tardif
Tobin
Tousignant
Towers
Turner
Vankoughnet
Weatherhead
Wenman
Whelan
Wilson
Wright
Yanakis
Yurko—181.

● (1210)

[*Translation*]

Madam Speaker: I declare the motion lost.

The next question is on motion No. 13, under the name of the hon. member for Edmonton West (Mr. Lambert). A vote on this motion will also dispose of motions Nos. 19, 20 and 21, also under the name of the hon. member for Edmonton West.

The House divided on motions Nos. 13, 19, 20 and 21 (Mr. Lambert), which were negatived on the following division:

(*Division No. 27*)

YEAS

Messrs.

Andre
Baker
(Nepean-Carleton)
Beatty
Blenkarn
Bosley
Cardiff
Clarke
(Vancouver Quadra)
Cook
Cooper
Corbett
Cossitt
Crombie
Crosbie
(St. John's West)
Crouse
Dantzer
Darling
Dick
Domm
Epp
Fraser
Fretz
Friesen
Gamble
Greenaway
Gurbin
Hamilton
(Qu'Appelle-Moose
Mountain)
Hargrave
Hawkes
Howie
Jarvis
Jelinek
Kempling
Kilgour
Korchinski
Lambert
Lawrence
Lewis
MacDonald
(Miss)
Malone
Mayer
McCain
McCuish
McDermid
McGrath
McKnight
McMillan
Mitges
Neil
Nickerson
Nielsen
Nowlan
Oberle
Paproski
Patterson
Reid
(St. Catharines)
Roche
Schellenberger
Scott
(Victoria-Haliburton)
Shields
Siddon
Speyer
Stevens
Stewart
Towers
Vankoughnet
Wenman
Wilson
Wright
Yurko—69.

NAYS

Messrs.

Allmand
Althouse
Appolloni
(Mrs.)
Axworthy
Bachand
Baker
(Gander-Twillingate)
Bégin (Miss)
Benjamin
Berger
Blackburn
Blaikie
Blaker
Bloomfield
Bockstael
Bossy
Breau
Bujold
Bussières
Campbell
(Miss)
(South West Nova)
Chénier
Chrétien
Collenette
Corbin
Cousineau
Cullen
Cyr
Dawson
De Bané
de Corneille
Demers
Deniger
Desmarais
Dingwall
Dion
Dionne
(Northumberland-
Miramichi)
Dubois
Duclos
Dupont
Dupras
Duquet
Erola (Mrs.)
Ethier
Evans
Ferguson
Fisher
Foster
Fox
Frith
Fulton
Gauthier
Gendron
Gimaïel
Gingras
Gourd
Gray
Guilbault
Henderson
Herbert
Hervieux-Payette
(Mrs.)
Hovdebo
Hudecki
Irwin
Jewett (Miss)
Johnston
Joyal
Kaplan
Kelly
Knowles
Kristiansen
Lachance
Lajoie
Lamontagne
Laniel
Lapierre
Lapointe
(Charlevoix)
Lapointe
(Beauce)
LeBlanc
Leduc
Lefebvre
Lumley
MacBain
MacEachen
MacGuigan
Mackasey
MacLaren
MacLellan
Malépart
Maltais
Manly
Marceau
Massé
Masters
McCauley
McRae
Miller
Mitchell
(Mrs.)
Munro
(Hamilton East)
Murphy
Nicholson
(Miss)
Nystrom
Ogle
Olivier
Orlikow
Ostiguy
Ouellet
Parent
Parker
Penner
Pepin
Peterson
Pinard
Portelance
Prud'homme
Rae
Regan
Reid
(Kenora-Rainy River)
Roberts
Robinson
(Burnaby)
Rompkey
Rooney
Rose
Rossi
Roy
Schroder
Simmons
Skelly
Stollery
Tardif
Tobin
Tousignant
Turner
Weatherhead
Whelan
Yanakis—134.

● (1220)

Madam Speaker: I declare motions Nos. 13, 19, 20 and 21 lost.

The next question is on motion No. 14 in the name of the hon. member for Broadview-Greenwood (Mr. Rae).

The House divided on motion No. 14 (Mr. Rae), which was negatived on the following division:

(*Division No. 28*)

YEAS

Messrs.

Althouse
Benjamin
Blackburn
Blaikie
Fulton
Hovdebo
Jewett (Miss)
Knowles
Kristiansen
Manly
Miller
Mitchell
(Mrs.)
Murphy
Nystrom
Ogle
Orlikow
Parker
Rae
Robinson
(Burnaby)
Rose
Skelly—21.

NAYS

Messrs.

Allmand
Andre
Appolloni
(Mrs.)
Axworthy
Bachand
Baker
(Gander-Twillingate)
Baker
(Nepean-Carleton)
Beatty
Bégin (Miss)
Berger
Blaker
Blenkarn
Bloomfield
Bockstael
Bosley
Bossy
Breau
Bujold
Bussières
Campbell
(Miss)
(South West Nova)
Cardiff
Chénier
Chrétien
Clarke
(Vancouver Quadra)
Collenette
Cook
Cooper
Corbett
Corbin
Cossitt
Cousineau
Crombie
Crosbie
(St. John's West)
Crouse
Cullen
Cyr
Dantzer
Darling
Dawson
De Bané
de Corneille
Demers
Deniger
Desmarais

Messrs.

Dick
Dingwall
Dion
Dionne
(Northumberland-Miramichi)
Domm
Dubois
Duclos
Dupont
Dupras
Duquet
Epp
Erola (Mrs.)
Ethier
Evans
Ferguson
Fisher
Foster
Fox
Fraser
Fretz
Friesen
Frith
Gamble
Gauthier
Gendron
Gimaïel
Gingras
Gourd
Gray
Greenaway
Guilbault
Gurbin
Hamilton
(Qu'Appelle-Moose Mountain)
Hargrave
Hawkes
Henderson
Herbert
Hervieux-Payette
(Mrs.)
Howie
Hudecki
Irwin
Jarvis
Jelinek
Johnston
Joyal
Kaplan
Kelly
Kempling
Kilgour
Korchinski
Lachance
Lajoie
Lambert
Lamontagne
Laniel
Lapierre
Lapointe
(Charlevoix)
Lapointe
(Beauce)
Lawrence
LeBlanc
Lefebvre
Lewis
Lumley
MacBain
MacDonald
(Miss)
MacEachen
MacGuigan
Mackasey
MacLaren
MacLellan
Malépart
Malone
Maltais
Marceau
Massé
Masters
Mayer
McCain
McCauley
McCuish
McDermid
McGrath
McKnight
McMillan
McRae
Mitges
Munro
(Hamilton East)
Neil
Nicholson
(Miss)
Nickerson
Nielsen
Nowlan
Oberle
Olivier
Ostiguy
Ouellet
Paproski
Parent
Patterson
Penner
Pepin
Peterson
Pinard
Portelance
Prud'homme
Regan
Reid
(St. Catharines)
Reid
(Kenora-Rainy River)
Roberts
Roche
Rompkey
Rooney
Rossi
Roy
Schellenberger
Schroder
Scott
(Victoria-Haliburton)
Shields
Siddon
Simmons
Speyer
Stevens
Stewart
Stollery
Tardif
Tobin
Tousignant
Towers
Turner
Vankoughnet
Weatherhead
Wenman
Whelan
Wilson
Wright
Yanakis
Yurko—181.

[*English*]

Madam Speaker: I declare the amendment lost.

The question therefore is on motion No. 25.

The House divided on motion No. 25 (Mr. Lambert) which was negatived on the following division:

(*Division No. 29*)

YEAS

Messrs.

Andre
Baker
(Nepean-Carleton)
Beatty
Blenkarn
Bosley
Cardiff
Clarke
(Vancouver Quadra)
Cook
Cooper
Corbett
Cossitt
Crombie
Crosbie
(St. John's West)
Crouse
Dantzer
Darling
Dick
Domm
Epp
Fraser
Fretz
Friesen
Gamble
Greenaway
Gurbin
Hamilton
(Qu'Appelle-Moose Mountain)
Hargrave
Hawkes
Howie
Jarvis
Jelinek
Kempling
Kilgour
Korchinski
Lambert
Lawrence
Lewis
MacDonald
(Miss)
Malone
Mayer
McCain
McCuish
McDermid
McGrath
McKnight
McMillan
Mitges
Neil
Nickerson
Nielsen
Nowlan
Oberle
Paproski
Patterson
Reid
(St. Catharines)
Roche
Schellenberger
Scott
(Victoria-Haliburton)
Shields
Siddon
Speyer
Stevens
Stewart
Towers
Vankoughnet
Wenman
Wilson
Wright
Yurko—69.

NAYS

Messrs.

Allmand
Althouse
Appolloni
(Mrs.)
Axworthy
Bachand
Baker
(Gander-Twillingate)
Bégin (Miss)
Benjamin
Berger
Blackburn
Blaikie
Bloomfield
Bockstael
Bossy
Breau
Bujold
Bussières
Campbell
(Miss)
(South West Nova)
Chénier
Chrétien
Collenette
Corbin
Cousineau
Cullen
Cyr
Dawson
De Bané
de Corneille
Demers
Deniger
Desmarais
Dingwall
Dion
Dionne
(Northumberland-Miramichi)
Dubois
Duclos
Dupont
Dupras
Duquet
Erola (Mrs.)
Ethier
Evans
Ferguson
Fisher
Foster
Fox
Frith
Fulton
Gauthier
Gendron
Gimaïel
Gingras
Gourd
Gray
Guilbault
Henderson
Herbert
Hervieux-Payette
(Mrs.)
Hovdebo
Hudecki
Irwin
Jewett (Miss)
Johnston
Joyal
Kaplan
Kelly
Knowles
Kristiansen
Lachance
Lajoie
Lamontagne
Laniel
Lapierre
Lapointe
(Charlevoix)
Lapointe
(Beauce)
LeBlanc
Leduc
Lefebvre
Lumley
MacBain
MacEachen
MacGuigan
Mackasey
MacLaren
MacLellan
Malépart
Maltais
Manly
Marceau
Massé
Masters
McCauley
McRae
Miller
Mitchell
(Mrs.)
Munro
(Hamilton East)
Murphy
Nicholson
(Miss)
Nystrom
Ogle
Olivier
Orlikow
Ostiguy
Ouellet
Parent
Parker
Penner
Pepin
Peterson
Pinard
Portelance
Prud'homme
Rae
Regan
Reid
(Kenora-Rainy River)
Roberts
Robinson
(Burnaby)
Rompkey
Rooney
Rose
Rossi
Roy
Schroder
Simmons
Skelly
Stollery
Tardif
Tobin
Tousignant
Turner
Weatherhead
Whelan
Yanakis—133.

● (1230)

Madam Speaker: I declare the motion lost.

The next question is on motion No. 45 in the name of the hon. member for Broadview-Greenwood (Mr. Rae). A vote on this motion also disposes of motion No. 54 in the name of the hon. member for Broadview-Greenwood (Mr. Rae).

The House divided on motion No. 45 (Mr. Rae) which was negatived on the following division:

(Division No. 30)

YEAS

Messrs.

Althouse
Benjamin
Blackburn
Blaikie
Fulton
Hovdebo
Jewett (Miss)
Knowles
Kristiansen
Manly
Miller
Mitchell (Mrs.)
Murphy
Nystrom
Ogle
Orlikow
Parker
Rae
Robinson (Burnaby)
Rose
Skelly—21.

NAYS

Messrs.

Allmand
Andre
Appolloni (Mrs.)
Axworthy
Bachand
Baker (Gander-Twillingate)
Baker (Nepean-Carleton)
Beatty
Bégin (Miss)
Berger
Blenkarn
Bloomfield
Bockstael
Bosley
Bossy
Breau
Bujold
Bussières
Campbell (Miss) (South West Nova)
Cardiff
Chénier
Chrétien
Clarke (Vancouver Quadra)
Collenette
Cook
Cooper
Corbett
Corbin
Cossitt
Cousineau
Crombie
Crosbie (St. John's West)
Crouse
Cullen
Cyr
Dantzer
Darling
Dawson
De Bané
de Corneille
Demers
Deniger
Desmarais
Dick
Dingwall
Dion
Dionne (Northumberland-Miramichi)
Domm
Dubois
Duclos
Dupont
Dupras
Duquet
Epp
Erola (Mrs.)
Ethier
Evans
Ferguson
Fisher
Foster
Fox
Fraser
Fretz
Friesen
Frith
Gamble
Gauthier
Gendron
Gimaïel
Gingras
Gourd
Gray
Greenaway
Guilbault
Gurbin
Hamilton (Qu'Appelle-Moose Mountain)
Hargrave
Hawkes
Henderson
Herbert
Hervieux-Payette (Mrs.)
Howie
Hudecki
Irwin
Jarvis
Jelinek
Johnston
Joyal
Kaplan
Kelly
Kempling
Kilgour
Korchinski
Lachance
Lajoie
Lambert
Lamontagne
Laniel
Lapierre
Lapointe (Charlevoix)
Lapointe (Beauce)
Lawrence
LeBlanc
Leduc
Lefebvre
Lewis
Lumley
MacBain
MacDonald (Miss)
MacEachen
MacGuigan
Mackasey
MacLaren
MacLellan
Malépart
Malone
Maltais
Marceau
Massé
Masters
Mayer
McCain
McCauley
McCuish
McDermid
McGrath
McKnight
McLean
McMillan
McRae
Mitges
Munro (Hamilton East)
Neil
Nicholson (Miss)
Nickerson
Nielsen
Nowlan
Oberle
Olivier
Ostiguy
Ouellet
Paproski
Parent
Patterson
Penner
Pepin
Peterson
Pinard
Portelance
Prud'homme
Regan
Reid (St. Catharines)
Reid (Kenora-Rainy River)
Roberts
Roche
Rompkey
Rooney
Rossi
Roy
Schellenberger
Schroder
Scott (Victoria-Haliburton)
Shields
Siddon
Simmons
Speyer
Stevens
Stewart
Stollery
Tardif
Tobin
Tousignant
Towers
Turner
Vankoughnet
Weatherhead
Wenman
Whelan
Wilson
Wright
Yanakis
Yurko—182.

Bank Act

• (1240)

Madam Speaker: Therefore I declare the motion lost.

Motion No. 54 (Mr. Rae) negatived.

Madam Speaker: The question is now on motion No. 49.

The House divided on motion No. 49 (Mr. Rae) which was negatived on the following division:

(Division No. 31)

YEAS

Messrs.

Althouse
Benjamin
Blackburn
Blaikie
Fulton
Hovdebo
Jewett (Miss)
Knowles
Kristiansen
Manly
Miller
Mitchell (Mrs.)
Murphy
Nystrom
Ogle
Orlikow
Parker
Rae
Robinson (Burnaby)
Rose
Skelly—21.

NAYS

Messrs.

Allmand
Andre
Appolloni (Mrs.)
Axworthy
Bachand
Baker (Gander-Twillingate)
Baker (Nepean-Carleton)
Beatty
Bégin (Miss)
Berger
Blenkarn
Bloomfield
Bockstael
Bosley
Bossy
Breau
Bujold
Bussières
Campbell (Miss) (South West Nova)
Cardiff
Chénier
Chrétien
Clarke (Vancouver Quadra)
Collenette
Cook
Cooper
Corbett
Corbin
Cossitt
Cousineau
Crombie
Crosbie (St. John's West)
Crouse
Cullen
Cyr
Dantzer
Darling
Dawson
De Bané
de Corneille
Demers
Deniger
Desmarais
Dick
Dingwall
Dion
Dionne (Northumberland-Miramichi)
Domm
Dubois
Duclos
Dupont
Dupras
Duquet
Epp
Erola (Mrs.)
Ethier
Evans
Ferguson
Fisher
Foster
Fox
Fraser
Fretz
Friesen
Frith
Gauthier
Gendron
Gimaïel
Gingras
Gourd
Gray
Greenaway
Guilbault
Gurbin
Hamilton (Qu'Appelle-Moose Mountain)
Hargrave
Hawkes
Henderson
Herbert
Hervieux-Payette (Mrs.)
Howie
Hudecki
Irwin
Jarvis
Jelinek
Johnston
Joyal
Kaplan
Kelly
Kempling
Kilgour
Korchinski
Lachance
Lajoie
Lambert
Lamontagne
Laniel
Lapierre
Lapointe (Charlevoix)
Lapointe (Beauce)
Lawrence
LeBlanc
Leduc
Lefebvre
Lewis
Lumley
MacBain
MacDonald (Miss)
MacEachen
MacGuigan
Mackasey
MacLaren
MacLellan
Malépart
Malone
Maltais
Marceau
Massé
Masters
Mayer
McCain
McCauley
McCuish
McDermid
McGrath
McKnight
McLean
McMillan
McRae
Mitges
Munro (Hamilton East)
Neil
Nicholson (Miss)
Nickerson
Nielsen
Nowlan
Oberle
Olivier
Ostiguy
Ouellet
Paproski
Parent
Patterson
Penner
Pepin
Peterson
Pinard
Portelance
Prud'homme
Regan

Messrs.

Reid (St. Catharines)
Reid (Kenora-Rainy River)
Roberts
Roche
Rompkey
Rooney
Rossi
Roy
Schellenberger
Schroder
Scott (Victoria-Haliburton)
Shields
Siddon
Simmons
Speyer
Stevens
Stewart
Stollery
Tardif
Tobin
Tousignant
Towers
Turner
Vankoughnet
Weatherhead
Wenman
Whelan
Wilson
Wright
Yanakis
Yurko—181.

Madam Speaker: Therefore I declare the motion lost.

The question is now on motion No. 50.

The House divided on motion No. 50 (Mr. Lambert) which was negatived on the following division:

(*Division No. 32*)

YEAS

Messrs.

Andre
Baker (Nepean-Carleton)
Beatty
Blenkarn
Bosley
Cardiff
Clarke (Vancouver Quadra)
Cook
Cooper
Corbett
Cossitt
Crombie
Crosbie (St. John's West)
Crouse
Dantzer
Darling
Dick
Domm
Epp
Fraser
Fretz
Friesen
Gamble
Greenaway
Gurbin
Hamilton (Qu'Appelle-Moose Mountain)
Hargrave
Hawkes
Howie
Jarvis
Jelinek
Kempling
Kilgour
Korchinski
Lambert
Lawrence
Lewis
MacDonald (Miss)
Malone
Mayer
McCain
McCuish
McDermid
McGrath
McKnight
McLean
McMillan
Mitges
Neil
Nickerson
Nielsen
Nowlan
Oberle
Paproski
Patterson
Reid (St. Catharines)
Roche
Schellenberger
Scott (Victoria-Haliburton)
Shields
Siddon
Speyer
Stevens
Stewart
Towers
Vankoughnet
Wenman
Wilson
Wright
Yurko—70.

NAYS

Messrs.

Allmand
Althouse
Appolloni (Mrs.)
Axworthy
Bachand
Baker (Gander-Twillingate)
Bégin (Miss)
Benjamin
Berger
Blackburn
Blaikie
Blaker
Bloomfield
Bockstael
Bossy
Breau
Bujold
Bussières
Campbell (Miss) (South West Nova)
Chénier
Chrétien
Collenette
Corbin
Cousineau
Cullen
Cyr
Dawson
De Bané
de Corneille
Demers
Deniger
Desmarais
Dingwall
Dion
Dionne (Northumberland-Miramichi)
Dubois
Duclos
Dupont
Dupras
Duquet
Erola (Mrs.)
Ethier
Evans
Ferguson
Fisher
Foster
Fox
Frith
Fulton
Gauthier
Gendron
Gimaïel
Gingras
Gourd
Gray
Guilbault
Henderson
Herbert
Hervieux-Payette (Mrs.)
Hovdebo
Hudecki
Irwin
Jewett (Miss)
Johnston
Joyal
Kaplan
Kelly
Knowles
Kristiansen
Lachance
Lajoie
Lamontagne
Laniel
Lapierre
Lapointe (Charlevoix)
Lapointe (Beauce)
LeBlanc
Leduc
Lefebvre
Lumley
MacBain
MacEachen
MacGuigan
Mackasey
MacLaren
MacLellan
Malépart
Maltais
Manly
Marceau
Massé
Masters
McCauley
McRae
Miller
Mitchell (Mrs.)
Munro (Hamilton East)
Murphy
Nicholson (Miss)
Nystrom
Ogle
Olivier
Orlikow
Ostiguy
Ouellet
Parent
Parker
Penner
Pepin
Peterson
Pinard
Portelance
Prud'homme
Rae
Regan
Reid (Kenora-Rainy River)
Roberts
Robinson (Burnaby)
Rompkey
Rooney
Rose
Rossi
Roy
Schroder
Simmons
Skelly
Stollery
Tardif
Tobin
Tousignant
Turner
Weatherhead
Whelan
Yanakis—134.

● (1250)

Madam Speaker: Therefore I declare the motion lost.

[*Translation*]

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance) moved that Bill C-6, to revise the Bank Act, to amend the Quebec Savings Banks Act and the Bank of Canada Act, to establish the Canadian Payments Association and to amend other acts in consequence thereof, as reported (with amendments) from the Standing Committee on Finance, Trade and Economic Affairs be concurred in.

Some hon. Members: On division.

Motion agreed to.

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance) moved that the bill be read the third time and do pass.

[*English*]

Mr. Lambert: May I call it one o'clock, Madam Speaker?

Madam Speaker: It being one o'clock I do now leave the chair until 2 p.m.

At 12.57 p.m. the House took recess.

● (1400)

AFTER RECESS

The House resumed at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

CANADIAN NATIONAL RAILWAYS

CLOSURE OF EXPRESS OFFICE IN CHARLOTTETOWN, P.E.I.—MOTION UNDER S.O. 43

Mr. Tom McMillan (Hillsborough): Madam Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity. Canadian National intends to close its express office in Charlottetown, leaving Prince Edward Island totally without locally supplied express service and some 37 islanders will be thrown out of work. I move, seconded by the hon. member for Edmonton East (Mr. Yurko):

That this House condemn the government for allowing CN to take this callous action and, in particular, to juggle its administrative arrangements to justify the closure on the basis of misleading profit and loss statements.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

AGRICULTURE

DIVERSION OF FUNDS TO UPGRADE PROGRAMS AT VETERINARY COLLEGES—MOTION UNDER S.O. 43

Mr. Gus Mitges (Grey-Simcoe): Madam Speaker, I rise under the provisions of Standing Order 43. In view of the fact that the establishment of the fourth veterinary college in Canada, slated to be located in one of the maritime provinces, has now been in limbo for several years because of indecision in the maritimes as to its exact location, and in view of the fact that the veterinary profession as a whole has questioned the necessity of another veterinary college for Canada, I move, seconded by the hon. member for Cariboo-Chilcotin (Mr. Greenaway):

That the funds originally slated by the Department of Agriculture to subsidize such a program be now diverted to the existing veterinary colleges to assist them in their continuing program and in upgrading their programs and facilities.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

• (1405)

SMALL BUSINESS

CALL FOR INTRODUCTION OF DEVELOPMENT BOND PROGRAM—MOTION UNDER S.O. 43

Mr. Otto Jelinek (Halton): Madam Speaker, I rise under the provisions of Standing Order 43. In view of the fact that the recent budget proposed nothing meaningful to assist the ailing small business sector except to extend the small business development program by 90 days, a program not as yet even introduced, and because this government's actions do in fact contribute to the ever-increasing inflation rate, not to mention high interest rates, causing an unprecedented number of bankruptcies within the small business sector, I move, seconded by the hon. member for Mississauga South (Mr. Blenkarn):

That the Minister of Finance be instructed to introduce forthwith legislation respecting the small business development bond program, and at the same time provide for the extension of that program to at least the end of 1981 in order to make it meaningful.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

ROYAL CANADIAN MOUNTED POLICE

INVESTIGATION OF ACTIVITIES OF NOVA SCOTIA MINISTER—MOTION UNDER S.O. 43

Mr. Bob Rae (Broadview-Greenwood): Madam Speaker, under the provisions of Standing Order 43 I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That the Minister of Finance be instructed to make a statement on motions with respect to financial transactions between Mr. Roland Thornhill, minister of economic development for Nova Scotia, and a number of chartered banks in Nova Scotia and the retirement, resignation and transfer of a number of senior officers of those banks since those transactions occurred, and report to the House whether these transactions involved a breach of the Bank Act, the Criminal Code or financial ethics;

I further move that the Solicitor General consult with the attorney general of Nova Scotia with respect to the RCMP investigation which has been carried out and report to this House following these consultations.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

S.O. 43

NATIONAL AERONAUTICAL COLLECTION

CALL FOR RELOCATION TO MODERN PREMISES—MOTION UNDER S.O. 43

Mr. Ron Stewart (Simcoe South): Madam Speaker, I rise under the provisions of Standing Order 43. Aviation has played an important role in the development of this motion, both in time of war and in peace. Housed in substandard World War II wooden hangars—fire traps, if you will—in a little travelled section of this city instead of being in a highly advertised and well-marked area as a major tourist attraction to our beautiful capital city, at nearby Rockcliffe is the National Aeronautical Collection, a priceless collection of vintage flying craft. It is one of the finest collections of its type in the world. I move, seconded by the hon. member for Western Arctic (Mr. Nickerson):

That the government give immediate consideration to relocating this priceless collection to modern, fireproof premises, more centrally located so that many more thousands of Canadians and foreign visitors might enjoy an important link in their heritage.

Madam Speaker: For presentation this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

INDUSTRY

LOCATION OF PROPOSED DE HAVILLAND AIRCRAFT PLANT—MOTION UNDER S.O. 43

Mr. Bill Domm (Peterborough): Madam Speaker, in so far as the unemployment rate in Peterborough county and district has risen by an unconscionable 33 per cent between October 1979, and October, 1980, according to the local employment and immigration office, compared to the national average increase of only 1 per cent during the same period, I move, seconded by the hon. member for Victoria-Haliburton (Mr. Scott):

That the Minister of Industry, Trade and Commerce consider this as a crucial and deciding factor in his forthcoming announcement of the location of the new de Havilland Dash-8 plant for which Windsor, Downsview, Hamilton and Peterborough are reported to be leading contenders, especially in view of the fact that his decision on this matter has been particularly tardy at a time when job creation should be a top priority.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

CANADIAN NATIONAL RAILWAYS

CALL FOR REBATE TO ONTARIO OF RENTAL CHARGES—MOTION UNDER S.O. 43

Mr. Don Blenkarn (Mississauga South): Madam Speaker, I too rise under the provisions of Standing Order 43. The GO transit system in greater Toronto, through the province of Ontario, has taken over the railways' responsibility to supply passenger service to commuters. This assumption of rail responsibility should be looked on with favour by the Government of Canada. Instead, Canadian National Railways is gouging the province of Ontario for supply and service and making windfall profits by taking market rent for the use of its rights of way. I therefore move, seconded by the hon. member for York-Sunbury (Mr. Howie):

That the government do direct the CNR to rebate to the province of Ontario at least $2 million per annum that the CNR improperly charges GO transit for the use of CNR rights of way used for GO service, so that this valuable commuter service can be expanded.

Madam Speaker: Presentation of such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1410)

REGIONAL DEVELOPMENT

SYDNEY STEEL COMPANY—CALL FOR REFERENCE OF BUSINESS PLAN TO STANDING COMMITTEE—MOTION UNDER S.O. 43

Mr. Rod Murphy (Churchill): Madam Speaker, since the business plan to modernize the Sydney Steel Corporation was submitted to the Minister of Finance (Mr. MacEachen) and the Minister of Regional Economic Expansion (Mr. De Bané) almost one month ago, since this business plan recommended an immediate expenditure of $67.5 million in order to get the existing operations of Sysco into a functional state, and since we recognize that members of the House of Commons must have input into this plan before it goes forward and that it must be done fairly quickly, I move, seconded by the hon. member for Brant (Mr. Blackburn):

That this House refer the matter of the Sysco business plan to the Standing Committee on Regional Development and instruct the committee to report back to the House by December 31, 1980.

That is a few weeks longer than was allowed for the constitutional debate.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

SPORTS

1983 WORLD UNIVERSITY GAMES, EDMONTON—CALL FOR FEDERAL SUPPORT AND CONGRATULATIONS—MOTION UNDER S.O. 43

Mr. Bill Yurko (Edmonton East): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. Canada has successfully been the host country for the Summer Olympics in Montreal and the Commonwealth Games in Edmonton. Last week the city of Edmonton, jointly with the University of Alberta, at a presentation in Madrid, succeeded in convincing the International University Sports Federation to hold the 1983 World University Games in Edmonton. These games, which will be called "Universiade Edmonton 83", will no doubt have the support of all Canadians as an international expression of competitive good will.

I therefore move, seconded by the hon. member for Edmonton North (Mr. Paproski):

That this House go on record as supporting these games and furthermore offer its congratulations to both the city of Edmonton and the University of Alberta and all those directly responsible for their successful efforts in sponsoring the "Universiade Edmonton 83" games.

Some hon. Members: Hear, hear!

Madam Speaker: For presentation the motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Madam Speaker: The House has heard the terms of the motion. Does the House agree to the said motion?

Some hon. Members: Agreed.

Hon. Gerald Regan (Minister of Labour): Madam Speaker, I am happy to say a word in support of this motion. I congratulate the hon. member for Edmonton East (Mr. Yurko) on bringing forward such a worth-while motion. It brings to the attention of the House the success of the great city of Edmonton in winning the site for these games. The World University Games has become more and more prominent and over the years has become quite a large event. Today they are second in importance only to the Olympics. The fact that Edmonton will be sponsoring the games is every reason why Canadians should be particularly supportive of this very great athletic event.

May I also say at this time that it is significant that Calgary, in another portion of the province of Alberta, is seeking to host the 1988 Winter Olympic Games. This would also be a very important event for Canada. Therefore, the members of this House not only want to express their support for the hosting of the World University Games in Edmonton in 1983, but will want to express the hope that the bid by Calgary for the 1988 Winter Olympics will be successful.

Madam Speaker: Order, please. It being 2.15 p.m. I must interrupt the hon. minister.

• (1415)

ORAL QUESTION PERIOD

[*English*]

THE BUDGET

CONSUMER PRICE INDEX AND INFLATION RATE FORECASTS

Hon. John C. Crosbie (St. John's West): Madam Speaker, my question is for the Minister of Finance. In his budget of October 28, just 21 days ago, he forecast an average rate of inflation for Canada this year of 9.7 per cent and next year of 10.2 per cent. The figures brought down last week from Statistics Canada show that the year-over-year inflation rate is 10.9 per cent and that there was a 0.9 per cent increase in the CPI in the month from September to October. This is a very important matter. For the budget forecast to be accurate, the cost of living figures would have to fall six-tenths of 1 per cent in the next two months. Does the minister expect the CPI to fall at least that much in the next two months, and if he does not, what means does he propose to take to stay within the forecast inflation rate increase that he gave in his budget just 21 days ago?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I thought I cautioned the hon. gentleman and members of the House yesterday about the dangers of forecasting and expecting every forecast to be verified and supported. Developing events often change these forecasts, and by the end of the year it may be that the forecast for 1980 will prove to be on the optimistic side. However, quite apart from whether it is up or down a bit, the main point I made in the budget was that inflation is the number one problem facing Canada, and whether or not there may be variations along the line does not change that fundamental underlying fact that we in the country all face.

Mr. Crosbie: Madam Speaker, it is difficult to get the minister to treat his own projections seriously. This was a projection made 21 days ago for this year's inflation rate, and it is obvious that it is going to be out considerably. I remind the minister that his associate, the Minister of State for Finance, said on Friday that the government was determined to fight inflation. That is not shown in the budget, of course.

The Minister of State for Finance also said that the government will take the means necessary to stay within the forecast inflation rate increase. What means was the minister's associate minister referring to that he is going to take to stay within the forecast inflation rate increase? I also remind the minister, just to keep him a teensy bit on the honest side, that his own finance department officials have admitted that their inflation forecasts may be too low. They may be out by half a percentage point, says a senior official. If the minister is not prepared to admit it, his officials are. What means is he going to take to keep the inflation rate down within his forecast range for this year and next year?

Mr. MacEachen: Madam Speaker, the hon. member has talked about the inflation forecast being made three weeks ago. If he does not know, he ought to know that these forecasts are made quite a long time before a budget is presented; it is totally impossible to present a forecast on the date of the budget. If that were to be the case, one would be constantly putting the budget forward by three months in order to get it updated. So the hon. member is not going to get away with that nonsense today or any other day in the House of Commons.

Mr. Crosbie: Madam Speaker, the minister is like Muhammed Ali when he had his legs. Muhammed Ali does not have his legs any longer; nor does the minister. If the minister does not want to admit to 21 days, let us add four weeks, which means they were done six weeks ago. The forecast for this year was done six weeks ago, and the forecast for next year. Forecasters in the private sector are doing this every month with a great deal more accuracy than the minister's officials and the minister.

If the number one battle is going to be against inflation, what additional steps is the minister going to take now? His own budget has been a disastrous flop. It does not fight inflation. The deficit is burgeoning up. The budget is a monumental flop.

Mr. Chénier: What was yours?

Mr. Crosbie: In four years' time we will look back and see what a flop it was. What steps is the minister going to take to keep within his forecast and to reassure the people of this country who are suffering from these increases in prices that he is going to attempt to make a serious effort to stop the rise in inflation?

• (1420)

Mr. MacEachen: Madam Speaker, if the hon. member really believed that the budget was such a flop, he would not be showing the high state of frustration and indignation that he has been showing over the past two weeks. I think that if he believed that, he would be much more relaxed than he has been in the last little while. But let me tell the hon. member that it would be of help to me in restraining inflation if he could convince his colleagues in the House of Commons not to be making proposals every day which, if accepted by the House, would considerably add to inflation. Today there were two proposals made under Standing Order 43, which, if they were accepted by the House, would have added to total expenditures and to the deficit and make their own contribution to inflation. So I would ask him, as a beginning, to get his own act together.

Some hon. Members: Hear, hear!

FINANCE

ACTION TO HALT FALL IN VALUE OF DOLLAR

Hon. Sinclair Stevens (York-Peel): Madam Speaker, my question is also for the Minister of Finance, and if he feels that it is dangerous to forecast, perhaps he will live with the reality of his nine months in office since February 18, the date of the election. During that period the Canadian dollar has fallen almost 3 cents in relation to the U.S. dollar. As the minister must know, this is partly due to the high inflation levels that are being recorded in Canada. Would he indicate to the House whether he is concerned with the vicious circle which is taking place, where you have high inflation, a falling dollar as a result of that, and the falling dollar, in turn, creating more inflation in the country. If the minister is concerned, what does he intend to do about correcting the deterioration in the value of our dollar?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): The hon. member knows that the value of the Canadian dollar has fluctuated considerably in the past several months. He will have recognized that within the last short period, the pressure on the Canadian dollar has arisen, to some extent, from the differential in interest rates, both short-term prime rates and interest rates, between Canada and the United States. If he has not observed the fact, I would advise him that for a considerable period of time interest rates in Canada have been appreciably lower than they have been in the United States. The hon. member is asking me to jack up interest rates in Canada; otherwise he would be aware of the pressure that that puts upon the Canadian currency.

Mr. Stevens: Madam Speaker, I think that what we are asking the minister is obvious, that is, to do something about inflation in this country. It is inflation that is triggering the high interest rates. Would the minister tell the House whether he has any concern for those who must carry mortgages on their property, bearing in mind the fact that when he took power the mortgage rate in this country for residential accommodation was 13 per cent and it is now over 15 per cent?

Some hon. Members: Shame.

Mr. Stevens: As you know, Madam Speaker, that 2 per cent increase in interest rates means, for a home owner having a $40,000 mortgage, monthly payments $57 a month higher under this Minister of Finance than they were last February. Is he at least concerned about that and, if so, can he tell the House what he will do about it?

Mr. MacEachen: The first point I would like to make in reply to the hon. member's statement that the principal cause of these interest rates was inflation is that in this particular case the inflation happens to have started in the United States. It has not been the Bank of Canada or the Canadian monetary policy that has sparked increasing interest rates in the United States. It is not the Bank of Canada that has increased the federal discount rate in the United States. These two factors outside of Canada obviously have an effect on Canada because

of the international character of capital markets. So if the hon. member wants to live as part of the world community, he should understand that there are certain realities which flow from that membership in the world economy. I draw to his attention that simple fact, which he obviously failed to learn even during his short period in office.

* * *

● (1425)

ENVIRONMENTAL AFFAIRS

PROTECTION OF ENVIRONMENT FROM ACID RAIN

Mr. Edward Broadbent (Oshawa): Madam Speaker, I have a question for the Minister of State for Science and Technology and the Minister of the Environment. Yesterday his department released a report which revealed alarming levels of pollution occuring in Canada, much of it coming from cross-border pollutants. For example, some 80 per cent of acid rain comes from the United States, resulting in the following: in Ontario some 4,000 lakes have been destroyed; the salmon industry in Nova Scotia has been destroyed; farmland in western Canada is now being increasingly polluted.

Considering the United States just recently elected a new president who has made it clear that he is indifferent to pollution, what precisely does the Government of Canada have in mind to protect our environment?

Hon. John Roberts (Minister of State for Science and Technology and Minister of the Environment): Madam Speaker, the situation described in the report is extremely serious. Perhaps the word "destroyed" which the hon. gentleman used is not appropriate, but certainly lakes have been very markedly affected. We are continuing our efforts in relation to the United States. As I think the hon. gentleman knows, we have signed a memorandum of intent with the United States government. Discussions are already well under way for the establishment of a treaty of accord with the United States. We will continue with those efforts. I do not think it is wise at this time to prejudge the response of the new American administration when it takes office on January 20. We intend to proceed as actively and quickly as we can in reaching an agreement with the United States.

Mr. Broadbent: Madam Speaker, with specific reference to the 18-month deadline to which the minister referred, considering that the president-elect indicated that he will review their legislation from the point of view of taking away whatever tough controls exist in controlling pollution and that the new Republican chairman of the United States Senate energy committee is widely known in the United States for being completely indifferent to pollution, could the minister give us any reason at all for believing that the 18-month optimism he just expressed has any hope of being realized?

Mr. Roberts: Yes, Madam Speaker. The optimism is based on the facts of the situation. The acid rain problem is an extremely serious one, not only for Canada but for the United States. The United States government's own figures estimate that the cost to the United States, simply in terms of the erosion of buildings, is between $2 billion and $4 billion a year. When the new administration sees the facts of the situation and receives the results of the kind of research published yesterday, I think it will be led to the conclusion that our two countries together should proceed actively to deal with this problem.

Mr. Broadbent: Madam Speaker, since the report indicated that a further 45,000 lakes are about to be destroyed and that in terms of freshwater fish none between Ontario and Newfoundland will remain in existence, is the minister telling the House that we will just sit back and optimistically hope that a new government, which has been elected in part on indifference to a pollution program, will provide answers for our alarming levels of pollution, or will he give us a commitment that he will come back to the House, at least before Christmas, with an alternative program to deal with this truly calamitous situation?

Mr. Roberts: Madam Speaker, the hon. gentleman implies that nothing has been done; that is far from the case. As the House knows, we have very greatly increased the funds which we are placing at the disposal of research into acid rain and other acid precipitation problems. We have signed the memorandum of intent. Those discussions are continuing with the United States. We are expanding our research and impressing upon provincial governments the more rigorous exercise of limitation orders. That has already happened in relation to Inco. We are assessing the Falconbridge situation, and we are looking at Ontario Hydro plants. A considerable amount of activity has been undertaken in relation to our own efforts in Canada which contribute markedly to the acid rain problem.

Mr. Broadbent: Eighty per cent comes from the United States.

Mr. Roberts: The hon. gentleman is incorrect in saying 80 per cent; it is 50 per cent. Also he is incorrect in saying that 45,000 lakes are about to turn dead. I do not want to nit-pick on those errors because the conclusions of the report indeed are very serious, but we are acting within our own jurisdiction to the fullest extent and exploring every possible avenue to press the United States to co-operate with us in this very important venture.

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● (1430)

CANADIAN NATIONAL RAILWAYS

CLOSURE OF CERTAIN CN EXPRESS TERMINALS IN ATLANTIC PROVINCES

Hon. J. Robert Howie (York-Sunbury): Madam Speaker, my question is for the Minister of Transport. In view of the announced intention of CN Express to terminate jobs which are badly needed and to close ten out of its 15 terminals in

Atlantic Canada, which leaves Prince Edward Island and Newfoundland without any terminals, New Brunswick with three terminals and Nova Scotia with two, what measures will the minister take to continue this service, which is intended to compensate for rail line abandonment in the maritimes in the 1960s? Surely it is time this government stopped picking on the Atlantic provinces.

Some hon. Members: Hear, hear!

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, one must understand why this has taken place. CN Express are losing money. They lost $14 million in 1970 and they will lose $57 million this year. The main reason for this is that CN Express cannot compete adequately against firms which are more specialized and more selective in their operations.

What is taking place now is that they are cutting a number of points of delivery. They are also pre-retiring, relocating and retaining their employees, which must be underlined. This is done in co-operation and agreement with the union. What is happening is regrettable but one must say that it is being done in a very humanitarian and a very sophisticated way. Obviously this will affect the maritimes because 250 out of the 1,000 people affected come from there. I emphasize that substantial efforts are being made to accommodate the situation and to help the employees. I understand that up to 90 per cent of them will be relocated, retired or retrained and that they will have first call on all jobs available from all divisions of CN.

Mr. Howie: Madam Speaker, first we lose the trains and now we lose the express. Has the minister been in contact with the Minister of Consumer and Corporate Affairs concerning the devastating effect this reduction in competition will have on rates charged for alternate modes of transportation and the extensive harm this will cause consumers as a result?

Further, has the minister had any consultation with his counterparts in the Atlantic provinces or the Minister of Regional Economic Expansion about remedial measures and, if so, what solutions will he adopt? If not, why not?

Mr. Pepin: Madam Speaker, many members of the cabinet were involved in the information process. If there is one thing that is not being compromised, it is competition. In the very city of Amherst, Nova Scotia, to name one example, CN Express estimated that they had to compete with 14 other companies which were engaged in the same business. So one thing which will not suffer is competition. As a matter of fact, CN Express was competing with the Post Office Department and also other government interests.

REMOVAL OF FACILITIES FROM NOVA SCOTIA

Mr. Lloyd R. Crouse (South Shore): Madam Speaker, I also wish to address my question to the Minister of Transport. On Friday, January 25, 1980, Liberal leader Pierre Trudeau, speaking in Halifax, said among other things:

> We will use revenues raised through energy taxation to make big projects happen—namely, railway building, pipeline construction, a western electrical grid and coal liquefaction are only a few of the projects that the energy boom could produce.

This statement was endorsed by all Liberal candidates. Therefore, I wish to ask the Minister of Transport if he could explain further the reasons why this government on November 5 authorized the CNR to remove 11 agency positions in Nova Scotia, seven of which are in my riding at Chester, Malone Bay, Lunenburg, Liverpool, Lockeport, Shelburne and Barrington Passage, plus eight CNR buildings, seven of which are in my riding at Chester, Malone Bay, Lunenburg, Liverpool, Lockeport, Shelburne and Barrington Passage. Would the minister indicate how this government's actions can be construed as railway building since its policies, which are destroying CNR services, are really not in line with the promises made to the people of Nova Scotia by the Prime Minister when he was campaigning for votes?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, as the Minister of Finance just said in another context, it is difficult to isolate any body from what is happening, from the changes that are taking place in society. I do not know if the hon. member is referring to CN Express, CN Marine or CN; I have no way of knowing that from the question he raised.

Mr. Crouse: CN Express.

Mr. Pepin: If he is referring to CN Express, then I delivered the answer a moment ago by indicating that CN Express is doing its utmost in this particular instance to retrain, relocate or pre-retire the employees affected by these changes. My information is that between 80 per cent and 90 per cent of the employees of CN Express will be treated in that fashion. This treatment must be considered humanitarian and generous enough because it is getting the full support of the unions. This shows that changes will occur and that CN Express, like everybody else, must adjust to those changes. But they are making these changes in the most reasonable and generous fashion possible.

Mr. Crouse: I wish to clarify my previous question to the hon. minister. It is not only CN Express but also eight CNR stations which will be offered for sale. I ask the hon. gentleman if the $50 million plus deficit in the operations of CN Express, which if I heard him correctly is the reason for the tenth annual loss, has led the CNR to begin a cutback in its operations right across Canada. Is the government contemplating closing down Mirabel Airport which has also been showing a loss since it opened in excess of $50 million annually?

Some hon. Members: Hear, hear!

Mr. Pepin: Madam Speaker, I do not think one should compare the two.

Some hon. Members: Oh, oh!

Mr. Pepin: There are other comparisons to be drawn but which I will not mention now. The main point is that it is not

essentially to save money that CN Express is following this course, although that is important; it is because CN does not see how it can compete with other firms which are specialized and have a much more selective approach to small parcel transportation. If CN thought it could compete favourably it would stay there.

I would also like to underline the fact that when CN Express gets out of some of these operations, small parcels in particular, other transportation firms will be providing jobs as they take over. So it is not as if jobs were being lost; they are being transferred from CN Express, which cannot compete, to other trucking companies which can.

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HEALTH CARE

USE OF PRE-NATAL SCREENING KITS

Mr. Bill Blaikie (Winnipeg-Birds Hill): Madam Speaker, my question is for the Minister of National Health and Welfare. It has to do with the fact that the government appears unable to restrict the sale and, even worse, the promotion of certain pre-natal screening kits which are designed to detect the neurological disease called spinal bifida. In view of the fact that there is great doubt about the accuracy of the test results, to say nothing of whether such tests are appropriate, can the minister tell us what she intends to do about this particular problem?

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, with respect to this particular problem, which is a problem of misuse more than anything else, I have written to the provincial ministers of health as well as to the medical profession specifying the conditions of use of these pre-natal screening kits. I brought to their attention the dimensions of the problem—the misuse of these kits.

Mr. Blaikie: It is not simply a question of misuse but rather a question of whether these kits should be available for use at all without adequate testing having taken place before they are put on the market. This is not the first time that something has been more stringently regulated in the United States than in Canada. My question to the minister is: does she plan any changes in Canada's health protection legislation finally to overcome the long-standing situation of trial by guinea pig? In this case, as in so many others, Canadian women and/or their children are placed at risk because of the government's totally inadequate policy in this particular area.

● (1440)

[*Translation*]

Miss Bégin: Madam Speaker, I regret to disagree with the charge laid by the hon. member. We still believe that pre-natal screening kits designed to detect foetal malformations are an important precaution since they can help to detect and prevent some abnormalities. We feel that these kits can do a fine job if they are used properly. Physicians and potential users have been cautioned against the misuse of these kits. If this is not satisfactory, the next step would be to meet with all those concerned as well as provincial health ministers, and we might have to decide to ban the kits from the market.

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ENERGY

REQUEST FOR REPORT ON TALKS CONCERNING OIL IMPORTS FROM SAUDI ARABIA

Mr. Carlo Rossi (Bourassa): Madam Speaker, could the Minister of Energy, Mines and Resources or his parliamentary secretary tell the House what progress has been made in the discussions on the eventual purchase by PetroCan of 100,000 barrels of oil per day from Saudi Arabia, and whether the minister feels this is a favourable offer or not for our country?

[*English*]

Mr. Roy MacLaren (Parliamentary Secretary to Minister of Energy, Mines and Resources): Madam Speaker, I can confirm that Petro-Canada will be entering into negotiations very shortly with the Saudi Arabian state enterprise called Petromin and that the government welcomes the offer on the part of the government of Saudi Arabia to underline our secure sources of petroleum with that country by the possibility of entering into a state to state trading agreement.

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ENVIRONMENTAL AFFAIRS

ACID RAIN—STRENGTHENING OF CANADA-UNITED STATES AGREEMENT

Mr. Tom McMillan (Hillsborough): Madam Speaker, my question is supplementary to the questions posed to the Minister of the Environment by the hon. member for Oshawa, and it concerns the Canada-U.S. scientific survey on acid rain. That survey has demonstrated that the acid rain problem in Canada and the United States is both more geographically widespread and more severe than had previously been thought. For example, scientists considered 140 lakes in Ontario biologically dead, but this survey demonstrates that that figure may be as high as 4,000 lakes. Is the Minister of the Environment, therefore, intending to seek changes which might strengthen the Canada-U.S. tentative agreement on acid rain in light of this most alarming survey?

Hon. John Roberts (Minister of State for Science and Technology and Minister of the Environment): Madam Speaker, as I previously stated to the House, and as the hon. member knows, we are continuing as actively as possible the discussions which are under way with the United States. I have also in mind some other possibilities which may be available to us and which will enhance our ability, jointly with the United

States, to respond to these problems. Those ideas are not sufficiently far advanced that I would outline them in detail to the hon. member. I believe he has some idea what I may do later this year.

Mr. McMillan: Madam Speaker, my supplementary is also directed to the Minister of the Environment. Following the presidential election, the Secretary of State for External Affairs held a news conference at which he said that the Government of Canada does not contemplate any problems with regard to the Canada-U.S. acid rain agreement. He said that "the House of Representatives is still dominated by the Democrats and . . . initiatives have to receive congressional approval as well as approval from the President". Does the Minister of the Environment agree with the statement of his colleague, despite the fact that in the United States international agreements require the approval of the President and two thirds of the Senate, not the approval of the House of Representatives, as his colleague implied?

Mr. Roberts: Madam Speaker, I am sure the hon. member knows that I very rarely disagree with my colleague the Secretary of State for External Affairs.

Some hon. Members: Oh, oh!

Mr. Roberts: I repeat to the hon. member what I said earlier, that we are confident that the facts of the situation, which indicate that this is an extremely serious problem for both societies—serious in terms of human health and in terms of economic impact—will lead the next United States administration to follow the path which has been charted by the present administration of moving as quickly as possible to international accord to help us deal with this important, common and equally damaging problem to both societies.

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ENERGY

POSSIBLE OIL IMPORTATIONS FROM SAUDI ARABIA—INQUIRY AS TO CONDITIONS OF SALE

Hon. Allan Lawrence (Durham-Northumberland): Madam Speaker, my question is for the Deputy Prime Minister. It relates to the answer just given a few moments ago by the hon. member for Etobicoke North and to the question of the sale of 100,000 barrels of oil per day under certain conditions as indicated by Sheik Yamani to the Prime Minister. That sale would take place on a state to state basis. Would the Deputy Prime Minister tell the House whether or not the government is aware of what those conditions indicated by Sheik Yamani are, and whether or not they include the demand that Canada formally recognize the PLO?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, all that I know comes from the transcript of the remarks which the Prime Minister made at his press conference. As I understand it, the question came up in the course of conversation, in which Sheik Yamani indicated that if Canada were interested in entering into negotiations with the state oil company, then that view ought to be communicated to the government of Saudi Arabia, and the normal follow-up would be negotiations between Petro-Canada and Petromin. The Prime Minister was very clear in pointing out at his press conference that the discussion was very general, involving no consideration of price or any other items. It is obvious to me that no conditions were discussed and certainly not the condition mentioned by the hon. member with respect to a political act like the recognition of any body.

Mr. Lawrence: Madam Speaker, before any such transaction is agreed to by the government or by any agency of the government, especially if any political conditions are attached to any such sale, would the government undertake that the details of such a transaction will be presented to this House for debate and approval prior to the transaction being consummated?

Mr. MacEachen: Madam Speaker, I can certainly assure the hon. member that no such political conditions would ever be contemplated. We would not accept any such condition with respect to a deal of any kind that is very much up in the air at the moment. I can tell the hon. member that information with respect to any future developments will be made available to the House.

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[*Translation*]

AIR TRANSPORT

REQUEST FOR REPORT ON PROPOSED SALE OF NORDAIR

Hon. Roch La Salle (Joliette): Madam Speaker, my question is for the Minster of Transport. A few months ago, I tried to obtain some information about Nordair's future. Since then, I understand that the minister has had several consultations and that he is aware of the interest shown by several groups from Quebec and elsewhere. Therefore, I imagine that today, after all that time, he is in a position to tell us what progress has been made in this regard?

Hon. Jean-Luc Pepin (Minister of Transport): No, Madam Speaker, but I can tell you that I am supposed to meet with the Regionair group within two weeks.

Mr. La Salle: I have a supplementary, Madam Speaker. In order to reassure many Quebeckers, would the minister be in a position at least to say whether he has decided in principle that the majority of shares could be held by Quebec interests?

Mr. Pepin: This is, of course, one of the most important aspects of the problem. It must also be kept in mind that when the Regionair group came to see me to talk about the Nordair takeover, they kept insisting that it is not Quebecair which was taking over Nordair, but rather the consortium known as Regionair. So a whole line of argument follows from that

statement. If the consortium, the group of five companies, takes over Nordair, then one may wonder why it would be necessary for some partners in that holding to have a majority in relation to the others. I think this reasoning is so logical that the hon. member for Joliette, will be impressed.

* * *

● (1450)

[*English*]

RAILWAYS

UNDERTAKINGS GIVEN BY CNR AND CPR

Mr. Les Benjamin (Regina West): Madam Speaker, I should like to return to the Minister of Transport to ask some more about this final double-cross. The minister well knows that when CN and CP were applying to abandon railway passenger trains, close railway stations and abandon rail express services, they gave glowing pronouncements and projections on how much more efficient, more frequent and better express service they could provide by truck. The government, the minister's party and the CTC granted them those abandonments on condition that they would live up to the commitments they were to provide as an alternative service. Now, as the minister knows, they want to get rid of that service too.

I should like to know if the minister will require Canadian National, and CP as well, to live up to the undertakings they gave to the government, to the CTC and the public of Canada when they were allowed to abandon the rail express service in preference for a so-called more efficient, frequent and cheaper express service by truck?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I can only continue to repeat that CN and CN Express are not particularly proud of what is happening now. But they have to witness the fact—and I repeat it because I think it is the most important fact—that because they are what they are—that is, a quite big company with a long history, as one of them was saying, of being everything to everybody, of being extremely diversified—they find it very difficult to compete against companies with a very specialized function, with a very pointed objective, which keep grabbing bits and pieces of what CN Express could do. Consequently, CN has had to confess that, when it comes to small parcels, they cannot successfully compete against these companies. The job is simply moving to other truckers in this instance, but they intend to give it all they have to stay in the less than carloads heavier shipments and there try to reach their optimum role.

Mr. Benjamin: Madam Speaker, Canadian National has operated the same way with their express service as they have with passenger trains. If you run them old enough, slow enough, late enough and dirty enough, nobody will get on them and you can abandon them. The same thing applies to the express service—exorbitant rates and inadequate service designed to lose business. They used to operate that specialized express service better than anybody could, and they still could. I should like to ask the minister whether he would call upon the CTC to enforce, for the first time ever, section 262 of the Railway Act which provides that they shall provide suitable accommodation for all traffic offered.

Mr. Pepin: Madam Speaker, I am aware that CN Express in recent hours has been in touch with the CTC which has some jurisdiction in these matters. Should the operation announced yesterday or today by CN Express be against some of the rules under which the CTC operates, I am quite sure that the chairman will see to it that the CTC is seized of the matter.

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INQUIRY OF THE MINISTRY

REPRESENTATIONS RESPECTING SWEDISH BUSINESSMAN RAOUL WALLENBERG

Mr. Stanley Hudecki (Hamilton West): Madam Speaker, my question is addressed to the Solicitor General. Will the minister confirm that he has received a number of representations on behalf of the Swedish businessman Raoul Wallenberg, a man who heroically saved thousands of refugees in World War II, then mysteriously disappeared and who recently is rumoured to be alive? If so, what does the government intend to do?

Hon. Bob Kaplan (Solicitor General): Madam Speaker, I have received such representations. Since there are a number of residents of Canada who have lived recently in the Soviet Union and are known to the RCM Police, I have asked the RCM Police to contact these individuals and find out from them if there is any information about the missing Count Wallenberg. So far, the reports that I have received have all been negative, but there still may be some that I will receive in the near future.

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PENSION ACT

INQUIRY RESPECTING DELEGATION OF AUTHORITY UNDER SECTION 33

Mr. Dan McKenzie (Winnipeg-Assiniboine): Madam Speaker, I have a question for the Acting Minister of Veterans Affairs. In recent months Canadian Pension Commission claims for awards under section 33 of the Pension Act, that is for funeral and burial grants, have had to wait many months for adjudication because of staffing problems. Would the minister consider implementing the proposal of the Woods committee which would delegate authority to the senior pension medical examiner in the district offices to adjudicate matters of a routine nature under section 33 of the Pension Act? This action on the part of the government would go a long way in assisting widows of veterans during a time of great emotional and financial strain.

Hon. J. Gilles Lamontagne (Acting Minister of Veterans Affairs): Madam Speaker, the question of the hon. member is well put and I will look into the matter with my staff. If they can agree with what he just proposed, I will implement that proposal as soon as possible.

Mr. McKenzie: A supplementary question, Madam Speaker. I hope the minister will make himself familiar with that section of the act. At the present time the grant under section 33 of the Pension Act for funeral and burial expenses is not to exceed $550 for the funeral director, plus the cost of the grave, the opening, closing and a marker. For the Department of National Defence this amount is $850. Would the minister increase the amount allowed for a funeral and burial as provided by the veterans' burial regulations and section 33 of the Pension Act to correspond to the amount provided by the Department of National Defence? I am sure this small increase for a decreasing number of widows will not be inflationary.

Mr. Lamontagne: Madam Speaker, the hon. member is very well aware of the generosity of this government toward our veterans and the relatives of veterans. I will consider his question very carefully and see if it can be implemented.

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FISHERIES

FOOD HERRING FISHERY—INQUIRY WHETHER LICENCE ISSUED TO MV "CALISTRATUS"

Mr. Thomas Siddon (Richmond-South Delta): Madam Speaker, my question is addressed to the Minister of Fisheries and Oceans. The minister will know that the food herring fishery on the Pacific coast opened yesterday. I have just learned from fishermen in the Prince Rupert area that the *Calistratus*, the largest Canadian-owned groundfish trawler on the west coast, has been granted a licence to trawl for herring and is presently on the fishing grounds off Prince Rupert competing openly with the established herring fleet.

Has the minister issued a herring licence to the *Calistratus* and, if so, how does he justify this decision which contradicts a long-standing promise of his department that the *Calistratus* would only fish for underutilized species of groundfish?

Hon. Roméo LeBlanc (Minister of Fisheries and Oceans): Madam Speaker, I was given a piece of paper on my way down to the House which informed me of this matter. I have asked to see my officials after question period today and I will give the hon. member a full answer tomorrow.

Mr. Siddon: A supplementary question, Madam Speaker. There is a further element to the problem that the minister should be aware of. It is reported that the *Calistratus* is purchasing herring from other fishing vessels operating on the grounds and is processing herring at sea. I should like to know in the minister's subsequent response whether he condones this practice. Will he allow other factory trawlers to do likewise? How does he propose to explain this new policy, if it is a policy, to the hundreds of shore-based cannery workers who depend on the food herring fishery for their livelihood during the winter months?

Mr. LeBlanc: Madam Speaker, I am afraid that my amount of knowledge has not caught up with the hon. member's rhetoric. I can only satisfy his tomorrow.

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LOTTERIES

DISPOSITION OF FUNDS

Hon. Steven E. Paproski (Edmonton North): Madam Speaker, I have a very short and succinct question for the Minister of Labour who is also in charge of sports and lotteries. It has to do with the recent resignation of the director of the National Gallery; I think the Secretary of State should be aware of it as well. Since the lottery fund is now $30 million, of which $15 million was to go to fitness and amateur sport and the other $15 million to culture and art, is the minister prepared to tell the House whether this sum will be incremental to these particular budgets or if it is going into general revenues?

Hon. Gerald Regan (Minister of Labour): Madam Speaker, I want to thank the hon. member for his question. I want to thank him tremendously, because it is a long time since I have had one and it is a great opportunity to stand up!

I want to say through you, Madam Speaker, to the distinguished member that I cannot properly be described as the minister in charge of lotteries because his government gave lotteries away to the provinces.

Some hon. Members: Hear, hear!

Mr. Regan: So I am no longer in charge of them. But if the hon. member is referring to the agreement whereby, in return for giving away a lottery that was gaining $80 million a year, we are supposed to receive $24 million a year from the provinces, to be divided between fitness and amateur sport and culture, it is true that the indexing factor has brought it up beyond the $24 million to around $27 million a year to be divided between the two departments.

● (1500)

To a very large extent this is incremental to the existing budget, but it is a very small amount compared to what had been contemplated for fitness and amateur sport and for culture by the former Liberal government, wherein the $80 million that was being gained annually from Loto Canada would have been available to improve culture in the country and to build up amateur athletics.

Mr. Paproski: Madam Speaker, I knew I should not have asked him the question because he did not answer it. I would like to know whether the minister is now going to forgo

financing Hockey Canada and participate in financing the Canadian Amateur Hockey Association. I understand this is what he is going to do. There are 60,000 or 70,000 kids who want to play amateur hockey and Hockey Canada can pretty well look after itself through the National Hockey League.

An hon. Member: What about football?

Mr. Paproski: That will be next.

Mr. Regan: Madam Speaker, I thank the hon. member for another important question. One would hope that the Canadian Amateur Hockey Association through its member branches might look to the provinces for more generous financing than in the past as a consequence of the fact that they now have those lottery funds. Hon. members will appreciate that this year the provinces between them will realize in the vicinity of $350 million from lotteries in this country.

Some hon. Members: Hear, hear!

Mr. Regan: I notice the former provincial member clapping. We have federal responsibilities. Part of that responsibility is to see to it that organizations such as Hockey Canada are able to provide Canadian teams to compete internationally at a certain level and that the CAHA do so in relation to other responsibilities.

Finally, although we, of course, continue to fund the CAHA's regular and valuable programs, we are not all that happy with their attitude in the Notre Dame situation in Wilcox, Saskatchewan.

Mr. Paproski: Then don't just sit there, do something about it.

* * *

VETERANS AFFAIRS

WAR DISABILITY PENSION—REQUEST FOR FURTHER STUDY

Hon. Stanley Knowles (Winnipeg North Centre): Madam Speaker, my question is for the Acting Minister of Veterans Affairs. In view of the fact that the rate of the disability pension, including the cost of living increase to be made in January, has been established at a figure which is still below the average take-home pay of the five categories in the public service which were designated in 1972, will the minister give further study to this matter and to the possibility of bringing in legislation which will fix that rate in accordance with the norm that was established in 1972?

Hon. J. Gilles Lamontagne (Acting Minister of Veterans Affairs): Madam Speaker, may I first congratulate the hon. member on having been granted honorary life membership in the Canadian Legion last Saturday. It is an honour that he deserves.

Some hon. Members: Hear, hear!

Mr. Lamontagne: I can only presume he was granted this membership because of his long lasting support for the generous legislation introduced on this side of the House over many years on behalf of the veterans. With regard to the hon. member's question, he knows very well that disability pensions are reviewed regularly to ensure the veterans do not lose anything because of a rise in the cost of living. Disability pensions are reviewed once a year and veterans' allowances are indexed four times a year. We will do our utmost to ensure that veterans do not suffer because of inflation.

Mr. Knowles: While the acting minister is reviewing that matter, will he also give serious consideration to at least making a start in getting rid of the six and a half year phasing-in provision with respect to widows' pensions? For example, will he consider making a start by providing those pensions immediately to widows of World War I veterans?

Mr. Lamontagne: The hon. member has asked this question a couple of times since I have been acting minister. I can assure him this is being very seriously considered. Possibly at one point we will bring in some measure which will satisfy him and I am sure we will have his support at that time.

Madam Speaker: I have received notice of a question of privilege from the hon. member for Surrey-White Rock-North Delta (Mr. Friesen).

* * *

PRIVILEGE

MR. FRIESEN—ALLEGED DENIAL OF INFORMATION BY SECRETARY OF STATE

Mr. Benno Friesen (Surrey-White Rock-North Delta): Madam Speaker, I rise on a question of privilege because of an answer provided to me by the Secretary of State and Minister of Communications (Mr. Fox) to a question I asked on June 26, as follows:

> In 1980, what percentage of the total budget of the Company Film Accord is being financed by CFDC (b) what amount is involved (c) what are the projected support costs for 1981?

The Secretary of State answered:

> The corporation does not make this type of information available in keeping with established procedures of confidentiality with its clients.

That is nothing short of a cover-up. This gentleman was being paid $50,000 to $60,000 a year as director of CFDC. He left the CFDC and formed his own company, one of the objectives of which was to get further funding through the CFDC for that film company. The Secretary of State had the audacity to tell me it is company policy and accepted business practice not to tell how those funds are going to be allocated to a company which evidently was formed to take advantage of the experience this gentleman had gained. Michael—I do not recall his last name—had gained knowledge by having worked for the government for two years. We are being denied information that we as members of the House are entitled to have

in order to do our work as best we can. The Secretary of State is denying us that information.

[*Translation*]

Hon. Francis Fox (Secretary of State and Minister of Communications): Madam Speaker, I do not have the text of the answer before me. I shall be pleased to look at it, but I do think this is an answer to a question raised by the hon. member such as one given during question period. He may or may not be satisfied with the answer, but I do think, Madam Speaker, that there is no case at all for a question of privilege.

[*English*]

Madam Speaker: The hon. member gave me written notice of his question of privilege. However, I must remind him that a question of privilege should be raised at the earliest possible opportunity. The hon. member referred to a reply given on June 26. Therefore, it would seem to me that there were many opportunities for the hon. member to raise this matter in the House.

I listened to the hon. member. The fact that he is not satisfied with a reply given by a minister may be a legitimate complaint, but it does not constitute a question of privilege. Therefore, I do not see in the hon. member's intervention a question of privilege.

Mr. Friesen: Madam Speaker, I rise on a point of order for clarification purposes. The gentleman's name was Michael McCabe. While I submitted the question on June 26, the reply did not come to me until the first part of November. Therefore, I have raised the matter at the first opportunity.

● (1510)

ROUTINE PROCEEDINGS

[*English*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. D. M. Collenette (Parliamentary Secretary to President of Privy Council): Madam Speaker, the following questions will be answered today: Nos. 247, 1,509, 1,597, 1,598 and 1,647.

[*Text*]

MANUFACTURING INDUSTRY—CAPACITY UTILIZATION RATE

Question No. 247—**Mr. Herbert:**

What was the capacity utilization rate in manufacturing (a) in 1961 (b) in 1971 (c) for the latest known figure and what percentage does the government consider should be the objective of the manufacturing industry?

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): I am informed by Statistics Canada and the Department of Industry, Trade and Commerce as follows:

Statistics Canada reports:

(a) 1961 75.3 per cent

(b) 1971 84.2 per cent

(c) 79.6 per cent is the most recent rate relating to second quarter 1980.

The government considers the objective for capacity utilization in the manufacturing industry to be in the range of full capacity with fluctuations reflective of cycles in economic activity and demand for manufactured goods.

GRAIN—EXPORTATION AND IMPORTATION

Question No. 1,509—**Mr. Herbert:**

For each month in (a) 1978 (b) 1979 (c) 1980 to date, what quantity of grain was exported to the Soviet Union and, in each year, what quantity was imported into Canada from the United States?

Hon. J.-J. Blais (Minister of Supply and Services): Statistics Canada reports:

Canadian monthly exports of grain to the Soviet Union from January 1, 1978 to August 31, 1980, in metric tons, were as follows:

Month	1978	1979	1980
January	48,880	142,655	123,694
February	59,758	—	84,092
March	15,213	54	33,292
April	10,528	—	75,269
May	317,795	52,396	357,386
June	179,451	53,522	868,741
July	386,860	—	712,316
August	683,455	204,921	879,479
September	309,691	336,456	—
October	360,771	746,955	—
November	274,130	469,981	—
December	209,257	96,104	—
Total	2,855,789	2,103,044	3,134,269

Canadian yearly imports of grain from the United States, in metric tons, for 1978 were 538,562, for 1979 were 936,901, and for January to July 1980 were 617,921.

CANADA MANPOWER INDUSTRIAL TRAINING PROGRAM—CONTRACTS

Question No. 1,597—**Mr. McKenzie:**

1. How many times have the terms and conditions of the Canada Manpower Industrial Training Program, Contract for Training, EMP. 2309 E(4-78) MAN 1273, been transgressed since the inception of the program?

2. What are the names and addresses of the individuals or firms found to be in violation of the terms of the program?

3. How many prosecutions or reprimands have been investigated by the government as a result of the transgressions and what penalties have been applied in each case?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): 1. In the course of a year, the Canada Employment and Immigration Commission (CEIC) enters into approximately 35,000 contracts with employers under the Canada Manpower Industrial Training Program (CMITP). Contracts are monitored by CEIC staff; all claims for cost reimbursement are closely examined to ensure that they comply with all contractual terms and conditions and adjustments to payments are made if they do not; and all contracts are subject to audit. No comprehensive count is made of the number of adjustments required to payment schedules. Reviews of the CMITP since its inception in 1974, conducted by both internal auditors and the Audit Services Bureau, have not indicated any need for legal proceedings resulting from activities of the program.

2. See 1 above.

3. See 1 above.

WORLD WAR I VETERANS

Question No. 1,598—**Mr. McKenzie:**

1. How many veterans of World War I participated with the Canadian Forces at the 1942 Dieppe raid?

2. How many now live (a) in Canada (b) outside Canada?

3. How many receive War Veterans Allowance (a) in Canada (b) outside Canada?

Hon. J. Gilles Lamontagne (Acting Minister of Veterans Affairs): 1. Records of this type of information are not kept.

2. N/A.

3. N/A.

FORESTRY RESEARCH STATIONS

Question No. 1,647—**Mr. Herbert:**

How many government forestry research stations are there in Canada and (a) where are they located (b) what is the budgeted personnel strength of each?

Mr. Roger Simmons (Parliamentary Secretary to Minister of State for Science and Technology and Minister of the Environment): There are eight federal forestry research stations in Canada:

(a) Newfoundland Forest Research Centre, St. John's, Newfoundland; Maritimes Forest Research Centre, Fredericton, New Brunswick; Laurentian Forest Research Centre, Ste. Foy, Québec; Petawawa National Forestry Institute, Chalk River, Ontario; Great Lakes Forest Research Centre, Sault Ste. Marie, Ontario; Forest Pest Management Institute, Sault Ste. Marie, Ontario; Northern Forest Research Centre, Edmonton, Alberta; Pacific Forest Research Centre, Victoria, British Columbia.

(b) Person-years: 65; 148.5; 119; 124; 151.7; 87; 118; 154.1.

[*Translation*]

Madam Speaker: The questions enumerated by the hon. parliamentary secretary have been answered. Shall the remaining questions be allowed to stand?

Some hon. Members: Stand.

GOVERNMENT ORDERS

[*Translation*]

BANKS AND BANKING LAW REVISION ACT, 1980

MEASURE RESPECTING BANKING INSTITUTIONS

The House resumed consideration of the motion of Mr. MacEachen that Bill C-6, to revise the Bank Act, to amend the Quebec Savings Banks Act and the Bank of Canada Act, to establish the Canadian Payments Association and to amend other acts in consequence thereof, be read the third time and do pass.

Hon. Marcel Lambert (Edmonton West): Madam Speaker, debate on second reading of this bill started quite a while ago. Unless I am mistaken, I believe it was in March or April last. It is true that this bill was preceded by others, not only in 1978 but also in 1979. That is why, as we have explained repeatedly, we offer no excuses; experience has proved that the study of the Bank Act easily takes three years. We usually start with a white paper, after which we get the reaction of the public; then, the government introduces a first bill, the subject of which is examined by the Standing Committee on Finance, Trade and Economic Affairs. After all those studies the government drafts a new bill which is again submitted to public representations and the perusal of hon. members. Now we have reached the point where yesterday and this morning we voted on the amendments moved at the second reading stage in the House after study in committee.

All that to say that we now have a bill that is tolerably acceptable, and I underline the word "tolerably". That is what it is to me, since I sponsored several amendments of our group in the opposition; of course, we would have preferred certain other amendments, and I am particularly disappointed once more because we still have no definition of the business of banking. I should think the minister will not be surprised when one of these days one of the courts of the land concludes that not only were parliamentarians absent-minded but they showed some lack of intelligence when they refused to include in the act a definition of the business of banking. I say that also because I want to stress what I said last night.

[*English*]

I want to change my way of speaking here because I want to measure my words very carefully. I want to draw to the

attention of the minister and to hon. members on both sides of this House, particularly those on the government side, that the refusal to include a definition of the business of banking stems primarily from the bureaucracy. As a senior member of this House in years served and in experience with this type of legislation I for one refuse to accept the dictates of the bureaucracy, which is rampant in Canada. This is one of the big problems with government. The House is not in control; nor is cabinet. Far from it, and the departments where the system and the administration are in control are legion, and that happens in this particular case.

Bill C-6 would be eminently better as legislation if there were a definition of the business of banking. After all, it is a bank act, it requires a definition and it is only because there has been this pressure, which has been traditional, not to have the definition that the government has gone along with it. I can assure the House that if the places had been changed, there would have been none of that nonsense.

There are other areas of concern. I am a little concerned about what we have done to the banks with regard to powers to engage in the business of leasing automobiles. I know that led to a very acrimonious—in many ways—detailed and difficult part of our discussions. I think the minister would agree that nothing was quite so difficult as coming down to a consensus on the question of the powers with respect to the direct leasing of motor vehicles. I think we arrived at a consensus, but some of us have a nagging feeling that perhaps we have thrown the baby out with the bath water because we know that a fair proportion of the leasing of vehicles in this country is in the hands of a variety of subsidiaries of known Canadian financial institutions. The only entities which to my mind can give foreign affiliates a run for their money and really contain their operations and expansion are precisely the Canadian banks. It is almost like the sheep farmer who, while the wolves and coyotes are ravaging his animals, locks up his sheep dog, the only one to deal with the problem. I say this by way of simile. I am not suggesting that those foreign competitors or foreign-dominated competitors behave like wolves in any way, but it is akin to it. I want to give fair notice that if there is a dramatic or substantial change in the proportion of business which goes to these foreign-dominated affiliates, I personally will move an amendment to the Bank Act to restore the banks to the business of direct auto leasing. I will do so because it will mean that the automobile dealers have failed to do what they should be doing.

● (1520)

They have a challenge before them; they asked for the business. I can understand that in many towns for thousands of these dealers this represents a substantial part of their business. Particularly with the price of automobiles being what it is, we may see auto leasing taking an increasing portion of the market as a means of financing the purchase of automobiles, doing it through the automobile lessor. Anything beyond a medium-sized car now represents such a substantial initial investment on which there is such a fantastic write down and depreciation in the first couple of years of the ownership of an automobile that a great number of people, particularly those on expense accounts, will convert to auto leasing as a means of having a vehicle at their disposal.

There are many advantages to it. I know that my colleagues, particularly those from some rural constituencies such as the hon. member for Medicine Hat (Mr. Hargrave) and the hon. member for Huron-Bruce (Mr. Cardiff), may have something to say about the exact wording of the amendments to clause 178 dealing with the degree of security which is to be given to producers of livestock under the type of financing formerly contained in section 88. They may be right; there may have been an unfortunate dropping of some words in the coming forward of the government amendment and in the apparent consensus on what had been expressed in the committee. That was another very difficult area for the committee to resolve.

There is also the whole question of foreign banks, and here we have merely laid out some guidelines. Nothing has been said yet about what would be the requirements of reciprocity and how practical it would be. It will be a very interesting exercise to see whether the Japanese, German and French banks, which are already operating here, will wish to incorporate as class B banks. Of course, that will have to be done at a price, and the price will be reciprocity for Canadian banks in the country of origin of such banks.

When it comes down to testing the pudding, it may be a little more difficult for some of these banks to operate. In any event I am hopeful, although not really as certain as I would like to be, that any of these foreign operations which have been in this country for a number of years because they found the loophole in the previous act due to the refusal of the then administration in 1967 to define banking, and which will just carry on in some form or another without incorporating as class B banks for registering as a representative office, are placed under supervision. Let it be said that if there are doors left open, certainly somebody is going to find his way in, and I would much rather have these banks under supervision, not only for the protection of the Canadian public but for their own protection, so they are legally here and doing business legally under the aegis of the Bank Act which is where they should be.

I have been maintaining for many years that there are many quasi-bank operations which seem to take refuge under provincial jurisdiction in a matter where the provinces do not have one inch of jurisdiction but have grabbed a mile of it. This has happened only because the previous administration in 1966-67 was scared of its own shadow with regard to the requirements under the Bank Act. In saying that, I am not lining up with those people who say we need a strong central government in order to establish that control. The legislation is there; it is a question of interpreting it and carrying on in accordance with it. That is the way it should have been.

I am hopeful that we will see healthy competition. I know there has been already a good deal of competition among Canadian and among foreign banks for certain financing requirements in Canada. There is not as much now because economic activity has declined. If the government persists in

its blind folly with the energy policy as enunciated here at the end of last month, there will not be that requirement in western Canada for the specialized financing features which are offered by a number of U.S. and European banks which have been coming into Edmonton and Calgary, because there will be a substantial decline in the industry. Already there are dire warnings out and it is only the stupidly blind who refuse to see them. In thinking they were going to do something for the Canadian oil industry, the government almost knocked it senseless through lack of knowledge and blind partisanship. Frankly, a raid on provincial treasuries has been perpetrated which reminds one of the pirates of old, of brigands on the loose laying hands on funds in the name of public need. That is the policy which came out of the budget a few weeks ago. It is the most dastardly thing that has been done to Canada.

In so far as the requirements for the development of foreign banks is concerned, we will have to see what happens because the actions taken by the federal authorities and the Minister of Finance (Mr. MacEachen) in his budget could put a decided crimp in the oil industry from which it may take years to recover, if ever. We will see how it goes.

I am sorry that the minister blindly, I might even say stubbornly, stuck to a figure for total foreign business which was inserted by the bureaucracy, not the ministry. Since speaking last night I have done some more verifying and can now confirm it. If inflation continues at the present rate and business recovers from the checks and blows of two weeks ago, then the ceiling will be more than reached before the ten years are up under the present Bank Act.

● (1530)

As I said two or three years ago and again the other day, in legislating this type of very extensive law there is a tendency to legislate for yesterday rather than prepare the way for the industry into the twenty-first century. We legislate for yesterday, to correct the difficulties we saw yesterday, which we hope will meet the objectives of today. They will not meet the objectives of ten years from now. We come in as limpers. Surely the Minister of Finance, along with the minister responsible for financial institutions, will not maintain either an indifference or a blind refusal—and I say "blind" advisedly—to recognize that before there is another revision of the Bank Act we will require a total review of the needs of the financial institutions of the country. Surely they will not refuse to recognize that we need another Porter commission. Surely we should not have to wait until four years before the expiry date of the Bank Act to name such a commission. It should be named within two or three years so that there is ample time for it to examine the situation, to bring down a worth-while report, to give it mature consideration and to bring forward the legislation. We should not wait as we did from 1954 to 1967, and then regardless of that, from 1967 to 1980. The principle of the Bank Act is that there shall be a renewal every ten years. It has become so easy now to introduce annual amendments for extensions that it is done as a matter of course.

We should be able to move with a little more flexibility in other areas. The hon. member for York-Simcoe (Mr. Stevens) is terribly exercised about what I think we will do to a bank which has been doing a good job in the country for nine years. Unfortunately the suggestion made to me last night as a possible solution is not so. There seems to be some misunderstanding. I know representations will be made here today, but I would have thought it would not be necessary to bring in such high-priced help and such heavy pressure on the minister. I would have thought he and his officials would have recognized that.

We told them weeks ago that the easiest way was to introduce a grandfather clause. Only one bank would be affected by it. There is already one bank operating under a grandfather clause, and that is the Mercantile Bank. The Mercantile is good for business. I have seen a lot of its operations in western Canada, and may I say that its operations are progressive and successful. It is not the cause of any worry to the bigger Canadian banks; they are big boys, they know how to take care of themselves.

The more flexibility we exhibit in Canada with regard to some of the foreign banks which have been doing business here in good faith, and which we will allow to continue to do so in good faith, the more our Canadian banks will be able to operate elsewhere in the world. Reciprocity is based upon good faith. One will not excite the admiration and co-operation of a friend and neighbour by kicking him in the shin or stepping on his small toe. In the past few years the strength of our Canadian banks has been in the foreign side of their business. Prior to that they were little local banks on the world scene, but now two or three of them are among the big banks of the world. That makes a fantastic difference for Canadian businesses in their financing, their handling of deals, their extension of credit, and all the way through. It is of terrific assistance to Canadian business abroad, and that is where Canadian business must succeed. It cannot live on the domestic market, and neither can our banks.

I make that plea almost on bended knee, not that I should have to but for the understanding that is required. It seems to me that we could have some flexibility very easily. We have seen no flexibility in the proceedings since we have been back in the House. The only flexibility which existed was when we were in committee and the minister was across the table from us. Perhaps he and his officials felt the pressures then, and I say that literally. I say seriously that there has not been the degree of flexibility we would have liked in the House. One of the unhappy features of Canadian parliamentary life is that once government gets into the chamber it is as rigid as building board. Whether, of course, it is being blind foolish or not makes little difference; but for it to admit that there should be some change, that there might be some change, that the conditions are not what they appear to have been, that the advice they received was not the soundest, gracious me, no. What they are going to do is go on blindly with what they have done. And I would hope that we can.

● (1540)

The last point I want to make is one that I made yesterday, that is, that whenever we have given the minister the power to make regulations, those regulations should have been before us by now. There is nothing that can convince me that over in the Inspector General's branch or in the Department of Finance, whomsoever had the responsibility, and in the Department of Justice they could not have prepared those regulations and had them tabled before we gave this bill third reading. I shall ask the minister, when he replies, a direct question. I shall ask him—

[*Translation*]

The question is this, and I hope I get an honest and firm answer. When shall we see the regulations which we gave the authority to pass and which will affect several areas of the administration of this bank act? The minister has asked for the committee's confidence and told us that we would see these regulations and that they would reflect the views expressed by the committee. The task, the responsibility, Mr. Speaker, is therefore in the minister's hands.

I know that several of my colleagues would like to express their views on this legislation. This will be the last time I speak on this bill, at least at this stage. I would like to thank all those who took part in the committee work. For a number of these people, this will have been their initiation into a committee considering a piece of legislation of some significance.

This enabled us to get to know each other a little better, and I think that members realized that it is in this way and through co-operation that we can improve upon any piece of legislation. It is true that I have voiced numerous criticisms, and this was new for me. I do not cast reflections on people or their personalities, but I do reserve the right to criticize their opinions, whether they are officials, members of Parliament or ministers. In this House we attack ideas, not personalities, and this is what should guide us. If I inadvertently hurt or insulted anyone, I apologize, because that is certainly not my habit. It is true that I speak harsh words, perhaps not so much harsh as firm, and that I am hasty-tempered. But at least everyone knows where I stand.

Mr. Speaker, I should like to thank my colleagues on both sides of the House for their co-operation in the study of this bill. As for me, even if it is somewhat defective, I do not intend to vote against it on third reading. However, through you, Mr. Speaker, I shall say quite frankly to the minister that if, unfortunately, the regulations are indefinitely postponed or if they distort the principles set forth in committee, then I think some members, especially on our side and probably in the third party, and even on the government benches, will become less co-operative. Bearing this in mind, I do hope that we can complete the study of this bill today.

[*English*]

Mr. Bob Rae (Broadview-Greenwood): Mr. Speaker, it has been a rather long road to get to where we are today with respect to the Bank Act legislation, and I want to indicate to the House that our party will be voting against the Bank Act on third reading, just as we voted against it on second reading. We do that for some very fundamental reasons having to do with the attitude of the Liberal-Conservative party toward our banking system. The Liberal-Conservative party in our view has produced a piece of legislation which, by and large, almost exclusively protects the interests of our largest chartered banks, our largest semi-monopoly companies in this huge financing business. The average citizen, the average consumer, the average business person, those people who deal with the banks either as consumers or as customers in some way or another, have not had the protection which, in our view, they so justly deserve.

The second major concern that we have has to do with the relationship between the Government of Canada—perhaps I should say the governments of Canada—and our banks. Historically Canada's chartered banks have played a critical role in developing the kind of economy under which we currently live, and this Parliament has itself, by virtue of the Bank Act and by virtue of these ten-yearly reviews which we conduct, consistently protected those financial institutions at the expense of their competitors, be they from the public or private sector. It is on those two aspects that I wish to concentrate this afternoon.

I wish to look at the field of consumer—customer or borrower—protection. One may look at this question from several different aspects. I think one has only to think of the very real lack of control which we have over our banks with respect to their relationship with their customers and the very real difficulties that we have in knowing, in precise terms, the kinds of services that they are providing. We do not know whether or not banks are calling demand loans without any justification. In fact one hears anecdotal evidence that this is happening.

We do not know whether or not it is true some of our chartered banks are moving in a fairly systematic way to reduce their activity in the small business sector, the consumer loans sector and the customer service sector, and are moving more heavily into other areas. I suspect that there is a fair amount of anecdotal evidence, and there are even indications from the speeches given from time to time by members of the Canadian Bankers' Association or others, to support the theory that indeed these are not the growth areas or the other areas in which the banks intend to move. I do not wish to go into any detail on all the amendments which have been rejected. The rejection merely reflects a very different philosophy between what my party has been putting forward and what the Liberal-Conservative party has been putting forward.

● (1550)

The Liberal-Conservative party has said that if we write too much into the Bank Act and attempt to control the banks too directly, for example by establishing criteria of fairness and limitations, it would affect their ability to cut off customers. Such restrictions would limit the ability of the banks to make

exorbitant demands in terms of collateral and so on, on individuals who seek banking loans.

If we attempt to control the ability of the banks to set unilaterally whatever interest rate they wish or to introduce the concept, notion or idea of fairness between banks and borrowers, be it an individual, small business or a large business, we are told that is impractical, impossible, and that it will not work. We are told that such proposals are socialistic, a threat to private enterprise and will cause a greater expense to the banks, and 101 other objections, all of which were raised by the Liberal-Conservative party.

Mr. Kempling: Be honest, you turkey.

Mr. Rae: The hon. member for Burlington (Mr. Kempling) has asked me, in his inimitable way, to be honest. I am simply pointing out that the Bank Act introduced by the Liberal party is exactly the same Bank Act introduced by his party when it was in power. Can the hon. member show me how this act differs in any degree from the one presented by the hon. member for St. John's West (Mr. Crosbie)? To answer the hon. member for Burlington, that is why it is quite appropriate to call this act a product of the Liberal-Conservative party and to call it a Liberal-Conservative Bank Act.

Mr. Nielsen: You're trying to get out of the Liberal bed.

Mr. Rae: I can understand why hon. members to my right are so upset. I thought the hon. member for Burlington was getting up on a point of order, but I see that he is just leaving.

Mrs. Mitchell: Good.

Mr. Rae: If one cannot stand the heat, one must get out of the kitchen, and I see that the hon. member for Burlington is now leaving the kitchen. I am sorry to see that he is leaving, but I wish to make my remark clear. The reason that we are calling this act the Liberal-Conservative Bank Act is because that is precisely what it is, a bank act which reflects exactly the same philosophy, be it the philosophy of a minister of finance who comes from Inverness County or a minister of finance who comes from St. John's West, representing those two parties.

Fundamentally, this bank act represents the interests of the large institutions in Canada which, ironically, when one considers the origins of the two gentlemen to whom I have referred, are centred in central Canada and which, for over 100 years, exploited not only the people of central Canada, but also the regions of Canada. It is because of our concern about this legislation that we spent as much time as we have in this Parliament dealing with the act.

There has been some progress with respect to some aspects of competition as, for example, in the field of car leasing. There has been some advancement with respect to consumer protection, because we in this party shamed the Liberal party by redrafting amendments which were the product of the Borrowers and Depositors Protection Act and asked the government to include them in the Bank Act. They agreed to do so and, as a result, we have made some progress.

It is important that the Liberal party be required to live up to some of the principles in which they say they believe, and it is important for these amendments to be in the Bank Act where they belong. We are sorry that data processing regulations, which deal with one aspect of competition in the act, are still the subject of a great deal of controversy within the banking community. We are concerned that the Toronto Dominion Bank is already advertising a number of services which, in our view, are questionable, with regard to competition with data processing companies.

The minister, who has seen the same correspondence as I, is perfectly aware that his own integrity has been called into question by CADAPSO because it is their feeling, which is very strong as indicated in their discussions with me, that the position of the data processing companies has in a sense been misunderstood and, as a result, has been misrepresented by the minister before the committee. I know that the minister will want to discuss this matter when he gives his speech on third reading. I know that he will want to indicate the intention of the government with respect to data processing.

I believe that the data processing question reveals in a sense where the bias of the government exists and where the problem exists. The problem is that we have left so much to regulation and to the judgment of the Department of Finance and the Inspector General of Banks, whose discretion has been exercised by and large on behalf of the chartered banks more so than on behalf of the competing institutions. We have a real problem with the administration of this act because so much has been left to the regulations.

If the minister would consult with each of the groups which compete with the banks in each of the fields which I have mentioned—car leasing, data processing, credit unions, trust companies and so on—to determine if their interests are protected by the Inspector General of Banks, he will find that there is a general feeling that on any given issue when the chips are down the regulatory bias exercised by the department will be practised in favour of the chartered banks rather than their competitors.

That situation has very serious implications because this act leaves a great deal to the discretion of the department and a great deal to the regulations. It has been at least ten years since the last revision and, God knows, it may be 13 years before this act is reviewed again. In that time a number of areas and regulations under this act will come to light, and the government's good faith will be on the line. I give the minister notice today that we will be looking very, very carefully at the regulations promulgated by the department, and that we intend to raise those regulations in question period and on other occasions in the House of Commons in order to see that the interests of people competing with the banks are protected and guaranteed in just as firm a manner as the Bank Act currently protects the banks.

I raised by way of Standing Order 43 the question of the relationship between a number of chartered banks and a

minister of the Crown in Nova Scotia. I did not do so because this matter was news to me. It was something of which I was made aware in the middle of the election campaign in January, 1980 by means of an anonymous letter. The letter was lengthy and detailed, and it indicated that the writer had some inside information which, in my view, had to be corroborated and investigated.

● (1600)

At that time I sent the contents of the letter to the Inspector General of Banks and asked him to carry out an investigation. Since then, there has also been an RCMP investigation. The results of that have not been made public, nor has the result of the investigation of the Inspector General of Banks. Even Mr. Thornhill's own statement in the Legislative Assembly of Nova Scotia shows why we need a Bank Act which is even more vigorous, even more concerned with the concept of fairness, and even more concerned with the ability of each and every citizen to see that he is treated as fairly as any other.

I shall not make any spectacular allegations this afternoon with respect to this case. I think the facts speak very loudly for themselves. As I understand them—and they have not been refuted to my knowledge—a minister of the Crown with substantial debts to a number of chartered banks, arranged, after his appointment, that rather than declare personal bankruptcy he would pay off the loans at a rate of 25 cents on the dollar.

Our concern with these allegations is that an arrangement was made with a minister of the Crown in Nova Scotia that is qualitatively different from the treatment of so many individuals by other banks in cities and towns across the country. Is this because banks respond to those people who they think have power and influence in our society, and they are prepared to respond to them in a way which, on the face of it, may seem very humane and fair?

One might ask why the banks should not try to extract their pound of flesh from someone, no matter what his station in life—why they should not try to come to a satisfactory arrangement. I do not quarrel with that, Mr. Speaker. All I am saying is that there are many other cases where the banks did not exercise their discretion fairly, did not decide to do things fairly, did not decide to treat the individual with some respect, did not give the individual a reason for calling in a demand loan, did not give the individual a chance before they decide to throw that person or business into receivership.

Since I became finance critic, Mr. Speaker, my office must receive up to five letters per week—and I am sure the minister receives far more—from individuals who feel they have been adversely affected by a decision of a bank, wanting to know why a bank has refused them a loan under this or that program, or why they are not given the same treatment as others.

Our economy is changing, Mr. Speaker, and so is our value system. This party wants to see a concept of fairness introduced into the economy so that there are some moral criteria there, that are generally acceptable to society. We want to see the requirements for justification in the field of industrial relations, for example, to extend to explanations by management as to why they decide to close a plant. We want a clear indication from this House, and from the people of Canada, that they do not want to see individuals laid off and treated like slabs of meat or commodities. Just as that is true of industrial relations and as it is true of the importance of the individual's rights at work, it is very important with respect to the relationship that people have with the chartered banks.

For this reason we have put forward amendments which have been rejected by the Liberal and Conservative parties, requiring far greater disclosure to the consumer than now exists, requiring that the banks explain and justify refusals for loans and give the right to an individual to take a bank to court, for example, if the bank decides that individual is not credit worthy, when he thinks that he is.

These are all new ideas, Mr. Speaker. Members on the other side of the House claim that they are not workable, but that is what they say every time we advance an inch toward greater rights for the individual. Every piece of consumer protection legislation has been resisted by people who say, "Don't get into the marketplace; the marketplace is the perfect determinant of everything that takes place out there." We know that is not true, Mr. Speaker. The marketplace does not work. It does not always protect the consumer. The gullible consumer can be fooled by advertising that is untrue.

Similarly, Mr. Speaker, we have not just demanded a requirement for fairness and a requirement for justification. We have demanded, and have been refused, that instead of playing a shell game with no real control over interest rates charged by banks or how much the banks will allocate to small business, how much to large business and how much to consumers, that the banks decide whether so and so is creditworthy that they decide whether smaller businesses shall pay a higher rate than larger businesses, that these things must be regulated and controlled. We must move toward a system of greater planning and control in this sector as in all others.

It seems to us to be quite logical that in an industry that has assets—according to figures issued last summer—of $256 billion, where the 1979 assets of the Big Five chartered banks amounted to $206 billion, that there must be a great deal of regulation. When five institutions control $206 billion worth of assets in Canada and outside, there must be more than a few people in the office of the Inspector General of Banks who have a cosy, old boy network relationship with the financial institutions who call up on a regular basis to find out what is going on and so forth. These issues transcend the relaxed, folksy way whereby we now control what is going on.

Chartered banks make loans of hundreds of millions of dollars in individual cases that affect the whole economy of the country. The Massey-Ferguson example shows the relationship between finance capital and industrial capital.

There is no requirement in the Bank Act for disclosure of the amount of such loans or for a greater degree of investment consultation and planning between government and the huge chartered banks. It is all done on a very casual basis with the

assumption that the government is not interested in planning what the banks' investments will be.

In this Parliament we have less knowledge, less control—the Inspector General has but he is not required to share his knowledge—than is at present required in the United States. I will give an example which I hope will become the subject of further discussion. In many cases we have to go to the United States to find out which of our banks is involved in a syndicated loan in foreign countries.

We do not know, for example, whether the Bank of Nova Scotia or the Bank of Montreal may be involved in a syndicated loan in Uruguay, a country where political repression is a way of life and where hundreds of thousands of people have become refugees because of the political policies of their government, and where the trade union movement has been crushed. We want to know whether these things are going on or whether the Bank of Nova Scotia, the Bank of Montreal, or any other bank is involved. We cannot find this out. We cannot find out if we are a shareholder or are not a shareholder. The only way to find out is if an American state has laws which are more strict than we have in Canada, and many do. We need to go that route to find out whether there are Canadian banks heavily involved in South Africa, South West Africa, or in global financing.

● (1610)

When 35 per cent of the assets of the $256 billion are foreign currency assets, you have a very sizeable political and economic problem on your hands. We are no longer dealing with the Bytown Market or the local corner store. We are dealing with institutions which, at the stroke of a pen, can make or break governments. We are dealing with decisions on whether to go ahead with six or 12-month loans, or whether to extend credit for another one or two years to many foreign governments. These decisions have dramatic impact on the civil rights of individuals in countries as well as on the economic rights and economic future of those countries.

For the next ten or 12 years we will be living in comparative darkness. We are going to be in a situation where it will continue to be a matter of discreet telephone calls between the minister of finance and the president of a bank to find out whether he is really over-extended in Iran. It will be matter of a cosy conversation at the Chateau Grill between the Inspector General of Banks and one of the bank presidents so that he will know whether there are extensive activities going on in Argentina, Vietnam, Thailand, India or anywhere else, or whether that bank is up to its ears in a project in Canada which may be in trouble.

Lord knows that this year we have seen two of our most impregnable industrial companies faced with tremendous financing problems. We simply do not have the information which we are entitled to have with regard to the level of obligation of the banks and the nature of their activities with respect to Massey-Ferguson and Chrysler.

This is really a kind of horse and buggy Bank Act. It is based on a theory of the economy which, while it may be quaint and has a certain intellectual coherence about it, bears no relationship to what is going on in the real world. We have a Bank Act which continues to put consumers, small businessmen, farmers, and anyone else who has to borrow from or lend money to a bank, in a position of being second-class citizens. We do not have an element of perfectly free information and discussion on what are the banks' decisions regarding the future.

We have a government which, for example, has refused change on a matter of ideology. That is why I call it the Liberal-Conservative Bank Act. It is all of a piece. They refuse, as a matter of principle, even to allow the possibility of one of our provincial governments or of the federal government forming a Crown bank. It said, "No, no, we cannot get into the banking business, that is much too revolutionary an activity, we cannot get involved in that and we cannot interfere with the perfection of the marketplace."

I cannot imagine a more ideological position than the one taken by the Liberal-Conservative party with respect to the Bank Act. It is all of a piece. It makes perfect sense when you consider it from the point of view of institutions whose history goes back in Canada hundreds of years. It is all of a piece when you look at the people who own the shares who control the banks. It is all of a piece when you look at who those people are and what their interlocking network is in the whole economy. It is all of a piece when you consider the fact that the directors of the five largest chartered banks have, in effect, a controlling web of interest across the great concentrated areas of the Canadian economy. Look at the mining sector, the pulp and paper sector, and the manufacturing sector.

You will see it as all of a piece when there is a consistent policy in the Bank Act to protect the interests of those chartered banks, and everybody else comes in at the end as an addendum. The government came in at the last minute and made a concession regarding the car dealerships. The minister shakes his head. It was a last minute thought, for the simple reason that it was not until these amendments were brought in here on second reading and the information was provided in this House, until it was raised in committee, that the minister even considered changing the act.

It was not until the minister had the amendments in black and white which we put forward last spring on consumer protection that he was prepared to look at those things. There was nothing in the Bank Act before that. The Liberal-Conservative party had their first, second, and third look at it. They had four years to look at this. None of this was in the act. It was not in the act until it was raised in this House by our party. It is hard fact, and it is hard for the other parties to accept it.

Mr. Bussières: It is an NDP Bank Act.

Mr. Rae: The minister says it is an NDP Bank Act. The amendments are NDP amendments. The rest of the Bank Act is yours, and you can have it. We will vote for the amendments and you can have the rest of the act.

When you make a decision to pass the kind of act which has been passed, and which we will not be able to review for 15 years, your philosophy, what you believe about the economy, think about the world and think about our financial institutions, suddenly becomes perfectly clear. If anything has become clear, it is with respect to the fundamental principles of how our financial system is going to work, who is going to benefit, who it is going to protect, who it will not benefit and who it will not protect.

Nothing could be more clear than what we have seen in this Bank Act. The two old line parties, the Liberal-Conservative party, the two wings of despair of the old order which is dying, are ready to have this Bank Act take the place of the previous one.

Before the next ten-year review of the Bank Act, we will continue to point out what we feel is wrong with the Bank Act. It does not take into account the needs and real interests of consumers. It ignores the real problems of small business, the problems of increasing competition and breaking the deadlock of the interlocking directorates and the deadlock they have on the whole of the economy. The government has sanctioned for another ten years the continuation of the old boy network in our banking system, the control over the banking system and our way of inspecting and taking hold of that financial system.

I want the minister to know that we are going to be around until the next review. We will not go away. The fact that the Bank Act has now got through does not mean we are suddenly going to stop being vigilant. I am not making this as an ideological statement. Time will tell whether the interests of consumers have been protected and whether the introduction of foreign banks in the way it has been done by the government will, in fact, increase competition in the Canadian banking sector. Time will tell whether this will further the erosion of our control over the economy, or increase it. Only time will tell, but I think it is important for the government to know and recognize that it has simply looked to the past and not to the future and to the future investment needs of the Canadian economy.

● (1620)

What would the alternative be? In our view it would be a very different kind of Bank Act which would recognize the central role of the public sector in the allocation of investment and in directing the future of our economy. It would recognize the fact that regaining control of our economy and our capital markets is one of the most central things we have to do. We cannot have an industrial strategy without having a strategy for investment. On the other hand, consumers, small business people, farmers and others desperately need protection, and they are not getting it. It must be written into the act. These people must have rights which are hard, and which they can take with them to court. We have not provided those rights, and I think we are making a mistake.

Finally, we should have an act which would call for greater information and require the banks to tell us exactly what they are doing. I therefore move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That Bill C-6, an act to revise the Bank Act, to amend the Quebec Savings Banks Act and the Bank of Canada Act, to establish the Canadian Payments Association and to amend other acts in consequence thereof, be not now read a third time, but that it be referred back to the Standing Committee on Finance, Trade and Economic Affairs for the purpose of reconsidering clause 2 with respect to the proposed section 222 at page 246 of the said bill.

If I may just explain it briefly, the purpose of this amendment is with respect to the disclosure of the foreign activities of our banks. The minister should not be surprised by this amendment because I have said to him many times that this is one item which has never been satisfactorily explained by the government. There has never been an indication as to why it should not be possible for the Canadian depositor to know whether his deposits are being used to sanction repression in South Africa, South America and in other parts of the world, whether his interests are being protected, and whether the policies of the banks are those he wants to follow.

That seems to me an entirely reasonable request, an entirely sensible request, and a very necessary one if we are to recognize the reality that with their current size and power the banks are acting in a sense as agents of the west with respect to many items of economic policy, and it seems to us essential that these be matters of public information.

Mr. David Kilgour (Edmonton-Strathcona): Mr. Speaker, I would like to speak about the main motion and to indicate my disapproval of the amendment. I will not be speaking for very long, but in giving what will be a fairly philosophical discussion of some of the points before the House today I might begin with what I consider to be a humorous quotation from an unlikely source called "Webster's Unafraid Dictionary" which, in defining a bank, says, and I quote:

An institution that urges you to save as much as possible of what you earn and urges you to borrow as much money as you can spend so you can spend more than you make.

There are so many humorous definitions of banking that I suppose all of us know at least 20 of them. The one I like best is that banks will lend you money if you can prove three times over that you do not need it.

I will be raising some philosophic points. I welcome things which I consider to be correct, and I will welcome corrections from any source, including members of the New Democratic Party even if, as I have said before, in the ranks of the New Democratic Party it is a good business deal for the west to give up what section 109 of the BNA Act guarantees it, namely, control and ownership of its natural resources, in favour of a measure of control subject to "federal paramountcy".

I think it is clear from the amendment that the New Democractic Party just does not like banks. It certainly does not like private business. I think it has been demonstrated around the world that socialists in this country and others basically would like to do away with privately owned banks as they would like to do away with privately owned anything, despite the fact that they do not usually admit it in matters

like this because they like to show their warm smiles instead of, as I put it, their fangs, toward private industry.

The first point I would like to raise is the question of members of Parliament and the Canadian Bankers' Association. It was pointed out recently that information with regard to where each and every member of this House banks is supplied to the Canadian Bankers' Association. The provision of this information enables banks to use it in whatever manner. I strongly recommend publicly that the banks cease and desist from this practice. I think it is altogether foreign to a free society and brings banks into general disrepute amongst people who are acquainted with the practice. I understand that the practice has been stopped, but I hope it will be buried away and never see the light of day from now until the end of the New Democratic Party.

The second point I might raise is the question of branch banking versus unit banking. Mr. Speaker, you may not be aware of the fact that in Canada there are, I suppose, 12 or 13 banks, and literally thousands and thousands of branches, whereas in the United States prior to the depression I believe there were 32,000 separately chartered banks. I think the figure now is 16,000 banks. In some states a bank cannot have more than one branch.

The point of the American banking system is that people who live in the community hopefully own the banks in the community. In some cases that is required by law. People who are in the community believe in the community, invest in the community, and lend money in the community. I think it is fairly well known that under our banking system all too often people are moved out of a particular branch after two or three years and sent to the other end of the country. I submit that that aspect of branch banking is harmful.

You may be wondering, Mr. Speaker, whether we should abolish the branch banking system and replace it with another system. I am not, of course, saying that. Many thousands of Canadians work in our banking system. No one, other than someone who is totally ideological, would want to get rid of the jobs of many thousands of Canadians. However, I suggest that it might be wise the next time we are revising the Bank Act to consider providing for more banks and for more locally owned, locally-operated and locally-dependent banks.

The third matter is the question of anti-trust factors. I would probably agree with my friends in the New Democratic Party that banks in Canada far too often act as agents of the crushing of competition or the creation of more mergers in Canada. The recent example of the Bank of Nova Scotia offering to lend money to the Campeau Corporation for taking over Royal Trustco is just one of many.

I think hon. members on this side of the House believe that dispersion of economic power is the best thing for our society, and if we have bigger and bigger units of public or private power, in the long run, I respectfully submit, we would end up with a society with possibly two or three banks, all subject to the control of fewer and fewer individuals. In my view that is one of the great arguments for having a strong competition policy, and I hope the Minister of Consumer and Corporate Affairs (Mr. Ouellet) will have the courage to bring one in before much longer. We have been waiting too long.

I doubt if many members know that in the 1912 presidential election in the United States one of the candidates for president, Teddy Roosevelt, took the view that bigness cannot be stopped but that it just has to be regulated. His opponent, Mr. Wilson, took the view that the United States was built on free and open competition and that, as far as he was concerned, there should be anti-trust laws and an attempt to keep enterprises small and competitive. I think we all know that Mr. Wilson won that election and since that time the United States has had a more or less strong anti-trust policy and Canada has had none. In other words, we are about 70 years behind the United States in terms of having a viable anti-trust policy. As I indicated, the banks form an integral part of that policy, and it is one which this Bank Act and previous bank acts do not deal with adequately, in my view.

• (1630)

I believe that the Royal Bank now has assets amounting to $60 billion. That is just about what hon. members opposite want to spend next year as the total government budget. It seems to me that in a society like ours it would be better to have ten banks each having $6 billion than to have one bank with such enormous assets.

Another matter which I hesitate to bring out, and again I would be happy to be contradicted by anyone in this House or beyond it, is that until a few years ago the Royal Bank of Canada, I am told, would not accept a legal opinion on a matter of Quebec law from French-speaking lawyers in that province. If that is the case, I find that to be atrocious, and I hope they will change their policy and accept such opinions in the province of Quebec.

On the same subject I should like to raise the question of the Bank of Montreal which, as we all know, was founded in 1817. I am told that at that time the bank had one Francophone member on its management team. Again I would be happy to be contradicted. I understand that as of today, 1980, there are two Francophones on the bank's management committee. To me that is a deplorable situation as regards two banks, the head offices of which are in the province of Quebec.

I am saying that the banking system in Canada—here I think even the hon. member for Winnipeg North Centre (Mr. Knowles) would agree—took great pride during the depression in the fact that not one of the banks had defaulted or gone bankrupt. What they do not tell you is that thousands and thousands of people across the country, and certainly in my part of western Canada, were foreclosed upon by the same banks which took such great pride in the fact that not one of them, unlike their counterparts in the U.S., went bankrupt. I do not know if that is as much a matter of pride for Canadian banks as it might be a matter of considerable shame that they did not make more of an effort to help more farmers in western Canada or more small businessmen in the maritimes during the depression.

Now I should like to deal specifically with clause 178 of Bill C-6 which revises section 88 of the Bank Act. My understanding of that clause is that it gives beef producers in western Canada the right to sell their livestock to a packing plant and it gives them protection up to, but only up to, $100,000. After that point, if there is a default or bankruptcy by the packing plant, these basically small producers can have their entire life savings lost in the bankruptcy courts. As a western person who is involved in a small way in the cattle business, I should like to speak against the wording of clause 178 as it stands now. I do not think it gives sufficient protection to the beef producers in western Canada and elsewhere. The hon. member for Medicine Hat (Mr. Hargrave) will speak with far more expertise on that clause than I can.

Reference was made earlier to the energy policy and to what it would do to various people in western Canada. Let me point out, to any member who has not seen it an ad which appeared in yesterday's *Globe and Mail*, put in by the Independent Petroleum Association of Canada which describes itself as being "the voice of the Canadian owned petroleum companies". It says about itself:

Two hundred members are oil and gas exploration companies. Two hundred and forty additional members provide essential services to the petroleum industry.

They make the following points about the energy policy which will affect banks, which will probably affect everyone in my riding one way or another, and which will affect many people in western Canada and ultimately in eastern Canada. In this advertisement they are addressing the Minister of Energy, Mines and Ressources (Mr. Lalonde) when they say:

It will make Canadians more dependent on expensive, insecure foreign oil. It will cost Canadians more for gasoline and heating oil in the long run.

It will delay essential frontier exploration, oil sands plants and heavy oil development. It will cost thousands of jobs that could be created by the oil industry across Canada. Canada must achieve oil self-sufficiency. We are the companies your program was supposed to help—

I emphasize this.

—the independent Canadian companies. It doesn't help us—it has stopped us in our tracks. We urge you to reconsider this program for the good of all Canadians.

Those are simply some of the points which I mentioned which are somewhat philosophical. Thank you for your consideration, Mr. Speaker.

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

Mr. Murray Cardiff (Huron-Bruce): Mr. Speaker, I should like to speak on just one or two areas, on which the hon. member who preceded me just spoke, with regard to the protection of products of the soil. I understand that the hon. member for Medicine Hat (Mr. Hargrave) will also be speaking on this subject later. I certainly support the addition of two words to this clause to support the marketing of products of the soil.

Now I should like to speak on the leasing provisions in the Bank Act. This seems to be an area that is left open and unclear. I think it would be fair to ask for a clarification of that part of the bill. I believe that the door has been left open in these provisions. However, we do not want to stifle competition, and we want to be fair. Changes have been made to the bill since it left the committee. Perhaps now that the minister is back I could ask him to clarify for me what the provision means. It reads:

a motor vehicle means a motorized vehicle designed to be used primarily on a public highway for the transportation of persons or things but does not include

(a) a fire engine, bus, ambulance or utility truck; or

(b) any other special purpose motor vehicle

that contains significant special features that make it suitable for a specific purpose and that is manufactured by a person other than the vehicle manufacturer who manufactured the basic chassis.

I think we can go to almost any dealer or company involved in leasing and order a cab and chassis of whatever style of body we would wish designed for a specific purpose. It could be a chassis and cab which would have a grain body on it with grain gates in the back, designed for that specific purpose. It could be a livestock vehicle with the same type of body but designed for hauling livestock, or it could be a small single axle, single wheel truck which could have a utility body accompanying that chassis and cab for an electrician, or for Bell Canada. I am thinking of Bell Canada trucks. I would appreciate clarification as to the specific vehicle we are talking about. It seems to me we could take almost any type of chassis and cab, do whatever we wish with that truck, and it would be capable of being leased through the banking association.

● (1640)

I said I would not be very long. I would appreciate it very much if the minister would answer those questions.

Mr. Bert Hargrave (Medicine Hat): Mr. Speaker, I rise in this debate on third reading because of a keen interest in specific parts of Bill C-6 which I should like to discuss briefly. I begin by saying that this is my first occasion to participate in the formal debate on the revision of the Bank Act, other than attendance and participation in the work of the Standing Committee on Finance, Trade and Economic Affairs during its session last spring.

Agricultural concerns have not been pursued seriously during all previous attempts to amend the Bank Act over the last three to four years. Over that period those of us who are keenly interested in the agricultural sector were disappointed that agricultural concerns were perhaps not as well advanced as they might have been. In fact, no progress was made concerning any agriculture-oriented amendments over those three or four years. However, at third reading stage it is appropriate to acknowledge the fine understanding and co-operation of all members of the Standing Committee on Finance, Trade and Economic Affairs which I experienced when I joined the committee for a few very special meetings.

Since the Minister of State for Finance (Mr. Bussières) included a government amendment to deal with what has become known as the "cattlemen's amendment", I wish to make a few comments about it. Last spring when the standing committee began its deliberations on Bill C-6, it was obvious

that the concerns and interests of cattlemen had to be more actively pursued in committee by a member who was personally involved and dedicated to the total Canadian beef cattle industry. During my eight years in Parliament that particular assignment has been my principal responsibility. In this pursuit I was genuinely welcomed and made "at home" by various long-standing committee members from all parties. I appreciate that very much.

Indeed I would be remiss if I did not acknowledge the understanding and patience of the chairman of that committee, the hon. member for Sarnia (Mr. Cullen). I first became acquainted with the hon. gentleman during the sittings of the committee which was considering special trends in food costs a number of years ago when he was its first and only chairman. I participated in that committee later on in its deliberations because it obviously did not have enough members representing agricultural producers. In addition, I appreciate the willingness of all members of that committee to listen to my arguments about the cattle industry as they relate to the Bank Act.

In particular, I mention the Parliamentary Secretary to the Deputy Prime Minister and Minister of Finance (Mr. Evans) and the wisdom and understanding of the hon. member for Lincoln (Mr. Mackasey). I must say I enjoyed his comments throughout the many meetings of that committee. Also I might mention the patience of the Minister of State for Finance in listening to the cattlemen's comments at those meetings. I would also mention the contributions of the hon. member for Edmonton West (Mr. Lambert). I should like to acknowledge the solid support of my fellow agricultural members on that committee—the hon. member for Lambton-Middlesex (Mr. Ferguson) and the hon. member for London-Middlesex (Mr. Bloomfield). These gentlemen have a very clear appreciation of the position of agricultural producers, especially those in the cattle industry.

During my attendance in committee I was involved in only two aspects of Bill C-6. The first was the automotive leasing sections as they related to chartered banks. I do not propose to comment further on that subject at this stage, since that portion of the bill has been covered in great depth and detail by many hon. members. I do not intend to add anything, though, of course, I made a comment or two during the committee consideration.

The second aspect is the "cattlemen's amendment" which to my mind was the most important subject. It is covered by two references in the bill, the first being under the marginal heading on pages seven and eight of the bill entitled: "Products of agriculture". This is a long overdue change in the definitions. Finally this clause includes the term "livestock" as a product of agriculture. I think it is incredible that livestock was not officially designated by definition as a product of agriculture up until now. Clause 2.(1)(b) reads as follows:

> honey, livestock (whether alive or dead), dairy products, eggs and all other indirect products of the soil.

This clarification under "Definitions" is long overdue and very, very welcome. No further comment is necessary at this time.

The second reference to the "cattlemen's amendment" can be found on page 188 opposite the marginal notation "Priority of wages and money owing for perishable agricultural products". I particularly refer to clause 178(6)(b), subsections (i) and (ii) which deal with third party claims such as those by meatpackers and processors who have been able to use farm products which were procured, but not purchased, as security for their operating loans. The new act will allow a priority exemption indexed to the cost of production index from year to year, so that the upper limit of priority will grow with the change in circumstances. I want to emphasize that this is a big improvement over the old upper limit, which was $7500; using this indexing formula it now works out to about $100,000. That is indeed a significant improvement. Initially the cattlemen felt strongly that there should be an open-ended approach to this priority rating. They felt there should be no limitation whatsoever. While we reluctantly agreed to this approach I think it is fair to say that there was some unhappiness in the cattle industry as a result of settling for this.

● (1650)

I wish to refer now to section 6(b), the "Priority of wages and money owing for perishable agricultural products" section. It has already been referred to in debate and it says:

> (b) claims of a grower or producer of products of agriculture for money owing by a manufacturer to the grower or producer for such products that were grown or produced by him on land owned or leased by him and that were delivered to the manufacturer during the period of six months next preceding the making of such order or assignment—

The point I wish to make and which I feel very strongly about is that while this is indeed an improvement over the old act, which has been very beneficial to the whole industry, there was a technical omission of just three words in the section I have just read. The three words which should be inserted, in my view, following the words "claims of a grower or producer" are "or his agent". Those words should be added. I ask the Parliamentary Secretary to the Minister of Finance to give serious consideration adding those words to this amendment which presumably will be agreed to. This was put forward by the government during the various discussions in the committee stage. I think there is no question that if those words are not included there there will be some hesitation on the part of country auction and commission firms who deal by word of mouth over the telephone and who make deals involving millions of dollars on behalf of cattle producers in particular. I think the phrase "or his agent" should be included as a technical amendment to the government amendment to which I have referred.

The cattle industry has been very understanding over the years despite serious losses suffered by cattle producers. The ones I remember best are bankruptcies of food processors, the bankruptcy of a packing plant in Ontario and another in western Canada, cases in which the producers' product—cattle—was held as security by the banks. This was used by

packing companies or processors as security for operating loans before the cattle were ever settled for. I repeat, if that addition could be made to this section of Bill C-6 it would be a vast improvement.

That is all I wish to add at this time, Mr. Speaker.

Mr. Charles Mayer (Portage-Marquette): Mr. Speaker, it is a pleasure for me to rise this afternoon and take part in this debate on Bill C-6, which is to amend the Bank Act.

Like the previous speaker, my hon. friend from Medicine Hat (Mr. Hargrave), I have been involved for a good part of my life in the livestock business in western Canada. It is with this in mind that I take this opportunity to call attention to what I believe to be some problems with the act and which I think are relative to what the hon. member for Medicine Hat has just been saying.

I must say this is the first time I have had the opportunity to speak formally in the House since we returned this fall. There are two or three things that need to be said about the bill before us. The first is that I am glad to see that the definition has been changed so that livestock products are included and treated in the same as direct products of the soil and dairy products. I think the case can be made that livestock products should have been treated differently previously. For a great many producers livestock products are marketed over a very short period of time during the year. For instance, in the cattle business you will find that there are a lot of producers who only have an opportunity to market their product once a year. I imagine this is because of the physiological nature of the cow. It is very important that when sales take place the process the producers goes through to market that animal is fiscally and financially sound.

Under the previous definition livestock products were treated differently from direct products of the soil or dairy products. I feel the point needs to be made that direct products of the soil can be stored for longer periods of time than livestock products. Dairy products are marketed on a day to day basis, as are many of the direct products of the soil. If a financial problem arises it would be hard to conceive of a producer suffering a loss that would involve his full year's work, whereas in the livestock industry a man who raises calves and markets his animals once a year could find himself in the position of marketing a full year's work. If it turned out that he was unfortunate enough to do it at a time when the institution he was dealing with was having financial problems he could find himself out of pocket for the full year's work. I do not think that is a situation dairy producers and producers of products of the soil would find themselves in.

I would like to elaborate on the reason we think the insertion of the three words "or his agent" into this act is so necessary. To appreciate the importance of this one must understand the nature of the marketing process that livestock people follow to market their cattle. Most people are involved in one way or another with professionals in the marketing of their animals. There are bonded commission agents who operate out of the public stockyards. There are people who market cattle directly to packing houses on a commission basis. These people perform that service to a high degree of efficiency. It is their business. They are knowledgeable as to what the market is doing and producers over the years have come to rely on their advice. When this happens, the people who are in a position to offer advice are sometimes in a position also to take control of the cattle from the producer's feed lot, or pasture, or farm, look after the marketing, and send the producer his cheque. In that case the agent technically becomes an agent of the producer.

I think that if those three words are not inserted a loophole could be left and the correction we are trying to make in this bill would not be achieved. If a producer does choose to make use of an agent to market his cattle and that agent, through some technicality in the act, is judged not to be the producer, the producer could again be the loser. In order to understand the significance of this point I think it important that people understand the process that cattle go through—and this applies to pork as well.

• (1700)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Ethier): It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Portage-Marquette (Mr. Mayer)—Canadian Wheat Board—Compensation for farmers due to embargo on shipments to U.S.S.R.; the hon. member for Peterborough (Mr. Domm)—Grievances of Cornwall employees—Government consideration thereof; the hon. member for Skeena (Mr. Fulton)—Environmental Affairs—Toxic chemicals spill on west coast.

[*Translation*]

It being five o'clock, the House will now proceed to the consideration of private members' business as listed on today's order paper, namely public bills, private bills, notices of motions.

PRIVATE MEMBERS' PUBLIC BILLS

The Acting Speaker (Mr. Ethier): Shall order No. 6 in the name of the hon. member for Regina West (Mr. Benjamin) stand?

Some hon. Members: Stand.

The Acting Speaker (Mr. Ethier): Stand by unanimous consent. Shall order No. 12 in the name of the hon. member for Notre-Dame-de-Grâce (Mr. Allmand) stand?

Some hon. Members: Stand.

The Acting Speaker (Mr. Ethier): Stand by unanimous consent.

* * *

[*English*]

CRIMINAL CODE

AMENDMENT TO REMOVE LOOPHOLES AND REPEAL SECTION ALLOWING THERAPEUTIC ABORTION COMMITTEES

Mr. Bill McKnight (Kindersley-Lloydminster) moved that Bill C-216, to amend the Criminal Code (Abortion), be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

He said: Mr. Speaker, I would like to thank the hon. member for Fraser Valley East (Mr. Patterson) for seconding my motion. I welcome the opportunity to stand in the House this afternoon on my private member's bill. I feel that the ability of a member to present a bill for discussion in this House is in the true form of democratic Parliament. Such a bill represents the feelings of individuals rather than those of political parties whether they be in opposition or in government.

Bill C-216 is simple and straightforward. Its intention is to erase the loophole which literally permits abortion on demand and to ensure that the unborn child receives the full protection of the law and to repeal the section of the Criminal Code which allows therapeutic abortion committees to be formed.

Although the issue of abortion is emotional, it is one upon which we cannot be silent. Since the abortion law was put in place 11 years ago, over 450,000 innocent children, human beings, have been killed. We cannot be shrill or strident; we must be rational and have certain expectations of the people of Canada. In each and every one of us there is the emotion to recognize humanity. Humanity has many definitions. The definition which I in my own mind and conscience accept is that of a human being, whether it be a human being outside the womb or a human being in the womb.

I was first elected to this Parliament in 1979, the year of the child. That year was so designated by the United Nations to commemorate the signing of the UN declaration on the rights of children some 20 years earlier. In 1959 the United Nations adopted the declaration of the rights of the child based on the following preamble:

> Whereas a child, by reason of his physical and mental immaturity needs special safeguards and care, including appropriate legal protection before, as well as after, birth—

At the time the Government of Canada was a signatory to the declaration to the rights of the child. Just 11 years ago, Canada passed legislation to deny the existence of rights for unborn children. In 1969 the Criminal Code was amended and passed. Section 251 permitted an accredited hospital therapeutic abortion committee to allow an abortion when the continuation of the woman's pregnancy would "be likely to endanger her life or health".

Anyone reading the debates of Parliament at the time would clearly understand that the new law was meant to be applied only in cases of medical need. The then minister of justice, the Hon. John Turner, who introduced the legislation, said during third reading:

> This bill has rejected the eugenic, sociological or criminal offence reasons for abortion. The bill limits the possibility of therapeutic abortions to these circumstances. It is to be performed by a medical practitioner who is supported by a therapeutic abortion committee of medical practitioners in a certified or approved hospital, and the abortion is to be performed only when the health or the life of the mother is in danger.

That quotation can be found in the *Hansard* of May 6 of that year at page 8397. At the time of that vote, the government of the day, much, I am sure, to the resistance and sorrow of many of its members, forced hon. members to vote—and I know some of them—against their conscience in order to pass the bill. In other words, in 1969 Parliament amended the legislation on the understanding that abortion was to be performed only when the health and the life of the mother was endangered. At that time the government of the day and this Parliament, though it was asked, in fact, did not take the time—perhaps it did not feel the matter was important enough—to define the word "health" in all its meanings.

Since the bill was passed, its meaning has changed greatly. Many people thought they were protecting the life of the mother, but that is not the case. In 1970, one year after the law was passed, there were 11,152 recorded abortions in Canada. In 1978, the latest year for which figures were available, there were 62,290 recorded abortions in Canada. It strains the credibility of anyone in this House or in Canada to assume that the state of health and danger to life of pregnant women was six times worse in 1978 than in 1970, yet there were six times as many abortions. Right now, for every six children born, one is killed by abortion. In other words, there is a loophole in the abortion law which gives Canadian unborn children no legal rights.

I contend that the insertion of the word "health" in section 251 of the Criminal Code provided such a loophole that the primary intent of the legislation has been so distorted that it should not be taken as fact. The interpretation of the word "health" is so vast and diverse that it makes a mockery of the law passed by Parliament. The definition of health used in this country comes from the World Health Organization, which states:

> Health is a state of complete physical, mental and social well-being and not merely the absence of disease or infirmity.

I do not believe that health, as it is regarded in the present abortion law, should be interpreted so loosely. The present law protects women in cases of dangerous medical risk from pregnancy, but the vast majority of the abortions being performed are an attempt to cope with social problems. Abortion has become a necessary, cold-blooded medical service available on demand. There is a serious social problem and it warrants the attention and the response of all hon. members and all Canadians.

Surely we must agree that abortion should not be used as a method to solve this problem. To use abortion in this way only brutalizes and dehumanizes our society. Whether one views life as a gift of God or as an entity to be cherished with wonder in our universe, Canada's abortion laws are removing this right to life, and it is nothing but a condemnation of each and every one of us.

The purpose of my bill is to insert an amendment in the Criminal Code which would remove these loopholes which permit wholesale murder based on social expediency. My bill would allow a qualified medical doctor in an accredited hospital to abort or procure the miscarriage of any woman in order to prevent her death, not for any socioeconomic reason or for purposes of expediency. On November 11 we were reminded of the holocausts of World War I and World War II, when life in some minds became very cheap. This is not what we would expect from a civilized country. This is something we must change. If we do not advance in this way we cannot be truly civilized.

• (1710)

The other portion of the amendment contained in my bill is the repeal of the provisions in the Criminal Code which permit the establishment of therapeutic abortion committees. The 1969 provision did not, and does not, require the setting up of the therapeutic abortion committees in accredited hospitals, it merely sets down the procedure in the instance that this option is undertaken. Abortion provisions are contained in the Criminal Code and thus are a matter of federal jurisdiction. However, hospitals come under provincial jurisdiction and that is where the administration and control lies.

I would simply say that these committees have not worked, Mr. Speaker. The issue of abortion is a moral one, not a political one. When people run for election to hospital boards, whether they be classed as anti-abortion or pro-abortion, then the matter becomes political. But abortion is a question of civil rights. The unborn child has a right to life; a civil right to life. It is up to the state, to the federal government, to this House of Commons to protect and honour the right of the unborn child.

We have been discussing the constitutional resolution in this House, Mr. Speaker. Will the right to life in that resolution deem that section 251 of the Criminal Code is ultra vires? Will it honour the intent of this bill and, if so, will it specifically honour the pregnant woman's right to life if her life has been deemed in medical danger?

As a member of Parliament, I believe I am elected to serve my constituents. This past summer I surveyed my constituents asking their views and seeking their input on the abortion laws in Canada. The majority of the response indicated that abortion should be permitted only to prevent the death of a mother.

Pro-life groups in Canada have often been referred to as the silent majority, Mr. Speaker. I would submit to you that there is no such thing as a silent majority; only governments that are deaf and refuse to hear the cry of the populace. I hope that regardless of political affiliation, hon. members will send this bill to committee for further study. I shall not take all the time allotted to me, Mr. Speaker, so that we may hear from my hon. friends and colleagues in the other parties. I know that the hon. member for Saskatoon East (Mr. Ogle), the hon. member for London-Middlesex (Mr. Bloomfield) and others would like to express their views and concerns on this matter.

Some hon. Members: Hear, hear!

Mrs. Margaret Mitchell (Vancouver East): Mr. Speaker, I rise, as a I did one year ago on November 30, to speak on this very important question of abortion and changes to the Criminal Code. I believe the changes suggested to the act would be regressive and discriminatory toward women by preventing them from having the right to choose what is right for them and their families in their particular circumstances.

I should like to make one point very clear at the beginning. The New Democratic Party does not sanction abortion as a method of birth control. Along with the hon. member, we deplore the increasing need for women to seek abortions. In most cases this is caused by the stresses of today's society, increasing poverty, the lack of stable family relations and, often, of stable marital relations; the extreme youth of many mothers—and I shall come to that in a moment—the health problems that are often involved, and economic insecurity.

The New Democratic Party believes that it is much better to prevent an unwanted pregnancy than for a woman to be forced to bear an unwanted child which she cannot care for or which may be neglected or even abused in later years. It is far better to prevent an unwanted pregnancy than to decide to have an abortion. Believe me, Mr. Speaker, abortion is rarely a consideration if a woman and her partners have a stable relationship and the means to care for their child.

I believe it is also far better to prevent an unwanted pregnancy than it is for unwanted children to be born and then given up for continuing changes of foster homes. This is happening frequently today and there is considerable evidence that children may be damaged by constant changes and feelings of abandonment, no matter how caring many foster homes may be.

Prevention, of course, starts with a loving relationship and adequate sex information in the home. Parents who provide relaxed, honest answers about procreation, human relations and sexual development, are preparing their child for mature relationships later in life. Preparation, as we all know, starts with pre-schoolers, the information increasing as the child reaches puberty.

It is also important that schools take a positive attitude toward teaching human growth and development, including positive family life education for both girls and boys. Early training must demonstrate the importance of love and caring, respect for others and for one's self.

Unwanted pregnancies will not be prevented if we do not deal realistically with what is happening with youth today. Despite family standards, the mores and desires of parents who care very much for their children, it is a fact of life that in today's society things have changed completely from the way

they were in our youth. Sexual experimentation often starts between children, and intercourse is common in early teenage years. Indeed, we know there is increasing evidence of teenage prostitution involving both boys and girls and very young teenagers on the streets today. Increasing numbers of young people view this as a means of getting money, something which is only possible, Mr. Speaker, because of the demands of adults who seek this service.

There is an alarming increase in the number of children under age 15 who are becoming parents. I would like to quote from the *Vancouver Sun* of October 14 which ran an article on this subject. It begins as follows:

A report on teenage pregnancy and parenthood in B.C. reveals an alarming increase in pregnancies among girls age 14 and younger—

—it urges the development of more school and community programs to prevent unwanted pregnancies—

'—a 33 per cent increase in the rate of pregnancies for girls 14 years old and younger has occurred in British Columbia over the past seven years '—

The increase in pregnancies among young teenagers coincides with a marked decrease in the number of children given up for adoption. The report found more than half of the teenagers giving birth in B.C. are unmarried, and 75 to 80 per cent of teenage mothers now decide to keep their babies—

Deaths from complications of pregnancy are 60 per cent higher for girls under 15 than for women in their 20s—

The death rate for infants in B.C . . . for the babies of 15-year olds was 26.1 . . . babies of mothers 16 and younger are more likely to be mentally retarded or have brain and nervous disorders.

A recent study of 79 teenage mothers in Vancouver revealed that 80 per cent had not finished high school and nearly 23 per cent had Grade 8 or less—

The death rate of preschoolers of teenage mothers was 41 per cent above average—

This shows how difficult it is for young mothers to care for babies. The article decries the attitude that giving services to these girls is seen as a reward for their misdemeanor:

'As a result, they're condemned to a life of isolation and poverty'.

● (1720)

Dr. Tonkin was quoted as saying he found 87 per cent of teenage pregnancies are unplanned and unwanted. He further said:

B.C.'s high teenage abortion rate of 106 abortions for every 100 teenagers who go through with the pregnancy is further evidence that most pregnancies are unwanted.

Birth control counselling to prevent unwanted pregnancy is not available to many teenagers.

I am sure we all agree that prevention is a top priority, particularly for young people faced with this kind of situation. No one disagrees that a child mother finds it hard to care for herself and mature into an adult while looking after a young child, meeting its needs and caring for it. Therefore, prevention is our first priority.

Our party strongly supports the recommendations of the Bagley report which my colleague from Burnaby (Mr. Robinson) has mentioned several times in this House. That report stresses prevention, family planning clinics, availability of contraceptives and accessibility to medical services for those who apply for abortions. We feel it particularly important to give more attention to community clinics. I understand these are increasing in the province of Quebec with excellent results. It is important that such community clinics be established so that there is accessibility to information, counselling and family support services for those women who decide to keep their babies.

If a woman becomes pregnant against her will, she should be able to discuss this with an objective, understanding counsellor and perhaps a religious adviser. She should come to her own decision as to what is best for her and her unborn child. She should have access to a doctor's advice if, as one alternative, she is considering an abortion. We should be looking at the clinics in Quebec as an alternative to placing a heavy burden on hospitals and the very costly services which are required.

Family planning is a social responsibility just as the increasing cost of caring for unwanted children is an increasing social cost. Last year I spoke about the need for a more democratic and realistic approach to the whole question of abortion. I respect the fact that members in this House, including some of my colleagues, have different opinions on this matter. I respect their personal opinions. However, the private member's bill before us today is not just a personal thing. It seeks to impose and restrict access to abortion. The women of this country must make their own decision in this matter.

I wish to direct some questions to the member presenting this bill. First, if the bill were to go through, would it stop the increasing number of teenage pregnancies which I just cited? Would it prevent pregnant women with money, or their sexual partners who have money, from going across the border to the United States to seek an abortion? Would it decrease the number of backroom butchers who are now performing abortions in areas where there is no access to proper medical treatment in a hospital with an approved abortion committee? Would it decrease in the cities the increasing numbers of unwanted pregnancies, particularly among younger women? Of course it would not prevent these things. The hon. member who just spoke would probably agree. It is a further restriction on access to abortion.

Mr. McKnight: On a point of order, Mr. Speaker. I would like clarification. The hon. member said she would like to ask some questions of the hon. member sponsoring this bill. Would she like me to reply to those questions?

Mrs. Mitchell: No, Mr. Speaker, not at this point. I was just about to answer them. The hon. member had his time. This is a very important question and I would like full advantage of my time.

The answer to these questions is that changing and restricting access to abortion would not stop unwanted pregnancies. Hospitals do not cause pregnancies. Men cause pregnancies. This is a fact that men in this House continually seem to ignore. This is not a legal question. It is a human physical question which affects the lives of women far more than men. An amendment to the Criminal Code to further restrict abortions in hospitals will not deal with the concerns of those who oppose abortions on moral grounds. It will force young girls and poor women to go to the back street butchers in surroundings where they risk their health. That is why I want to talk about this bill in relation to democracy.

Our party respects the right of every man or woman to take a religious view on the question of abortion. I do not intend to talk about what is or is not life. Obviously there is a great difference of opinion on this very emotional subject. We respect personal and religious views that are a matter of conscience. However, we are opposed to measures that impose certain moral views on other people, and particularly on women in this case.

The member proposing this bill has a right to a personal opinion on abortion. However, neither he nor this House has the right to impose views on a woman who is pregnant, who cannot care for her child, and who, after careful consideration, decides to have an abortion. It is her decision in consultation with her doctor. It is not the role of a member of Parliament to say to that woman, "You cannot have an abortion. I am your judge." Not only will this not work, since the woman obviously will find another way of having the abortion if it is important to her, but it is not the role of Parliament to tell a woman what she can or cannot do with her body and her life.

Many women and enlightened men today feel we should be broadening the concept of health to accept the UN definition to include mental, social and physical factors as well. This should be the criterion used by hospital boards when a doctor recommends an abortion. We should not be restricting it as this bill proposes. Better still, we should not be taking up the time of the hospital, with its expensive services, in dealing with abortions. It should be decriminalized and treated as a medical service at community clinics.

In many countries today abortion is not a moral issue. It is a human practical issue that involves population planning. It is part of practical medical services. A pregnant woman is free to choose what is best for herself, her partner and her family. Children are born wanted in a family that can nourish and care for them.

Recently I had a long chat with Grace MacInnis, the former member for Vancouver-Kingsway who, as many of us know, worked for many years in this House and across Canada for women's rights, the strengthening of families and the right of all children to be wanted, to grow and develop into mature, healthy human beings. She reminded me that we live in a pluralistic society. We know that individuals have very different points of view on abortion. She also reminded me that we must not give up the fight for a woman's individual right to choice in the matter of abortion. She said it took 80 years for the House of Commons to legalize birth control. Now it is time to work for the repeal of abortion from the Criminal Code.

I agree with this. It is the policy of my party. Therefore, the NDP opposes this private member's bill as an undemocratic, regressive and sexist act. It would prevent a woman from having access to hospital services if she and her doctor request an abortion as a matter of health.

• (1730)

Mr. Garnet M. Bloomfield (London-Middlesex): Mr. Speaker, I am speaking today in support of the private member's bill presented by the hon. member for Kindersley-Lloydminster (Mr. McKnight). The hon. member for Vancouver East (Mrs. Mitchell) said that male chauvinistic views were being expounded. I would like her to know that there is one member on our side who is female and who does not really agree with that attitude, and she would like that view to be on the record.

We are dealing with a very controversial and emotional subject which goes right to the root of our very being. There are several questions to which we should address ourselves. What rights does the unborn child have? Are those rights subject to any qualifications? Is the unborn entitled to full human rights? If so, does he or she receive those rights at conception or at some subsequent point in his or her pre-natal development? Does the mother have the right, for whatever reason, to end the life that is within her?

The question of abortion is one of the most widely disputed topics in recent years. The supporters of strict abortion laws express deep concern over the abolition of the intrinsic and absolute right of life which has always been recognized as fundamental in Canadian society. Pro-life people see abortion as the destruction of innocent children. Those who are pro-abortion tend to blur the issue by citing abstract philosophical arguments about personal freedom and privacy or talk in terms or generalizations such as "social good" or "the quality of life".

The courts of our land can make a wrong legal, but they cannot make a wrong right. Pro-abortionists like to refer to the unborn as a fetus instead of a child, and I am convinced that they are using certain words to depersonalize the unborn baby. If we accept that there is no difference between having an abortion and the removal of a gallbladder or an appendix operation, it will affect our attitude toward the rights of those seeking abortions.

However, if we believe that this is a human rights issue, that we are more than two-legged animals and that man was made in the image of God, formed from His hand, then for those reasons human life is very precious and not to be dealt with lightly.

I wish to quote from the declaration of the rights of a child made by the General Assembly of the United Nations on November 20, 1959, as follows:

> The child, by reason of his physical and mental immaturity, needs special safeguards and care including appropriate legal protection, before as well as after birth.

In our society there is no person more weak, defenceless or vulnerable than the unborn. It is the function of the law to protect innocent human life. When the mother, who should be the natural protector of her unborn child, becomes its adversary, then it is the function, the duty and the responsibility of the government to intervene to protect that innocent human life.

Governments pass such laws as seatbelt laws to preserve life, yet we stand idly by while the pro-abortionists brainwash our society into believing there is nothing wrong with artificially ending the lives of thousands and thousands of children.

First, if we believe that life begins at conception, we must accept that there is a new being entirely separate from its father and mother because it has a different chromosomal makeup. Second, at conception the unborn is alive because it has the capacity to replace its own dying cells. Third, at conception, the unborn is alive, needing only food and time to grow into an adult human. Fourth, the unborn is just as much alive and human before birth as it is after birth. It is not a different life. Fifth, the body of the unborn child belongs to the child, just as the body of the mother belongs to the mother. The mother is not aborting a part of her anatomy, as suggested by the NDP member for Vancouver East; she is aborting the result of the union of two people placed within her. Sixth, since we have not given the right to a mother to terminate her child's life after birth, why should she have the right to terminate the child's life before birth?

We know that the entire genetic package which determines one's personality and physical characteristics is totally present at conception. It is just like a tape recorder, our total being programmed at that instant.

The tiny humans we once were have developed into the adults we now are; but we were there totally at conception. All we needed to become the adults we are now was nutrition, oxygen and time. A being who has never before existed in the history of time, a being not at the end of the line but at the dawn, a being completely intact and containing within himself or herself the totality of everything that being will ever be, a being moving forward in an orderly process of growth, a being destined to live within the mother for about nine months and for as many as 90 or more years without: this living being is dependent upon his or her mother for shelter and food but in all other respects is a totally new, different, unique and independent creation.

Some people say that by granting an abortion, in many cases we are preventing the creation of candidates for our relief roles, our prison population and our growing list of unwanted and battered children. I am sure we would all agree that every child should be wanted. A world with wanted children only would be a very ideal place in which to live. On the other hand, it would also be a wonderful world if there were no wives unwanted by husbands, no aging parents unwanted by their children and no unwanted Jews, black people, white people, protestants or Catholics. The truth of the matter is that we must remember that people have feet of clay and the unwanted will always be with us.

To use being wanted by someone as a measure of whether a human life is allowed to live suggests the frightening concept that the unwanted can be eliminated. Abortion is not just another method of birth control. Contraception prevents the creation of new life; abortion destroys life after it has begun. The question of contraception is a personal decision for a couple to make. Abortion, on the other hand, involves society's responsibility to safeguard the life of another person. A woman has both the right and the ability to determine whether she will or will not conceive. Once she has become pregnant, however, it is no longer a question of her body alone. The life of another human individual is present, one who is distinct and separate from the mother. If we accept that the unborn child is human, it is obvious that the issue is not the right of the mother to control her body but whether she has the right to end the life of another human being who shares her body.

I am sure I could go on citing figures and statistics to support my presentation with regard to the almost 6,000 per cent increase in abortions during the last ten years. I believe the crux of the matter is whether we as parliamentarians wish to do something about the problem or whether we should turn our heads, ignore the situation and hope it goes away.

It will not go away, and it will haunt our society in the years to come. No country can allow such flagrant disregard for human life and not pay a heavy price.

Some hon. Members: Hear, hear!

Mr. Bob Ogle (Saskatoon East): Mr. Speaker, I would like to add my position to the debate this afternoon. I will indicate first that what I am about to give is my own personal position because my position is not the same as that which was adopted in convention by the New Democratic Party, which I would now like to read into the record. The following was the position of the New Democratic Party recorded at the federal convention in 1967:

> Be it resolved that the New Democratic Party favours the legalization of abortion so that abortions could be permitted, under the closest medical and social supervision, depending on the condition of the pregnancy involved, these conditions should include:
>
> (1) genuine risk of death or physical or mental injury to the mother, or to any existing children of her family;
>
> (2) substantial risk the child will be handicapped by severe physical or mental abnormalities;
>
> (3) following rape or incest.

When I was asked to run for the New Democratic Party, the basic philosophy of which I accept as socially a good way to handle our country, I made it very clear before I let my name stand that I was against that particular position.

● (1740)

In my nomination speech I indicated where I stood on the question of human rights. This position was approved by my local constituency and I announced it as one of the main platforms upon which I ran for the House of Commons. My personal position is this: I believe in rights across the board. I believe that human rights were an essential issue in that campaign as they are every day of my life, and rightly so, just

as they are in many parts of today's troubled world. In my nomination speech on September 17, 1977, I said:

I will defend human life from its conception until its natural end.

This means I am opposed to, first, abortion; second, euthanasia; third, capital punishment; and—although I do not have it included in the document from which I read at that time—I am also against death from starvation, from war or from any other act in which the human right to live is violently taken away from some other person.

The human rights which I support are, first, the right to be born; second, the right to adequate food, housing, medical care and education; third, the right to live in, at least, frugal comfort within one's cultural tradition; fourth, freedom of conscience, worship, expression, political participation and peaceful dissent; fifth, equal treatment in public, job markets and courts, regardless of sex, age, ethnic origin, marital status, religious or political beliefs, social and economic status; sixth, the right to social assistance when age or other circumstances make self-support inadequate; and seventh, the right to die with dignity.

I believe that human rights are all of a piece—ignore one right and you jeopardize all the others. That is why a single issue approach to rights will not work. If we are really pro-life, we have to protect human life from conception through to death. This requires an active, lifelong concern for a just social system.

In that document I repeated that my stand on abortion is at odds with the present New Democratic Party policy, but dissent has an honourable tradition within the NDP. As other speakers have already pointed out, there is no doubt at all that the issue about which we are speaking is highly emotional, and because of that, it is very difficult for people to really hear what the other side is saying. I am fully aware of this. When an emotional argument is taking place, it is terribly difficult to hear the other side. Over the years I have tried to hear all the positions, but the part which I was never able to hear, at least within myself, was the basic assumption that abortion itself was a moral act. Abortion, as I understand it, is a direct attack carried out against a living unborn child. I cannot see it from any other point of view than that of morality and I consider it to be an evil act. It is an evil act, in my view. It touches on a basic moral principle which I am sure can be sustained by everybody in the House. It is a basic moral principle of ethics that you cannot do an evil act for a good end.

So we face a serious problem because of how one should act in the face of problems which have been discussed today, the existence of which I do not deny, the social problems about which the hon. member for Vancouver East (Mrs. Mitchell) spoke. I recognize that there are answers to social problems, but I cannot, in my conscience, understand how it is possible to carry out an evil act, or an act which I perceive as being evil, for a good or an apparent good.

I could bring religious arguments into the debate but I will not. However, I think I can bring to this debate some of my own reflections in past years. I have had to come to terms with my own life every day and with the life of everyone else whom I have met. Every single person whom I meet is a mystery which cannot be explained except for the fact that we are all present here in this universe at this time, and that we are in the process of going from conception to death. The process cannot be stopped. So when someone says that they can overcome that basic mystery and that somehow or other they have greater understanding and knowledge of the point at which life starts and stops, after seven days, after seven months, after seven years or after 70 years, I cannot accept that, because no one I know has that power.

I spoke of the mystery of human life, and it is because human life is a mystery with individual reason, will, personality and conscience that I speak about human rights. I believe that the individual is unique on the face of this earth and therefore has rights. Individuals have those rights not because the House of Commons gives them to him or her but because there is basically something different and special about human existence. That is why dogs, horses, salmon or geraniums do not have rights. All plants and animals have life but they do not share the kind of life I have—they do not have human life.

I do not want anyone to think that I am attacking anybody for what they have done, or anything of that sort. All I am saying is that I have never heard anyone answer the questions I am posing in a way I would consider reasonable. I have to live by my own conscience. In my belief, conscience is a unique power that a human being has and that no other thing on this planet has. A human conscience, so far as I understand it, is the judgment of right reason. It is a judgment which I must make about a particular act, about a particular way of acting, about a particular series of acts, and the only thing I have to go on is my right reason. I must use my faculties to look upon a particular action and say whether it is evil or good. I must follow my conscience in making that decision. I am sure no one in the House would deny that. Perhaps we see it differently because we have a difficult time hearing each other.

● (1750)

I should like to share some of my own experience. As we go through the period from conception to death we acquire experience. I refer to the question of health and what human health basically means. If it is a question of health—the health of the unborn child is not taken into consideration. It is destroyed! That is the act to which we must relate our consciences.

Yesterday I had an opportunity to speak with an archaeologist whose wife had experienced an accidental miscarriage. She was an archaeologist as well; I do not know whether they had any religious faith. He related the drastic effect of this spontaneous miscarriage on his family. His wife was able to explain it by indicating that her body was the result of five or ten million years of preparation before it could reach the high level of existence necessary to produce a human life. When the miscarriage occurred she reacted to it in such a way that the emotional impact was present years later. My experience counselling many people involved with abortions leads me to

believe it is not really the answer. I cannot explain what is left within a person who experiences an abortion; it just does not go away.

I am glad to have had the opportunity to present my personal and private position this afternoon. In general I support the tone of the bill of the hon. member for Kindersley-Lloydminster (Mr. McKnight). Although my party is criticized as being the abortion party, I think we must look at the entire question and realize that when hon. members to my right were in power they did not change the law which was originally brought in by hon. members opposite.

Mr. Bill Yurko (Edmonton East): Mr. Speaker, it is with a great deal of emotion I rise to speak on Bill C-216 to which I agree in principle. I do not necessarily agree with the exact details of it, but I should like to indicate that for two sessions in a row I have had a private member's bill of this nature on the order paper, Bill C-496.

When I decided to leave provincial politics and get into federal politics, nothing concerned me more than this issue. I knew it was an emotional issue, full of fundamental thoughts by different people on the matter. I had sufficient data at my fingertips which indicated that a prairie fire had occurred in the area of abortion and that the abortion law was being abused and used as a means of contraception. Hospital authorities informed me about that and I learned that the hospital committees of many big hospitals were overloaded and simply gave blanket approval to abortions irrespective of need.

This is not a partisan issue. It is moral issue of profound importance. It is an issue upon which each individual must reflect and make up his own mind. I have always lived by the philosophy that it is my duty to protect, enhance, improve, cherish and embrace human life in all its dimensions. I have always asked myself the fundamental question: what is human life?

As one who has experience in the area of nuclear science and nuclear technology of various kinds, let me say that in my estimation human life is a unique form of intelligence. At conception this intelligence is programmed and it evolves with the simple provision of an environment and a means of feeding. It is totally programmed, it is human life right after the moment of conception. So this is a moral issue. It is not a sociological, economic or environmental issue, although it has those implications. It is a fundamental issue of life, and the Parliament of Canada must look upon it as such. When this House passes legislation, it must be prepared to review it periodically to ensure that it serves the intent for which it was brought before us.

I have come to the conclusion that the legislation providing abortions, not only when the mother's life was in danger but because of social and economic conditions, is now being badly abused. Hospital committees are overloaded and simply give blanket approval to abortions.

This is not a choice which a woman makes alone. It is one which involves various people, in fact society as a whole in almost all cases. Today our hospitals are very complex institutions. Abortions involve the services of doctors, nurses and technicians who conduct various tests. It involves taxpayers, it involves society as a whole. Thus it is an issue with which we must all be concerned. Therefore, I am in favour of a re-examination of the law in this regard.

[*Translation*]

The Acting Speaker (Mr. Ethier): Order, please. The hour provided for the consideration of private members' business having expired, I do now leave the chair until eight o'clock p.m.

At 6 p.m. the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

BANKS AND BANKING LAW REVISION ACT, 1980

MEASURE RESPECTING BANKING INSTITUTIONS

The House resumed consideration of the motion of Mr. MacEachen that Bill C-6, to revise the Bank Act, to amend the Quebec Savings Banks Act and the Bank of Canada Act, to establish the Canadian Payments Association and to amend other acts in consequence thereof, be read the third time and do pass, and of the amendment thereto (Mr. Rae).

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

The Acting Speaker (Mr. Blaker): Order, please. Before I recognize the hon. member for Huron-Bruce (Mr. Cardiff) on his point of order, I would indicate that when the debate was interrupted at five o'clock the hon. member for Portage-Marquette (Mr. Mayer) had the floor.

The hon. member for Huron-Bruce on a point of order.

Mr. Cardiff: Mr. Speaker, I wonder if the minister would answer the questions I raised in my speech earlier this afternoon, with the consent of the House. He has had time to deliberate over the dinner hour if it would be proper at this time to answer those questions.

● (2010)

The Acting Speaker (Mr. Blaker): Such a request would require the unanimous consent of the House in view of the fact that an exchange of questions and answers is not normally appropriate during debate. I am concerned that the hon. member for Portage-Marquette may have some feelings on the matter.

Mr. Mayer: No.

The Acting Speaker (Mr. Blaker): Is there unanimous consent that for a brief period some questions and answers be exchanged?

Some hon. Members: Agreed.

[*Translation*]

Mr. Bussières: Mr. Speaker, I should like to make it very clear that the fact of replying to the questions of the hon. member will not prevent me from taking part in the debate. All hon. members should realize that the fact that I am replying to these questions will not deprive me of my right to speak.

The Acting Speaker (Mr. Blaker): That is without question. The hon. Minister of State for Finance (Mr. Bussières) will still have the right to speak later in the debate. This is an exception which was accepted by the hon. members.

[*English*]

In no way will this affect the minister's right to speak later.

[*Translation*]

Mr. Bussières: Mr. Speaker, thank you, for this clarification. The hon. member was speaking on motion No. 27 designed to correct an amendment accepted in committee to restrict the leasing activities of banks. The hon. member was concerned that motion No. 27 might allow banks to carry on leasing operations and that this would emasculate, if I may use this expression, the amendment passed in committee. Is that what the hon. member asked me?

I should like to remind the House of the origin of this amendment. I was invited by the Standing Senate Committee on Banking to discuss the bill, and particularly to inform the members of this committee of the reasons for the amendments accepted in committee by the government. At that time, the evidence given by some senators and the questions they raised brought home to me the representations I had received from businessmen who operate in various spheres of this activity and who were concerned about the fact that banks would not be allowed to provide leasing for the purchase of certain types of equipment.

As I recall, I gave certain examples of this at the report stage. I gave the example of fire engines. I also gave the example of trucks with very specialized equipment that might be used, for instance, by a provincial hydro service, fitted with a basket to repair wires atop poles, or the same type of trucks fitted with a drill to dig holes for the poles, fire trucks used by some municipalities. I also talked about certain types of trucks mounted on both wheels and caterpillars which are used in the forest industry, but which in some provinces have to be licensed. The restriction which existed in the act with regard to licensing is well known.

I could give many other examples to the hon. member, but I want to assure him that the intention expressed in committee to make it impossible for the banks to lease in the field traditionally reserved to car and truck dealers has been followed up and is that of the government. Still, we did not want to deprive an entrepreneur, a municipality or a service business of the possibility of obtaining leasing through the banks since that source was limited, in that, for instance, a fire engine, must be bought "stripped". Another firm that specializes in fire engines will make a fire truck out of it and then sell it. That firm is not interested in leasing. To give more expansion to its market and facilitate business with the municipality, it was quite favourable to the idea of the bank going into leasing in that specific field.

The same goes for forestry equipment and some big trucks used for transporting oil, milk, etc., in bulk quantities. I wonder if the hon. member understands in what spirit the amendment was made. We want to preserve the spirit that prevailed in committee and give businessmen the opportunity of going to a financial service that is accessible and favourable to them.

[*English*]

Mr. Charles Mayer (Portage-Marquette): Mr. Speaker, at five o'clock I was referring to some of the concerns which I and members on both sides of the House feel about the revisions to this act and how they affect the livestock business. The livestock industry is very important to a large part of Canada particularly to western Canada where the beef cow herd is largely located. If my memory serves me correctly, roughly 80 per cent of the beef cows in Canada are located in the prairie provinces, thus it is a very important part of the economy of western Canada. Section 178 of the act is very important to those involved in the livestock business and to farmers in general.

● (2020)

If we refer back a couple of years, the figures show that roughly 45 per cent of the grain grown in western Canada was fed to livestock there, another 45 per cent was exported and the remaining 10 per cent was used for seed and industrial purposes. Livestock is important to the people involved in its production and sale but it is also important to producers of grain crops. About one third of the production on the prairies is fed to livestock within 30 miles of where it is grown. That gives an idea how important livestock industry is to western Canada.

We are all concerned about stability in agriculture, Mr. Speaker. The problems with roller-coaster prices of recent years are well known. There have been times when it has been difficult to find world markets for our products. When you consider that almost as much of our grain is fed to livestock as is exported, it is easy to realize how important livestock is to a stable base for the western economy. Without a livestock industry, in times of high production and low prices, it would be more difficult to find a market for the grain crops.

A large part of the packing industry in western Canada has been lost in the last ten or 12 years because of variations in

livestock numbers. At the present time there are only three points in western Canada where hogs are slaughtered. There are several points in Edmonton where hogs are still slaughtered. In Saskatchewan, where I was born, raised and educated, there is only one point and only one plant that is still in the business of slaughtering hogs, and that is Intercontinental Packers in Saskatoon. Winnipeg is the only point in Manitoba where hogs are still slaughtered. The declining packing industry in western Canada makes it important to be careful about the kind of security offered to the livestock industry in section 178 which is to replace the old section 88 of the Bank Act.

I should like to refer to a couple of things said in recent times by the Minister of Agriculture (Mr. Whelan). It is interesting to note, Mr. Speaker, how attitudes and how statements can change as circumstances change. Prior to the Quebec referendum, the Minister of Agriculture addressed the Quebec Farmers' Association at Sawyerville, Quebec, on May 7. In part he said as follows:

> The 'Crowsnest Rate' and the Feed Freight Assistance Program have reduced the cost of grain shipped into Quebec and thus lowered the cost of producing hogs and poultry here. These subsidies have resulted in benefits for western grain growers, but they have also decreased the natural comparative advantage for livestock production on the prairies and given assistance to livestock producers in the east.
>
> Also, the 'Crowsnest Rate' has favoured the growth in Quebec of processing plants for meat, flour and vegetable oils since products processed in the west are not eligible for the preferential statutory rate, while the raw products are.

That is an interesting statement by a minister trying to get a point of view across just before the Quebec referendum, Mr. Speaker. After the referendum, in a speech to the Canadian Feed Industry Association in Quebec City, the minister had this to say:

> On this subject of feed freight assistance, you know it is sometimes said that the program has encouraged eastern pork production to the disadvantage of the west. So I was interested in a study that Dr. Perreault has done which shows that the assistance only amounted to about 50 cents a hog in Quebec on the majority of pork produced here. So the assistance is not much of a factor, especially when you consider how extensive the Quebec feed industry was in the first place.

I find this a rather inconsistent position for a minister of agriculture who should be speaking on behalf of all the livestock producers in the country. In some ways it is unfortunate that a minister who has as his constituency the total agricultural community should find it convenient to make conflicting statements at different times and in different places about the things that concern some of us in regard to this bill.

I think we all agree that changes to section 88 of the Bank Act are needed. Perhaps it is necessary to have some understanding of the way in which livestock is marketed in this country to see the necessity for such change. Livestock is still marketed largely on trust in this country. I think it is fair to say that those of us engaged in this business can do a lot of our selling by telephone when dealing with packer buyers and order buyers who have had past experience with producers. This only works if everyone involved has complete confidence in the system, of course. The old section 88 really did not accomplish as much as it could have in the way of giving producers confidence in the marketing system as it limited their ability to claim against a packing house to roughly $7500. Anyone familiar with the cattle business knows the expenses that face producers. Fertilizer costs, machinery costs, repair costs, land costs and taxes have all increased substantially since the present Bank Act has been in place. It is a very expensive proposition to raise livestock for sale. A lot of producers sell their stock at a particular time of the year, so it is important that the buyer has the means to pay, otherwise the whole year's work is in jeopardy. Things are different in the case of other farm products. For instance, the dairy industry, because of its very nature, markets on a daily basis. The grain industry can store the product until the market is right and so a whole year's work need not necessarily be marketed at one time. In contrast, a farmer who raises calves may sell them all in one day. We therefore have good reason to be concerned about the old section 88 of the Bank Act. I am aware of several cases of packing houses experiencing financial problems in the last ten or 12 years which resulted in producers being unable to collect what was due to them.

I am familiar with the arguments advanced by the banks and the packing companies to the effect that if the banks are not allowed to take security on livestock, as was the case under the provisions of the old section 88, the packing industry would suffer. These arguments usually refer to the small packing plants. It seems to me the case is exactly the reverse. As we well know, in this country the packing industry is dominated by the "Big Three"—Canada Packers, Burns and Swift, who account for over 50 per cent of the kill. I think those institutions are financially secure, although such an assumption does not necessarily follow when one remembers what has happened in the past year to such large manufacturing institutions as Chrysler and Massey-Ferguson. However, the three large packing houses are public companies and I think it would be quite difficult for them to have financial problems without a great many people being aware of the fact.

Some of the small packing plants are independently operated, family-owned businesses, and are well run. But it is a competitive field and it is not uncommon for companies to get into financial difficulty. If there is any suspicion that one of the smaller packing houses is having financial problems, I think the producers would be hesitant to deal with it. We must do all we can to assure that, irrespective of the size of the packing company or processor, the producer is protected by this act. This would go a long way to assuring that the smaller packer had as much chance to compete with the larger packer as possible. Our concern is that the bill before us does not go far enough in terms of assuring the producer there will be no financial problems and that his product will have prior claim in any bankruptcy settlement until it is paid for. If there is any hint of that not being the case, and I argue strongly that the smaller packer will be disadvantaged as opposed to the major three packers in this country, Swift, Canada Packers and Burns, that simply does not wash as an argument for the banks to use.

● (2030)

It is precisely the opposite. If they were interested in seeing a competitive packing industry, they would ensure as much

financial security in the hands of the producer when dealing with processors as possible. This would go a long way toward seeing that some of our smaller packers have as good a chance to bid on livestock as the larger packers.

If we look at the experience across the line, we see that the Americans have also had some problems. Some of us are aware of the larger problems they had. In 1976 they passed a packers and stockyards act. I will quote part of that act I referred to in the speech I made on second reading of this bill on May 6, as reported at page 772 of *Hansard*. It is a concern I am dealing with tonight. I quote from the act:

—in effect, that all livestock purchased by a packer, and all inventories of or receivables or proceeds from meat sales, shall be held by a packer in trust for the benefit of all unpaid cash sellers until full payment has been received.

Since that act was put in place in 1976, I understand there has not been one case where a producer has not been fully paid for his product after a financial problem had arisen with the processor or packer. Therefore, to say that nothing can be done is not accurate. We need only look to our neighbours to the south. They put in place legislation which protects producers from some of the problems we are pointing out this evening.

The banks like to have as much security as possible. They like to say that putting in this kind of provision which would guarantee producers full payment, would put an extra burden on the banking industry and cause them added costs in the form of bonding and extra security and, therefore, make them less competitive and less able to do the job. That is nothing but rubbish. It is not borne out in the example we saw across the line in 1976 when the Americans put in their packers and stockyards act. In fact, we have seen the exact opposite. We have seen the packing plants there survive, grow and flourish. Their return to the producer, based on a percentage of the consumer's dollar coming back to the farmers, is greater than the percentage of consumer dollars going back to the producers in this country. So that is another argument that just does not wash. We were concerned about this when we were in government and the Bank Act was in front of us prior to the last election. There was concern on both sides of the House. When we were in government, I was part of the finance committee which looked at this. One thing that came out during the election campaign was a statement by the Liberal national campaign headquarters. It was part of their election policy.

An hon. Member: Their propaganda.

Mr. Mayer: That is probably more accurate, based on what we see in front of us in the bill and what was promised during the campaign. I will read a section of the Liberal party agricultural platform which was released on January 30, 1980. I quote:

A change in the revision to the Bank Act (section 88) will be made in order to permit better financial security for the farmer, on agricultural produce in transit storage or processing, by providing protection to producers of all agricultural products (not just crop and dairy products) and that protection will be extended to a maximum of $250,000.

That was said during the election. It is interesting to note that the chairman of that campaign committee is our present Minister of Finance (Mr. MacEachen). One would think that if anyone had been aware of what the policy was and how it was developed, it would be our finance minister. As the finance minister in the new government, one would think he would have seen fit to honour a commitment made to the farmers of this country during the last election.

What happened is that we have a formula. It is based on the most recent annual average index number of farm prices for agricultural products for Canada, published by Statistics Canada, at the time the receiving order or claim is made. That figure is to be multiplied by $400. My understanding is that will roughly raise the limit from $7,500 to $100,000. I certainly agree that is a step in the right direction. However, the principle of this is not attacked. It should not be lawful in this country to let any processor or packer take as security a product from a farmer, or anybody for that matter, and give it to a bank as security without the producer being fully compensated. In the case of financial problems, the processor or packer can give that product to the bank as security, without the farmer fully being paid for it.

Something is not yours until it is fully settled and fully paid for. It goes a little beyond that when you understand the marketing system in this country. As I stated before, it is largely based on trust. Producers deal with agents, order buyers and packing buyers with packing houses on a year to year basis. They do not get a chance to deal with them regularly and keep up to date with some of the problems that may be encountered in the processing plant. Dealing is based largely on trust. A lot of producers could find themselves in the position of not being aware of problems they are getting into, particularly when they feel that their cattle are theirs until they are fully paid for. According to this act, the procedure that is sold to a packing plant can be taken by a bank. The bank would then have prior claim on it over the $100,000 limit. The producer could be out any amount over $100,000. That sounds like a lot of money, $100,000. In fact, it is a lot of money. But if you look at what is involved in raising livestock and getting it to market, a lot of expense is incurred along the way in terms of producing costs. In many cases the farmer is not dealing with his own money. He is dealing with borrowed money, lines of credit, credit accounts with fertilizer dealers, fuel dealers, machinery dealers and repairs. In a lot of cases, he could be out an additional cost over and above his cost of production. Therefore, if we cannot deal with processors and packers with complete trust and confidence, no matter what happens after our livestock leaves our premises, we are calling into question some of the premises upon which our marketing system has been based throughout the years.

• (2040)

The hon. member for Medicine Hat (Mr. Hargrave), a long-time and well-respected spokesman for the cattle industry in this country in various fora has pointed out very aptly and accurately that on page 188 of the bill subsection (6)(b), "claims of a grower or producer of products of agriculture for money owing by a manufacturer to the grower or producer for such products"—I will not refer to the full paragraph—is incomplete and that there is probably a technical omission

there in the sense that after "claims of a grower or producer" we should insert three words "or his agent" so that the section would read, "claims of a grower or producer or his agent of products of agriculture for money". I think hon. members would agree that that is a technical omission. It would simply mean that a person involved in the marketing of livestock could then use an agent, and the agent would be an extension of the producer himself. In that sense the producer would be covered under the subsection of this act to which I just referred.

Unless we insert those three words within the subsection, it seems to me there is a fairly substantial loophole, if we understand the way cattle are marketed in this country, because many people market cattle through an agent; they do not market them directly. They market them through an agent, and the agent then becomes an extension of the producer himself. If we leave out those three words in the case of a financial problem with the processor, it seems to me we leave open the possibility that the producer would not be protected at all under this act. As I said, when we understand the way the marketing system in this country works, I think it becomes clear that a good portion of cattle and livestock which is marketed in this country is marketed either through or by an agent acting on behalf of a producer. While it may be a technical error, and a minor one, in terms of its significance and its relevance and the act's ability to do the job it was intended to do, I think it would be very useful to have those three words inserted so that the act would read: "claims of a grower or producer or his agent of products of agriculture for money owing" and so forth.

I think that is something we should look at very closely with an eye to putting those words in if at all possible because without them, as I said, I think there is a possible large loophole in terms of what the effectiveness of this act could be.

From my recollection of the finance committee in the previous Thirty-first Parliament, there was much agreement in the committee that the principle which I have tried to outline here should be in the act so that not only the producer but also the people acting on behalf of the producer—in this case the agent of the producer—should be considered an extension of the producer himself. I do not really think there would be many problems about getting an agreement to insert those three words into the act. As I said, this would certainly tighten up the act and make it serve the purpose better than the present act without the addition of those three words.

That about covers the points I wanted to make in relation to this act. I will summarize them briefly. First, this act really does not go far enough. I think the $100,000 is an improvement. I would much sooner have seen the $250,000 which was promised during the election campaign, but I think the best option we could have would be to adopt in principle a statement saying there should be no limitation whatsoever on livestock producers so that when they do sell their cattle, no matter what the amount is, they are entitled to full payment of that amount before their produce becomes part of a bankruptcy settlement.

I welcome the change in the definition whereby direct products of the soil and dairy products are now classified in the same way as livestock, which was previously not the case. I pointed out that precisely the opposite should have been the case, since people who market on a regular basis are less susceptible to severe financial hardship. If there is a problem with marketing what they produce on a daily or weekly basis, people in the livestock business market on an annual basis, and we would certainly like to see this act tightened up so that there are no loopholes in terms of agents acting on behalf of producers in the marketing process as we now know it.

Mr. Oberle (Prince George-Peace River): Mr. Speaker, I would be remiss if I did not take a little time this evening to make a few comments with respect to the bill which everyone is so anxious to pass here tonight. We have only been at it for five years. The act expired in 1977, and we began the debate relating to changes in the Bank Act two years prior to that. As we all know, the act was extended until now, and we are finally getting around to putting it straight and doing what we should have done in 1977 to make the changes which have been discussed.

There is a lot of mystery about the Bank Act. The average Canadian really does not understand how the banks in this country function. Frankly, I do not understand very much about it either.

Mr. Skelly: You have come to your concluding remarks, I hope.

Mr. Oberle: My friends in the New Democratic Party understand all about banks. I always say that if it had not been for banks, I probably would not be in politics.

Mr. Knowles: Explain!

Mr. Skelly: That is one of the criticisms we left out.

Mr. Oberle: There is a lively peanut gallery among the members of the New Democratic Party. I will give them a little lesson in banking. They are usually the great defenders of personal freedom and liberty. One of the freedoms I espouse most is economic freedom, and I have always thought I could be freest if I managed all my own affairs. In my case, that meant to start my own business and be the master in my own house. I did not want to punch a clock. I always wanted to be the master of my own affairs. I thought that this country to which I had come was a place where a man was entitled to the rewards of his labour as long as he was prepared to pay for his mistakes.

Mr. Skelly: Order!

Mr. Oberle: A member of the New Democratic Party wants to call me to order, but I have not said anything yet. They know exactly what is coming.

Mr. Rae: I have no idea what is coming, and neither do you.

Mr. Oberle: They are waiting with great anticipation. When I said bankers got me into politics, I said so because I started quite a number of small businesses. All of them, incidentally, were successful. None of them went bankrupt.

An hon. Member: Yet.

Mr. Oberle: No, they are still going. Because I wanted to have a clean shirt when I came to Parliament, I divested myself of most of my business interests. However, I developed a skill in talking to bankers and convincing them of the viability of small businesses which employed usually two, three, five, ten or 120 people. It requires quite a bit of skill today—and did 20 years ago or 25 years ago when I started my first business—to convince a banker that you have something going for you, that you have a better mousetrap, that you deserve a place in the marketplace and that you need some credit to get started.

Our banks do not give venture capital to small businesses. I am not making any excuse for this absolute statement. There is just no way that our banks are in any way interested in helping young people to get started in business. Whether that business is farming or in the manufacturing sector does not matter. I do not care if you are a member of the New Democratic Party or any other party; if you cannot walk into your bank manager's office and prove to him beyond all doubt that you really do not need money, you simply will not get any credit.

I always say that in our country there is no single entity, whether it is government or anything else, which has more influence in the marketplace than the banks but which at the same time has less understanding of what goes on in the marketplace, particularly with respect to the small business sector.

The reason I wanted to say a few words about that tonight is that over the last 25 years of frustration and starting businesses—which probably could have been four, five, six or ten times their size if bankers had co-operated—I always said there would be a day when I would get even with some of the bankers with whom I have had to deal.

● (2050)

We do not want to be too unkind tonight, but certainly they do not deserve any credit whatever. The 13 chartered banks in this country do not deserve any credit at all for helping small business. In fact, I would say they deserve the lion's share of the blame for the economic situation in which we find ourselves today because they ignore completely the incredible role which the small business sector plays in our society. It is the small businessman who creates the permanent jobs quickly with the right incentives and in the right business climate. It is the small businessman who always comes up with new ideas. To me, sir, there is not much difference between the bureaucrats who sit around in offices in the nation's capital, public or corporate bureaucrats, and the bureaucrats employed by large corporations. They are nine to five people, they go home on weekends, they take a month's holiday annually and they cannot care less. It is the small businessman who is out there competing in the manner in which Adam Smith intended, in the free enterprise manner. It is the small businessman who invents the mousetrap and who thinks for 24 hours a day so as to stay ahead of the next guy.

I say that the banks have no comprehension of what is going on in the marketplace and of the role which the small businessman plays. And why should they? Imagine an official of the Chrysler Corporation coming to a bank manager and telling him he needs $100 million. Imagine how much time the bank manager would have to spend talking to small businesses to lend them $100 million! With Chrysler he can do it in a two-hour session and a working luncheon. But here is $100 million and, my God, the branch can lend that sum of money because it is great business. It is not necessary to ask the client for security and tangible assets in the case of a large corporation such as Chrysler because the government is the security. If something happens, the bank can go to the government because the impact on the economy would be so great that the government would have no choice but to bail out the corporation. We have seen recent examples of that.

But let us consider the person who works for that large corporation—and I will get in my dig at the NDP at this juncture. Members of that party come to the House every day and every time one of them is up during the question period he talks about economic nationalism and about all these horrendous things that the multinational corporations do to our country. Yet when one of these multinational corporations comes to us for help, as has been the case of Chrysler—they stand in their place and they scream, holler, assert themselves and demand from the minister that he act right away to save jobs. The reason they do this is the invisible handshake—we have heard of the invisible hand of Adam Smith—between large corporations and multinational unions. They all get together in the board room behind closed doors. They say "there is one multinational corporation which we will have to protect but every other corporation that is not unionized or does not contribute to the NDP coffers can go down the drain." The small businessman is left in the dark and so is the employee of small businesses. I dare say that a person who works for Massey-Ferguson or Chrysler and then finds himself out of a job is no better off or worse off than a person who works at the corner grocery store, the baker, the shoemaker, the plumber or an employee of another small business. He is just as hard up as the other fellow, but the government never comes to the aid of the small business which goes broke. The bank moves in, calls its note and saves its skin. Usually there are enough assets to ensure that the bank does not suffer. I do not know of any bank with which I have dealt, particularly in the north and in the small communities in Canada, which has ever made a bad loan to a small businessman, the reason being that they hardly make any loans to them and when they do, they are protected well enough.

What we have been trying to do in these five years of talking about the Bank Act is, because of our belief in free enterprise and competition, to build in a little more competition. We have

made comparisons with our system here, which is still a mystery. It became a mystery when we first brought in the fractured reserve system according to which the bank lends you a certain amount of money and then is allowed to lend a certain amount of "blue sky", in other words they lend you more money than they have in deposit. However, I do not want to go into the technicalities because that would be too difficult for some of the members of the NDP to understand. What we wanted to do was to build in some competition to match what was going on in the marketplace throughout the country. We have 13 chartered banks in this country. In the United States there are 1,300 chartered banks, all of them competing with each other. If there is a personality conflict between you and your banker, if he does not like your type of proposal or if you cannot convince him of the potential success of the prototype or of the plant where your particular mousetrap would be manufactured, you just go to another bank and sell your idea to them. Eventually you convince someone of the possible success of your idea and you get the money. Indeed, there were several occasions in my business career, one which I remember in particular, which have made me say to this day that the banks become involved in politics. There was a time when the 13 chartered banks in this country simply did not make any loans to small lumber companies because they did not like the government in power. So if you were in British Columbia at that time and you wanted to expand your business, as we did then, you had to go to the United States and get your money there. Lo and behold, there was all kinds of money available because we had all kinds of assets. As for our banks, it did not matter how much you had in assets, how much you had in inventory, how much protection there was under section 88. They said that lumber and wood converting industries did not have a very bright future under that particular government, so they would not make any loans to them. I do not know whether this had anything to do with the fact that there are certain people in the larger companies integrated with the multinational companies, who sit on the boards of directors of the banks, but certainly there is room for all kinds of suspicion. If you really want to get started in a small new business, you have to go to a foreign country to promote your idea. That is a very sorry state of affairs.

The government is well aware that our banks are not interested in small business, not interested in venture capital. From time to time we have found it necessary to intervene as a government, knowing how important small business is as a sector of the economy, to put in place some measures, to create some institutions which will help the small business sector. An example of that is the Farm Credit Corporation. Why should we need a Farm Credit Corporation in this country? If banks did the business which they were set up to do, that is to make loans to businessmen—and, after all, a farmer is a businessman—what reason would there be for the government to be in the business of lending money to farmers? The reason, as I have stated, is that banks are in no way interested in helping out anyone who wants to start a business, regardless of the security they offer. We must remember the farmer who has worked many years clearing his land and developing a farming enterprise. He has worked for many years and has never made any money. His only reward would be if he sold the enterprise, the farm and the land to his son. Then he could retire and live his declining years in comfort and security. The Farm Credit Corporation started out with good intentions, but it is in no way more equipped to respond to those particular needs. Officials of the corporation will say, "If you want to buy the farm from your father, he should underwrite the loan or perhaps make you a loan". A lot of Canadians are fed up with living in the breeding grounds of human misery in the concrete jungles of our large cities. They want to go out to the country to start farming enterprises. It would probably take at least $250,000 to build a viable farming operation today. At least it would take $250,000 to buy the land and clear it or to buy an established farm. We all know they would not get very much for less than $250,000.

• (2100)

But there are still some people out there who are—should I say—almost crazy enough to think that farm life is worth fighting for. So, they start working in sawmills or on construction. They take their earnings and put them in their farms; they clear a little more land. When they reach the point at which their farms are almost viable, they go to the Farm Credit Corporation to borrow a little money to get them over the hump, to buy that first piece of machinery. They realize it is no use going to the banks. I have established that fact. But, the Farm Credit Corporation says, "If you have not made the major part of your income on the farm, you are not entitled to a loan". Incidentally, they are not entitled to loans if they are in any way involved in provincial or federal politics. They cannot obtain loans from the federal government because there would be a conflict of interest.

The Farm Credit Corporation was established over the years to keep banks honest. Another example is the Federal Business Development Bank, a perfect example of how the government, from time to time, intervenes and hopes to help small businessmen or people in regions where banks are not as well represented as they are in larger centres. As we all know, the Federal Business Development Bank likes to be known as the bank of last resort. Indeed it is, because its interest rates are usually 2 per cent or 3 per cent higher. The government wants to be very careful not to enter into competition with the chartered banks. After all, the chartered banks have a monopoly and they do not want anybody to meddle with that, including the federal and provincial governments. So, the person interested in obtaining a loan must bring to the manager of the Federal Business Development Bank a letter indicating that the chartered bank will not lend him any money. Without that letter he cannot obtain a loan from the Federal Business Development Bank. The bank manager is not required to say why he will not lend him the money, but of course we know why. Then the FBDB will take a look at the person. It will charge an interest rate which is 2.5 per cent to 3 per cent higher. It will take a chance on him and will be lenient if he gets behind in his payments.

The FBDB takes other factors into account, but it is twice as onerous to be tied up with that bank than to a bank of foreign origin. Not only does the Federal Business Development Bank want a personal guarantee, it requires the personal guarantees, of one's wife, one's mother and one's mother-in-law, if it is able to get them. If one has a house and a boat, it wants the title to those. It will make sure, beyond all doubt, that when a person has his head half way out of the water, he has absolutely no security left in order to run to another bank to cash in on some of those assets. Anyone who deals with the Federal Business Development Bank will have no other assets with which to negotiate other loans.

From time to time the government goes to the chartered banks and indicates that it has a particular problem and wants to stimulate the small business sector. It asks the banks to make loans to the small business sector and, of course, there is the infamous Small Businesses Loans Act. They go to the chartered banks and say, "If you make a loan to a small businessman, we will guarantee it. In return we want you to give him a concession on interest of 1 per cent, 1.5 per cent or 2 per cent."

On many occasions I have received telephone calls from small businessmen. For example, one will phone and say, "There is a real demand for the product I am producing. I am in the tourist industry and a new road has been opened. I should be building a coffee shop, a service station, a service centre. I need some money. Where do I go?" Of course I will say, "The banks are set up to give you a small businessman's loan. There is a little concession on interest in return for a federal guarantee". Usually the businessman will call back and say, "I have gone to see my bank manager, but he has never heard of it". I am always very amused by that and then my amusement turns to anger. I will phone the vice-president of the bank and say, for example, "You have a bank manager in Watson Lake who has not heard of the Small Businesses Loans Act. Once you have told him about that act, will you tell him to call me so that I can discuss a certain client with him?" Promptly I receive a call from the manager of that small branch who will say, "I have talked with this client. His credit is good enough that we can make him a conventional loan. He is not entitled to a small businessman's loan". He is entitled to a conventional loan at an interest rate which, of course, is 1 per cent or 2 per cent higher than the government guaranteed loan. So, the poor businessman is tied to the rafters and the bank sticks it to him every time.

Perhaps I should bring my remarks to a conclusion because getting back to what I said at the outset, if I get wound up about banks I become very incensed and carried away. Of course not all bankers are alike. I have dealt with a lot of managers in small branches over the last 25 years who felt the same way as I do. When one requests a $20,000 or a $100,000 revolving loan, the bank manager is required to phone his regional vice-president or manager. For example, the areas in which I started my businesses were usually 700 or 800 miles away from Vancouver. Then the regional manager is required to pick up the phone and call Toronto for an okay. I have experienced that on several occasions. By the time he gets around to saying, "We will be willing to help you", the opportunity has passed. Usually one has generated enough income in the business by waiting, working 24 hours a day and keeping one's suppliers on the string, that by the time the bank gets around to helping, one does not need the help any longer and can tell the bank to find someone like Chrysler or Massey-Ferguson to give the money to. The banks always say, "We will be willing to help you", and I always say, "Who do you think is helping whom here? I am paying interest and I am creating a job for you". In fact the other day I told a banker that I paid him $7,000 in interest last year. Who is helping whom? I do not want their help. I do not need handouts.

• (2110)

I should say something positive about the act because we on this side are supporting some aspects of it. We tried to build into it some competitive features. We tried to give the credit unions a little more room to manoeuvre and to compete on a more equitable basis with the banks. The credit unions and caisses populaires should be entitled to participate under the Bank Act. That was not achieved. In my opinion the act will do little to encourage new charters which would start more banks. I would like to see more banks in western Canada, banks which are sensitive and interested in making loans in mid-Canada and the northern parts of our country. In so doing they would be sharing the potential and development of the north and of mid-Canada. What we have done is a small step in this direction. It is in no way sufficient to suit my particular need. I do hope that after this act is passed we will not wait another seven or eight years before we discuss further changes, which in my opinion are required to the Bank Act. I would prefer to see the committee continue its work. I would like us to continue talking to Canadians so that all of us here in the House of Commons will know just how the banks have been failing our economy and how they have been failing Canadians. This would enable us to see how little they have contributed to the welfare of all our citizens because of their monopoly position.

Mr. Gordon Taylor (Bow River): Mr. Speaker, we are on the third reading of the Bank Act and as I understand it the third reading is to discuss the broad general principles of the bill. There is no possibility of changing anything in it on third reading.

I suppose that is the best we could expect from a government which is contradictory in many of its policies. I read today that the Prime Minister of Canada (Mr. Trudeau) was elated because he was able to get 100,000 barrels of oil from Saudi Arabia at $30 a barrel. I cannot understand that elation when he is not prepared to pay Canadians $20 a barrel, which would keep the money in Canada. It is so contradictory the man in the street is becoming very frustrated.

With regard to the money which is required to operate the industries in the energy field, we are making it almost impossible for those people to get credit. The government professes to be a free enterprise government yet it is holding nationalization over the heads of those in the industry. To a great extent

the smaller industries are dependent upon the multinationals which can get capital. Yet today we see the smaller industries leaving the country. Consequently, this postpones the day when we will have self-sufficiency in energy. At the same time the Prime Minister is chasing around the world trying to get oil elsewhere at double the price at which he can get it right here in Canada. I wonder why he does not enable the smaller companies to continue to receive credit and to operate within Canada by entering into an agreement at a proper price with the producing provinces instead of going half way around the world at public expense and being elated when he can arrange oil at $30 a barrel, probably $38 to $40 by the time the contract is completed. People upon whom we must depend to attain self-sufficiency are finding it very difficult to get credit. There are difficult times ahead. The longer the government waits to pay a proper price for the oil in Canada the longer we will be paying through the nose for foreign oil. It is affecting the credit of this country, which the banks will reflect in their thinking and in their loaning of moneys. As a result there will be hundreds of Ontario, Quebec and maritime boys, now earning good wages in Alberta and Saskatchewan, who will be left jobless in the next few months if this thing is not changed.

We talk about the Bank Act as though it were something that did not affect the lives of everyday people. The Bank Act is an instrument by which we can have good times or we can have poor times. I believe that banks have been responsible for much of the inflation in this country. They say inflation is caused by having too many dollars chasing too few goods. Every time the banks attack this problem they do so by raising the interest rates. They will reduce the number of dollars. And what does that mean? It simply means that no one can borrow the money.

The small businessman the hon. member for Prince George-Peace River (Mr. Oberle) detailed here so excellently a few moments ago is left high and dry. He is not able to expand his business. As a result there is less production and people are unemployed. If anyone is able to borrow it is only the wealthy, and the wealthy do not borrow when the interest rates are high. They wait until the interest rates are low before they borrow. That is one reason why they are wealthy. This leaves us with less production. Once again there are more dollars chasing fewer goods and so the interest rates go up again. I wonder how many years it will take the banking system of this country and the Bank of Canada to realize that this is not reducing inflation in Canada. It is just not working. Why do they not work from the other end by increasing production? If you have a pile of money this high and a pile of goods this high you will surely have inflation. The money will continue to rise. But if you have the goods coming up it is a far better way to fight inflation than raising interest rates, which defeats the very purpose. The small businessman cannot produce as much. Sometimes he goes out of business. I know a businessman in this country who is sweating his heart out because the interest rate is eating him up. He is wondering what will happen to his wife and children. The interest rate keeps rising and it is killing him.

Changing the Bank Act as we have been changing it will not affect that type of situation at all. The Bank Act has a tremendous influence over the daily lives of our people. In times of prosperity the banks let the credit out and when the banks begin to draw in that credit they can produce a depression in no time flat. As the hon. member for Prince George-Peace River said a few moments ago, the small businessman is being forgotten. This is exemplified in every case he gave, and we can produce hundreds more of them across this country. The small businessman is being forgotten. Today there is fear in the hearts of the small businessmen because they cannot produce more. Interest rates and unemployment are going higher and higher and production is getting lower and lower. This trend will continue until we begin to increase production.

● (2120)

I will be very interested to see the kind of competition the foreign banks have to offer in Canada. There is not much competition among the banks in Canada today. The situation is similar to the competition between CN and CP. These companies have identical rates in most cases simply because they are controlled by a government regulatory body, yet they are considered to be in competition with each other. In reality their prices are increasing simply because they are running two lines of track when they should be operating on one line if there was real competition between these companies, such as, in the trucking industry, there would be better railway facilities.

If foreign banks are required to operate under the same common policy as the chartered banks I doubt that there will be very much competition. In spite of the fact that many hon. members have a view to the contrary, one way to increase competition in the banking field would be to allow provincial governments to become involved. But it is felt that they might provide too much competition, so the provinces must compete in a backhanded way through such institutions as treasury branches and so on. If it were not for the credit unions, caisses populaires, trust companies and similar institutions, this country would be in a sorry plight.

Too many of the policies of the banks are contradictory. For example, what one pays today on exchange for $100 of American money will be different from what one pays tomorrow. The profits of banks are too high. I recently attempted to exchange some money in Edmonton, and I was horrified at the rate of exchange. The whole situation is a one-way street for the banks. They must pull up their socks and increase their services to the consumers.

I agree with the comments of the hon. member for Prince George-Peace River on the Prairie Farm Credit Corporation. These government organizations are usually formed as institutions of last resort. As a result people are forced to be dishonest in order to get a loan. In fact they encourage you to be dishonest. They tell people to go to their bank manager for a letter saying that the bank will not lend the money. I would not tell a young farmer that he must lie in order to get money from the Prairie Farm Credit Corporation, although many

people are being told to go to the bank manager for such a letter. These corporations lend money at such prohibitive rates that no young farmer can survive. With the high interest rates and the price of land today, the young farmer is sunk before he begins.

These programs are established at public expense as banks of last resort. It would be far better if a bank loaned money on the basis of credit. As the hon. member for Portage-Marquette (Mr. Mayer) said a few moments ago, this act establishes a maximum amount which livestock dealers may borrow from the banks. Why is there a borrowing ceiling for livestock dealers? There is no ceiling for oil companies, wholesale companies, packing houses or other industries. They may borrow up to any amount. The livestock dealer is just as responsible as any other businessman in the country. I cannot follow this kind of logic, nor can the livestock dealer.

Perhaps the amount of $100,000 will be satisfactory for many farmers, but that is not the point with which I am dealing. There is a borrowing limit for livestock dealers, but no limit for any other group, and this has not been explained satisfactorily to me. We are now on third reading and that clause remains in the bill and will become law within hours. Banks are quite able to deal with loan applications from livestock dealers. They will provide loans commensurate with the collateral, and that is the principle upon which the system should work.

Even with the Prairie Farm Credit Corporation a farmer has two strikes against him. For example, if a farmer buys a combine for $100,000 and the interest is deferred until, say, July, the Prairie Farm Credit Corporation will not loan that farmer the money, simply because he has taken out a temporary interest-free loan. I have received a number of letters of complaint on this very subject. There is a great difference in Alberta between banks, farm corporations and the treasury branches. At one time these institutions were in the same position. But this ridiculous rule came to the attention of the Hon. Marvin Moore, a former minister of agriculture in Alberta. When he learned that farmers were being denied credit because a farm implement dealer gave them a few months of interest-free payments, he changed the regulations. Today, the agricultural corporation in Alberta no longer withholds a loan for this reason. The Federal Farm Credit Corporation has come up with umpteen dozen reasons in this regard, all of which, in my view, are ridiculous.

Such policies do nothing but drive up the cost of food. What they are saying to the implement company is, "Do not give out these temporary interest-free loans and we will give out the money". This has the effect of driving up the cost of production. If these policies continue, it will not be long before the public outcry will become so loud that this clause will be changed and the provinces will be allowed to form banks to compete with the chartered banks.

Such a policy would have the same effect as when the government of Alberta created an insurance company to compete with the private insurance companies. The insurance rates of the government company were lower and in order to compete the other insurance companies had to lower their rates. It is an indication that these insurance companies were charging what the market would bear with no relation to risk, costs or profit. The banks are following this policy today.

• (2130)

There is one other point I would like to deal with, Mr. Speaker, and that is the expansion of credit. Governments have given the banks this tremendous instrument for making money. They have given the banks the sole right to expand credit. Unless people go into this matter very deeply they may not realize what it means. Today the banks extend credit by simply lending, say, $100,000 and then when it is paid back, they mark it off. Then there is the interest on that created money during that period based on how much money a chartered bank has deposited with the Bank of Canada.

As I have said in this House before, and will repeat as long as I remain, some of that expansion of credit belongs to the people. It would be a good thing if the banks would even go part way and offer half of the net profit on expanded credit, to build schools and hospitals, for instance. But the banks do not do that; they still make huge profits from the expansion of credit, a privilege given them by the government of the day.

I am not against banks, Mr. Speaker, and I do not mind that they make a profit, but that profit should be reasonable and the banks serve the people. In my view the expansion of credit has gone too far. The people of this country should derive some benefit from it. That is not possible as the act stands but I suppose it is the best we can expect from a government that is so full of contradictions in the energy field. It is pleased to pay $30 or $38 per barrel for foreign oil yet refuses to pay more than $16 or $17 for oil produced in this country. How long will the people accept that kind of thing, Mr. Speaker? Maybe after all the rigs have left the west and the hundreds of Ontario and Quebec workers return without jobs, the Prime Minister will begin to realize what has happened to the country. The government then may realize why people in the west feel alienated, distressed and frustrated. Much of that frustration could be alleviated if the government were to pay a reasonable price for western oil. If it made the same offer as that made by the Clark government, more rigs would come back into the country, more jobs would be created and the whole economy would benefit.

I suppose this bill is the best we can expect at this time, Mr. Speaker. I hope it will be used as an instrument to create more buoyancy in the country.

Mr. Sid Parker (Kootenay East-Revelstoke): Mr. Speaker, I should like to refer to some comments made in this House this evening. The amendments offered by the hon. member for Broadview-Greenwood (Mr. Rae) and already voted upon were dealt with very quietly yesterday by both the Conservatives and Liberals. This evening the hon. member from Prince George-Peace River (Mr. Oberle) has spoken about the problems of the small businessman, of the housing industry, of the farmers and of the economy as a whole, yet not one member of

the Conservative or Liberal party spoke in support of our amendments.

Just the other day the minister said that the government did not want to interfere with the banks in a social way, Mr. Speaker. What are we trying to do here? Are we trying to make room for the foreign banks to become competitors in this market? Are we considering the credit unions which, due to the curtailments imposed upon them, cannot compete in the same market as the banks? This bill provides all kinds of privileges for the banks but does not give any relief to the credit unions to allow them to become actively involved in this market.

The hon. member for Bow River (Mr. Taylor) brought us the philosophy of the Social Credit party. Mr. Speaker, I have seen some of the philosophy of Social Credit governments in British Columbia. They decided to flood thousands of acres of heritage land, not to provide electricity for Canadians but in order to provide a backup resource of water for the United States. Future generations of Canadians will be denied the pleasure of that bottom land, Mr. Speaker. We have had other projects of that nature under Social Credit governments so I know something of the philosophy expounded by the hon. member for Bow River.

I should like now to deal with the structure of the boards of directors of banks and some of the decisions they make. We run into serious problems when we allow these boards of directors to control the flow of money and direct how it should be invested. The ramifications of this could be very serious indeed.

The Conservative and Liberal members who spoke did not mention the large donations made by banks to their parties. The banks make large donations to both parties, so let us align them, Mr. Speaker.

Mr. Oberle: Where did you hear that?

Mr. Parker: I not only heard it, it is a matter of fact, because it is disclosed in accordance with the law. These are some of the things we should be very concerned about, Mr. Speaker.

Just yesterday the Solicitor General (Mr. Kaplan) asked where I was when the committee was sitting. As he well knows, Mr. Speaker, we are only allowed a certain number of members on that committee and the amendments which we voted on today were the result of their efforts to get changes made to the Bank Act. I am proud of them, Mr. Speaker.

If the other two parties in this House had allowed the amendments to pass, a lot of small businessmen would have benefited, there would be more housing starts in the future and the economy of the country would improve. It is unfortunate that they did not agree with our view, because there was a tremendous opportunity here, after waiting five or six years, to improve the Bank Act. To be honest, the people of Canada have missed an excellent opportunity to have an instrument to serve our needs. I am hearing this throughout my constituency and from other areas of the country. Every day I hear of concerns about interest rates, housing starts and with regard to various other areas. We know through Canada Mortgage and Housing Corporation that the need is there because they have conducted studies. In some areas there is a zero per cent vacancy rate, yet we hear about MURB housing, housing for doctors and real estate agents. They can put their money into deferments, apartment blocks and fancy housing which does not meet the everyday needs of the people of Canada.

• (2140)

When considering the Bank Act, we should look at meeting the needs in order to build a future of which we can be proud. We should develop an industrial strategy, conscious that if we invest in one area, we might hurt another section of the country or another business. We must include controls in the Bank Act to ensure that we are protected.

One member stated that even provincial governments are affected by decisions regarding the Bank Act. If they like a government, they feel the banks should not be involved in investments because they might make a government look a little better. Isn't that something, especially coming from a member of the Conservative party. Those are the kinds of concerns we have been expressing year after year. They are very real concerns which affect everyone. Maybe that is what the Liberals and Conservatives want. Maybe they want that kind of society. We in the New Democratic Party have a new vision. If the banks are making that kind of profit, the Minister of Finance (Mr. MacEachen) should be able to direct them to put their profits into such areas as interest rates so that housing, farming and small business can be assisted and that part of our economy can start moving again.

I also heard the comment that we in the NDP would fight to ensure that Chrysler is a viable business so that the employees would be protected. Naturally we will fight for that. We are not necessarily saying we should give that company money or issue a grant. We say that if money is made available or guaranteed by the government, we should have some equity. If the company later becomes profitable, the government should be reimbursed. If it does not become profitable, we should help make the decisions about what takes place in the company and the people who work for it.

I had the opportunity of visiting Windsor during very trying times. I say that if those kinds of decisions are not made, the government will feel the effects. It will not be Chrysler, but the people of Windsor, the governments involved and the country as a whole will be affected. If that company does not carry on its programs and does not follow through, the social aspects that will take place and the ramifications in the community will affect the whole country.

These are serious matters and we take them very seriously. I resent it when other members suggest that we in this party favour handouts. That is not our philosophy. Our philosophy is to join together in hard times and make an agreement with the companies involved. This proved very satisfactory in British Columbia. One of the Liberals mentioned yesterday many of the programs in which we were involved during our time in

government. He referred to Ocean Falls and various companies in which we were involved. Many of them are now going down under another government. They are being sold off and are disintegrating. We will be back and we will again bring in those kinds of programs. These are concerns of the New Democratic Party. They are the issues we would like to see debated. We offered a tremendous number of amendments to this legislation. They were rejected by the other parties. Therefore, we have no alternative but to decline to support this Bank Act. It is unfortunate that some of the amendments could not have been accepted, but that is something the Liberals and Conservatives will have to live with.

[*Translation*]

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I move, pursuant to Standing Order 6(5), that the House be allowed to sit beyond the normal time of adjournment in order to complete the third reading of Bill C-6.

[*English*]

The Acting Speaker (Mr. Blaker): The House has heard the motion pur forward by the Parliamentary Secretary to the President of the Privy Council (Mr. Collenette). If there are members who object, will they please rise.

And more than ten members having risen:

The Acting Speaker (Mr. Blaker): There being more than ten members who have risen, the motion fails.

Mr. Bill Yurko (Edmonton East): Mr. Speaker, I am pleased to speak on third reading on the general and broad principles of this very important bill. The banking system in Canada is a stable and acceptable system, althouth not overly responsive in certain areas. It is the primary motive force in our society. It is the real essence of industrial and commercial catalyzation and the growth of our industrial society.

The banking system in Canada has enormous power. It controls to a large degree the recirculation of wealth, the creation of credit, in many instances the very growth of the social structure and social organization in which we live and, to a large degree, the growth and health of the industrial structure of our nation. In connection with the growth of any regional area, the chartered banks play an enormous role. That really diminishes with distance. The influence of a chartered bank in an area reduces in concentric circles around its point of location. As a result, in this nation we have had to grow sub-banking systems such as trust companies, credit unions, treasury branches, the Alberta Home Mortgage Corporation and various types of government institutions.

● (2150)

These have been necessary because of the location of the chartered banks in this nation. Where are the head offices of the chartered banks located in this nation? Let me just say that according to regions the west has three banking institutions with a capitalization of $100 million. The first is in British Columbia and has a capitalization of $25 million. There is one in Alberta, in Edmonton, which has a capitalization of $40 million. There is one in Manitoba, in Winnipeg, with a capitalization of $35 million. There are three in Ontario, in Toronto, with a capitalization of $275 million. There are four in the province of Quebec, in Montreal, with a capitalization of $425 million. There is one in the maritimes or the Atlantic provinces, in Halifax, with a capitalization of $50 million.

The distribution is such that in the western part of this nation there are three institutions with a capitalization of $100 million. In central Canada there are seven institutions with a capitalization of $700 million, and in Atlantic Canada there is one institution with a capitalization of $50 million.

We all know that the investment effect goes far beyond the extent of capitalization. This nation is a large nation growing in a certain pattern. In western Canada we will be needing more like $200 billion for energy investment in the next ten years plus. To a large degree this capitalization was intended to be generated by the profits of the industry itself. What the federal government has done with its energy policy has been to reduce this self-capitalization and place the industry, again to a large degree, at the mercy of the centralized national banking institutions.

My first point is that if this nation is to grow in accordance with its capability, the government and the national banking institutions must look seriously at their locations in the nation. There is no need to have seven chartered banking institutions headquartered and centralized in Toronto and Montreal. I want to repeat that. There is no need in the future for centralizing seven of the largest banking institutions with a capitalization of $700 million in Toronto and in Montreal.

The government should recognize that there is a need to examine the possibility of relocating the head offices of some of these financial institutions. I can ask a very specific question: Why should not a financial institution—not the largest but a medium-sized one—be located in St. John's, Newfoundland in view of the capacity of the oil industry in that area?

Mr. Rompkey: Why not Grand Falls?

Mr. Yurko: Why should there not be serious consideration by these large banking institutions in terms of examining the head office location in Calgary, where much of the energy industry or the energy capitalization in western Canada is needed? Indeed, why not one in Quebec City? Why should not Quebec City have as its apex centre a banking institution to fan out its influence in concentric circles around that centre? That is what happens with banking institutions. As you go farther and farther from the apex centre of banking, there is less and less knowledge at the banking centre and therefore less and less response. The branch banks do not work very well in that regard, and several people have indicated that we have needed trust companies, treasury branches and credit unions to provide risk and venture capital because risk and venture capital is not provided as you get farther and farther from the centres of these banking institutions. They become too conserv-

ative. They lack knowledge of the outlying points of this nation, which is such a big nation.

It is extremely important that the banking institutions themselves and the government examine seriously the location of some of the chartered banking institutions in this nation. There is a need for change in order to bring balance to this nation from one end to the other. Indeed, western concerns, which are paramount today, could be diminished if there was more control over the formation, recirculation and direction of capital within and from western Canada. One of the reasons for the energy battle which is going on in this nation this very moment is that western Canada is trying very hard to create a capital pool so that that capital can recirculate from its own apexes or points of influence rather than constantly from central Canada.

The second point I wish to make deals again with the power of influence and the power of decision-making with regard to the growth of the national industrial equation which is associated with the chartered banks being located in central Canada. I plead with the financial institutions and chartered banks to look very liberally at a policy of appointing to their boards of directors an appropriate representation from the entire nation rather than just from the centre of the nation.

If these institutions will not move their head offices out, it is very important that they bring into the centre, to the point of decision-making and policy formulation, Canadians who understand fully the aspirations, the desires and the potential of various parts of this nation. It is only then that this nation will experience its full growth potential. It is only then that we will be shifting our population in accordance with capability and ability for development of our vast resources and our vast potential. It is vital that chartered banks and the government be very interested in where the banks get the people to man their boards of directors and that there be a representation from this entire nation on the boards of directors of these chartered banks. There should be a very liberal representation, and I do not mean in a partisan political sense.

I have just one other point to make, and it has to do with financing exports and imports and particularly Canada's vast potential for exporting not only goods but also technological competence. This nation has educated its population. It has inherent in it a technological competence per capita which is second to none in the world. Indeed, it is even greater than that in the United States.

This technological competence is desired and needed in many places in the world, but technological competence can be exported hand in hand with available capital. I would like to see the chartered banks put together a structure for integrating the use of capital in association with the export of technological competence from Canada.

Mr. Speaker, I believe we can call it ten o'clock, and I beg to adjourn the debate.

• (2200)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

CANADIAN WHEAT BOARD—COMPENSATION FOR FARMERS DUE TO EMBARGO ON SHIPMENTS TO U.S.S.R.

Mr. Charles Mayer (Portage-Marquette): I rise in the adjournment debate with respect to a question I asked the Minister of Transport (Mr. Pepin) in his capacity as spokesman in this House for the Canadian Wheat Board. It referred to what was and still is a concern of mine, and a great many producers in western Canada, with respect to compensation to them in light of the American grain embargo, which the Canadian government decided to support. After the invasion of Afghanistan almost a year ago one of the things which was decided upon by the Americans was to impose a grain embargo on the Soviet Union as a method of showing their displeasure with what they were doing in Afghanistan. This country decided to go along with the embargo based on certain concerns. One of the concerns related to how the Americans would conduct themselves in terms of international grain sales. Another, which affects us directly in this country, was the fact that it was agreed by the Clark government at the time that producers of grain should not carry the full expense of Canada's international policies. In this case it was foreign policy. It was decided by the previous government that if it could be demonstrated that there were losses of income to western grain producers they should be compensated by the Government of Canada for those losses. The drop in the price of grain from January to the spring of this calendar year was something in the order of 75 cents a bushel. I think this is documented and can be verified by looking at the grain markets and the grain prices.

The answer I received from the minister back in June was:

> This decision was made by the previous government and it is supported by the present government; there is no doubt about that. Obviously, the previous government knew that the decision made last January would have certain effects on volumes and on prices. That is why they put forward the idea of compensation.

It is interesting to note that the Minister of Transport, who speaks in this House for the Canadian Wheat Board, agreed in principle that compensation should be paid. He also said in June in answer to another question in this House that there would be a cabinet paper in a few weeks, at the end of the grain season. Those of us who know something about the grain season understand that the crop year ends on July 31, which has long since passed. The crop year runs from August 1 to July 31. So when the minister referred to the end of the grain season he was referring to July 31. We are now passed the middle of November and are far beyond the end of the crop year with no indication from this government as to what the level will be or, indeed, whether there will be compensation

paid to western producers. During that period we have heard many conflicting statements from different cabinet ministers involved in this matter. We have heard statements by the Minister of Agriculture (Mr. Whelan), by the Minister of Transport and by the minister in the other place who is responsible for the Canadian Wheat Board. Last week the Minister of Agriculture said he hoped to have a cabinet decision at the end of November on how much producers will be paid. His colleague, the minister in charge of the Canadian Wheat Board disagrees with the agriculture minister and says he does not think a decision will be made until late December, possibly not until January. One cannot help but wonder who is speaking for the government in this connection and exactly what their policy is.

● (2205)

It is unfortunate that we cannot have a clear indication from the government as to what their policy is to be. Just yesterday, the Secretary of State for External Affairs (Mr. MacGuigan), in reply to a question by a member of the NDP from Saskatchewan, said:

> There has never been a complete embargo, only a partial embargo. The way in which it has been phrased is in terms of normal levels of trade in those products. That is still the rule. We are now into a new crop season and we have to try to establish what that means for this year.

So, according to the Secretary of State for External Affairs we do have an embargo. The minister in charge of the Canadian Wheat Board says that even though the boycott has been ended, Canada will not increase its exports to the U.S.S.R. to make up for the American shortfall. He said we do not have an embargo but the Secretary of State for External Affairs says we do.

The point is that western producers have lost grain. Our government agreed on the level of exports to the Soviet Union of 3.8 million tonnes, and evidence has been available from independent groups, from universities—the University of Saskatchewan just recently completed a study which said that there had been $67 million in lost sales; there have been other private studies and I have press reports—which say the losses have been in the neighbourhood of $200 million. I think it is very important, before we get too far away from the grain sales we are talking about, that some level of compensation be agreed upon so that the producers in western Canada know whether they can expect compensation from this government. I strongly urge that this government make good on its promise to western producers. I urge the government to make a statement tonight stating that compensation will be available and indicating the level at which compensation will be provided.

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I should like to make a few comments on the U.S.S.R. grain trade restraints and the government's commitment to compensation. I should emphasize that we are talking about restraints on grain trade and not an embargo.

First of all, with respect to our participation at international meetings, a subject which the hon. member question last June, we have been full and active participants. Granted, the Wheat Board did not go to the Brussels meeting in May, but Canada was represented by the grains' group which consulted fully with the Wheat Board before going. The Wheat Board was represented at the meeting in Adelaide.

There have been several questions recently about the government's position on the restraints. Let me repeat what the Secretary of State for External Affairs (Mr. MacGuigan) said yesterday. He said that there has been no change in policy. Likewise, the government remains committed to compensation and we expect a determination very soon on the level of compensation.

What often gets lost in this discussion, Mr. Speaker, is that our over-all export performance has been very good. Grain exports were up 20 per cent last year, and the Wheat Board has advised us that they will be able to sell all the grain available for export this year. So the western producer will not suffer.

As far as the price is concerned, things have been looking up since earlier this year when the price was temporarily depressed. Initial payment levels announced in July were up substantially from the preliminary levels announced last March. The continuing trend of strong international prices should also encourage the western farmer and this is something we are monitoring closely to see if any further change is warranted.

All in all, Mr. Speaker, the situation for the western farmer is looking quite positive this year.

PARKS CANADA—GRIEVANCES OF CORNWALL EMPLOYEES—GOVERNMENT CONSIDERATION THEREOF

Mr. Bill Domm (Peterborough): Mr. Speaker, I was gratified to see in *Hansard* of June 19, 1980, at page 1877, that the Deputy Prime Minister and Minister of Finance (Mr. MacEachen) aspires to "ensuring that the province of Ontario is well served and its interests are looked after." I was gratified that the Deputy Prime Minister should aspire thus, but also I was surprised in view of his budget which is a blueprint for disaster for central Canada. If the Deputy Prime Minister and his colleagues more directly responsible in this area which I am questioning truly acted in the best interests of Ontario, her people and the services that Parks Canada regional office provides, they would have accepted the findings of July 3, 1979, put forward by the ADM for Parks Canada, Mr. A. T. Davidson, and I quote his words:

> —we should move as soon as possible; that any major regional centre near Toronto would be suitable; but that Peterborough is now the most suitable.

They would have accepted the November, 1979, update from Parks Canada which found, for example, that:

> The capital program forecast for the region for the next five years provides for more than 70 per cent of expenditures to take place in locations which would be closer to Peterborough than Cornwall.

They would have acted also upon the conclusion that:

> An annual saving of $291,700 is estimated to result from the relocation of the regional office from Cornwall to Peterborough.

• (2210)

Instead they acted upon the needs of a member of the Liberal cabinet rather than the needs of all the people of Ontario. Nonetheless, I am willing to take his word that his is an honest aspiration, sincerely felt if not acted upon. Are his colleagues as sincere? Do they aspire equally to the well-being of Ontario, to the efficiency of government, to the course of action which serves best the majority of Ontario or her citizens and public employees who work on their behalf?

Certainly one could not come to such a conclusion on reviewing the lamentable and drawn-out Parks Canada affair. I am sure members opposite will recall their shameful and quite cynical decision to rescind the thorough and exhaustive eight-year effort to move the Ontario regional Parks Canada office from Cornwall to Peterborough, an effort which was ratified and encouraged by both sides of the House while in government.

The words of the Minister of Finance (Mr. MacEachen) on June 9, then, have a sad and ironic ring, coming only a month after the announcement by his colleague, the Minister of the Environment (Mr. Roberts), that the regional office of Parks Canada should remain in Cornwall.

Or, do I understate the case? Am I being too deferential to the Acting Prime Minister, the Minister of the Environment and their colleagues opposite? Should I not state unequivocally, without a shadow of a doubt, that their decision was an irrefutable demonstration of the worst kind of pork-barrelling, that it demonstrated utterly their political opportunism, that it condemned them forever in the hearts of Ontario citizens and employees of Parks Canada, that it was crass, cynical and manipulative power-mongering of the most disgusting kind? This sits a trifle uneasy with the honourable aspirations of the Acting Prime Minister to ensure the prosperity of Ontario.

The Parliamentary Secretary to the Minister of the Environment (Mr. Simmons) urged that I borrow a leaf from his book on the matter of parliamentary decorum and recommended that I score "honourable, legitimate political points", as reported in *Hansard* of May 12. His honourable, legitimate political point was that the Conservative government deferred the move of Parks Canada to Peterborough for ten whole months. I am sure the hon. member will wish to acknowledge that as the Conservative government was in power for only eight months, we could hardly have deferred the decision on that matter for ten.

But the hon. member's claim to honour and legitimacy may be more vulnerable on a further issue. Knowing his concern for right and justice, I feel compelled to give him an opportunity to redeem himself. The hon. member went on to remind me that "the announcement to defer" this decision "made on August 3, 1979, was made by none other than the hon. member for Peterborough himself . . . the man who announced the deferral last August". This is an unmitigated falsehood, an untruth, a lie. It is furthermore couched in terms which damn the hon. member to his own condemnation—they are "cheap, cowardly and political".

The Acting Speaker (Mr. Blaker): Order, please. The Chair is somewhat confused. Is the hon. member quoting from a document or making these allegations directly?

Mr. Domm: Mr. Speaker, I am quoting the words of the hon. member when he said I used "cheap, cowardly and political" tricks. They are quotes from *Hansard* which I am trying to bring to the attention of the House.

The Acting Speaker (Mr. Blaker): I do not think the Chair ought to take the view that the rules on parliamentary language change as between normal debate and the adjournment debate. There is much dispute about whether the kind of language the hon. member is now using is in fact parliamentary or unparliamentary language. But it caught my attention without a complete feeling of confidence on my part that I followed how the words came into usage. I think under the circumstances that I and the other officers of the Chair have a duty to take under reservation and consideration the language which is being used. But if I understood correctly, the hon. member should know, provided my interpretation is correct, that such a choice of words leads to difficulties in the House. Aside from the fact that it is likely to encourage such language by other members as well, it also leads in some cases to the appropriate demand that the Chair rule on whether the remarks should be withdrawn. In any event, the evening wears on. I will take that matter under consideration and I would ask the hon. member to exercise some caution in such a selection of words. If I understood the earlier part of the hon. member's speech correctly, he is probably somewhat irritated, but we do have our obligations in the choice of language.

• (2215)

Mr. Domm: Mr. Speaker, I respect the wishes of the Chair. I used these words because they were expressed in question period. As a result, I raised a question of privilege, but Madam Speaker ruled that I did not have a question of privilege and informed me that there were other means by which a member of Parliament could refute the statements made by the Parliamentary Secretary to the Minister of the Environment, one means being during the adjournment debate.

For this reason I raised this matter and those exact words which were used by the parliamentary secretary again tonight. I had hoped that the adjournment debate would afford me the opportunity to obtain the retraction which I have not been able to obtain from the parliamentary secretary through a question of privilege. I respect the wishes of the Chair.

Some may ask why I waited six months to refute the charges made against me by the parliamentary secretary. The reason is that it has taken six months for the matter to come up on the adjournment debate. I do not wish to prolong this debate any longer, but recognizing the fact that the Chair did take some of my time, I would ask the indulgence of the Chair and that it add a minute or so to my time so that I may proceed with my prepared text.

On May 15, 1980, only three days after the exchange to which I just referred, I sent my first courteous letter to the

parliamentary secretary asking that his offer of making available to me the source of information be forwarded immediately to my office. On May 13 in this House, the hon. member stated that his source was "senior departmental officials". I have yet to receive a reply. On May 28 I wrote again repeating my request, but I received no reply. On the same date my colleague, the hon. member for Vancouver South (Mr. Fraser) and former minister of the environment wrote to the member refuting absolutely his statements made in the House on May 12 and repeating, on my behalf, my request that he fulfil the undertaking he made in the House on May 13. To date I have received no reply.

On August 12, 1980, three months after the exchange and the promise, the hon. member for Vancouver South wrote again to remind the parliamentary secretary of his previous letter and to urge him to reply. On August 14 we received a reply. The hon. member stated in his missive—and I would ask members on both sides of the House to judge the honour and legitimacy of the reply—"in view of Madam Speaker's ruling, I saw no need to pursue the matter any further". He saw no need. As the hon. member for Vancouver South succinctly stated in his response to this pathetic and cowardly cop-out, "Madam Speaker disposed of the question of privilege. That ruling did not dispose of your word given in the House of Commons, nor could it".

In the interest of restoring the honour and integrity of the hon. member for Burin-St. George's in the eyes of his colleagues and the people of Canada and in the erasing of the soiled record of this dishonourable falsehood, I urge him to either retract his statement of March 12 or to fulfil his undertaking made in this House on March 12 to supply information to me and to the former minister of the environment, the hon. member for Vancouver South, on his source of "senior departmental officials"whose information he used in the House, which is not according to the facts.

● (2220)

Mr. Roger Simmons (Parliamentary Secretary to Minister of State for Science and Technology and Minister of the Environment): Mr. Speaker, if the rules of the House for this particular exercise allowed, I would have risen on a point of order. The right of the hon. member for Peterborough (Mr. Domm) to refute statements is not at question, but he does not have the right to use unparliamentary language. Beauchesne is very clear about the use of the word "lie", Mr. Speaker; it is clearly and unequivocably unparliamentary and should not be permitted in this chamber.

I recognize that the hon. member and I have a difference of opinion on a matter which I shall come to in a moment. However strong, however vociferous that difference may be, however, I appeal to him, in the interests of maintaining the integrity of this House, not to stoop to using unparliamentary language to convey his ideas. I am sure he has within his fund of vocabulary the parliamentary means to convey the strength of what he feels on this particular subject. I appeal to the hon. member to withdraw. I would be prepared to yield the floor to him in order that he may withdraw the unparliamentary language he has chosen to use tonight. It does nothing for his standing in this House, it does nothing for the integrity of this House or the way in which we try to conduct debate from time to time.

Mr. Domm: A point of order.

Mr. Knowles: No.

Mr. Domm: He said he would yield the floor.

Mr. Knowles: There is no point of order.

Mr. Simmons: I indicated to the hon. member that I would yield the floor to him so that he could withdraw his unparliamentary expression, of course. I see that Mr. Speaker says I am not able to do that.

The Acting Speaker (Mr. Blaker): Order, please. I am sorry to take up the time of hon. members again, but unfortunately the rules prohibit the parliamentary secretary from ceding the floor for someone who seeks to raise a point of order. It is not permitted.

Mr. Simmons: Thank you, Mr. Speaker. I am sure the hon. member will take the first opportunity that the rules permit to withdraw his unparliamentary language.

I come now to the substance of the issue, Mr. Speaker. The decision made by the Minister of the Environment (Mr. Roberts) last May is not to be reconsidered. It is a final, irrevocable decision and the sooner the hon. member for Peterborough recognizes that, the better for all concerned and the less pain there will be for the people he purports to help. The decision is irrevocable; it is final; it is not reversible; it is done.

In view of that, I do not know why the hon. member insists on fighting yesterday's battle. What good can he hope to achieve by this constant repetition, this constant tirade of events that cannot be undone? At the very least—and I say this kindly—he is unwittingly doing further damage to the people whose careers have been in limbo for some time. We recognize that and it is the reason we moved to make a quick decision on the subject.

I am sure the hon. member knows the facts of the case so I shall not take the time to respond on the facts but I will respond on the matter he has raised tonight.

In this House I undertook to expedite a matter for the House—not for the hon. member for Peterborough. He understands the case full well; he lived with it; he made an announcement last August and I undertook to expedite the matter for Madam Speaker. When she indicated that the matter was taken care of I, rightly or wrongly—and I believe rightly—assumed it had been disposed of.

The one point I make to the hon. member in concluding is that if he will refer to his announcement of August 3, he will realize that his government had been in power for two months

and that his announcement further delayed the move for another year. That was the point of what I said to him in May and I repeat that point tonight. I dare him—I invite him—to contradict the truth of that particular statement.

ENVIRONMENTAL AFFAIRS—TOXIC CHEMICALS SPILL ON WEST COAST—LEGISLATION TO PREVENT REPETITION

Mr. Jim Fulton (Skeena): Mr. Speaker, my question relates to a response I received to a question I put to the Minister of the Environment (Mr. Roberts). His answer is recorded at page 931 of *Hansard* for May 12, 1980, and reads in part as follows:

I will examine it and report back as soon as possible.

To date there has been no response or report from the minister. To refresh the memory of the House, it related to the dumping in November of last year of a truck load of dangerous toxic chemicals just south of the Queen Charlotte Islands from a barge en route from Alaska to Washington state. These containers began to appear in the vicinity of Prince Rupert in May. They were and are dangerous to the public. At that time I directed my question to the Minister of the Environment. I wish to read a few brief quotations in an attempt to elicit from the parliamentary secretary some response and perhaps a tabling of the report which is due from the Minister of the Environment. I quote from a May 9 report:

● (2225)

U.S. Coast Guard spokesman Lieutenant Walters in Anchorage said this morning that he was "89 per cent certain" that a notice to mariners had been issued by the Coast Guard office in Juneau at the time the spill occurred.

Karen Gehing, spokesman for the Aids to Navigation Office in Juneau said, however, that a check of the November records showed that no such notice had ever been issued.

The chemical, which is highly toxic and volatile, is bacteriacide used in oil fields. More than 1.1 parts per million of the chemical over a period of 96 hours is lethal to fish and wildlife. It is also highly corrosive, has a flash point of 83 degrees Farenheit, and is absorbed through the skin.

I wish to quote from a report of May 12, 1980:

The loss, and damage to the ship, was reported to the U.S. Coast Guard in Seattle, but according to Marine Inspection Spokesman Lieutenant Larson, the Coast Guard was not informed of the nature of the cargo . . . U.S. Coast Guard officials in Juneau say they have not yet ascertained whether the drum was a part of the November shipment or debris from some other spill. They say safety precautions prevent the Canadian Coast Guard from getting close enough to the recovered cannister to read identifying marks which might determine its origin.

I trust the parliamentary secretary or the minister will respond to this point since my question relates to whether they are considering or have any intention of bringing in legislation which will allow or require labelling to be properly in place so that these types of incidents will not occur. I quote from the same document:

John Hopps of Marine Inspection in Vancouver said today that while there are recommendations for the carriage of dangerous goods as part of an international shipping agreement, and some regulations are enshrined in federal legislation, they are quite vague in many instances. Even though recommendations do exist for many types of chemicals, it is left to the shipper to enforce these recommendations—

Chris Hatfield, former west coast Emergency Co-ordinator for Environment Canada, said from Vancouver today that regulations for chemical transport are "non-specific and need a lot more work."

"Questions of what to transport, where to transport, and how to transport haven't been looked at yet," Hatfield said . . . "It's really a vague area; there are so many agencies, so many chemicals, and no regulations."

My concern, and I trust the parliamentary secretary will address this, is in relation to what comprehensive legislation is concerned. The minister is on record as saying that about 85 per cent of the toxic and hazardous waste in Canada is dumped improperly at the present time. One could hardly go to the public at this point and say that either the corporate sector or the government are adequately handling this situation.

There must be feasibility and financial studies, legislation relating to transportation, storage and handling, regulations and legislation related to trans-boundary movement, classification, technology, treatment facilities, the citing of criteria and public safety and environmental impact. None of those issues has been addressed. It took six months before the Canadian government even knew of this spill. Another six months has gone by without any response from the Minister of the Environment. The concern of the public is very much in limbo at this point.

It is a relevant question to ask how many "Love Canals" are being created at the present moment with hundreds of thousands of tons of carcinogenic and mutagenic material being dumped and, in many instances, the creation of totally new and unknown chemical substances in our environment. Tens of thousands of chemicals are now in use and they are being madly dumped in our environment.

● (2230)

In conclusion, I hope the parliamentary secretary will address both the issue of toxic chemical spills, since I have not yet received a report or a response, and as well, the legislative question which I put to the Minister of the Environment on the same day.

The Acting Speaker (Mr. Blaker): Unfortunately, the parliamentary secretary will not be able to reply under our normal rules because we have reached the end of the debate on the adjournment. Because another matter has also come up, I will take a few seconds myself. As some hon. members will have noticed, I have had some discussion with one of the Table officers. I simply want to assure the hon. member for Peterborough (Mr. Domm), who has absented himself, and the parliamentary secretary, that while no points of order or questions of privilege are permitted during the debate on adjournment, that does not in any way imply the loss of the right to rise such an issue at the next sitting of the House or even, indeed, at another time. I think it is my obligation to review *Hansard* tomorrow morning and determine whether the matter ought to be carried further.

I think perhaps the hon. member for Winnipeg North Centre (Mr. Knowles) will suggest that with the unanimous consent of all three members present we might allow the parliamentary secretary to reply. I am in full favour of that, but just in case that were not possible, I wanted to assure those

hon. members present that if indeed there is an issue relating to the exchange tonight between two hon. members, it will be handled in a manner which will not reduce anyone's rights in order that it can be dealt with tomorrow.

I understand that there may in fact be unanimous consent for the parliamentary secretary to proceed to answer the hon. member for Skeena (Mr. Fulton).

Mr. Knowles: That was my suggestion.

Mr. Roger Simmons (Parliamentary Secretary to Minister of State for Science and Technology and Minister of the Environment): Mr. Speaker, I thank, the hon. member for Winnipeg North Centre (Mr. Knowles), for interceding on my behalf so that I can be heard.

Mr. Knowles: I hope it is worth it.

Mr. Simmons: On the general issue of jurisdictional concerns within our 200-mile exclusive economic zones and our 12-mile territorial seas, the situation is a bit more complicated than the hon. member for Skeena (Mr. Fulton), indicates. He wrote us on July 28 of this year suggesting that the government should seriously consider implementing or supporting the introduction of east and west coast 200-mile zone legislation parallel to the Arctic Waters Pollution Prevention Act.

The exclusive economic zone concept is a relatively new development in international affairs and is among the items being considered at the ongoing Law of the Sea Conferences.

In January, 1977, Canada proclaimed its 200-mile fishing zones on the east and west coasts. The international community has tacitly agreed to Canada's management of marine life resources in these zones, largely because of the diplomatic negotiations which preceded the proclamation and also because of the assurance we gave that historic fishing rights would be honoured. However, tacit agreement on the management of marine life cannot be considered as a precedent to act unilaterally to encompass the regulation of shipping in the 200-mile zone. Bilateral or multilateral negotiations should precede any proposed action on our part.

I believe Canada must work within the international framework of the United Nations Law of the Sea and the Intergovernmental Maritime Consultative Organization, IMCO, to obtain ratification of the various IMCO conventions and their protocols to establish global standards for tanker safety, pollution prevention and the carriage of hazardous and noxious substances. We will not get international support if we act unilaterally, and we probably would suffer setbacks in our trading activity as well. We will achieve our goals much more rapidly if we continue our strong support for the international initiatives.

Ratification of the various IMCO conventions will require changes in Canadian legislation. I assure the hon. member that when such changes are introduced, we will be promoting those which protect or enhance the environment. Meanwhile, this government has been working closely with the United States in harmonizing marine navigation systems and in establishing joint contingency plans.

I want to reiterate my concern and, I am sure, the concern all of us share, about the environmental protection of our valuable marine resources. I can assure the hon. member for Skeena and hon. members generally that Canadian federal officials are working in the closest consultation with their colleagues in the United States to ensure the protection of those resources.

The Acting Speaker (Mr. Blaker): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 2 p.m.

At 10.35 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Wednesday, November 19, 1980

The House met at 2 p.m.

● (1405)

ROUTINE PROCEEDINGS

[*English*]

PETRO-CANADA

PROPOSED TAKEOVER OF SUNCOR INC.—MOTION UNDER S.O. 43

Mr. Gordon Taylor (Bow River): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. Whereas in a New York address the Minister of Energy, Mines and Resources (Mr. Lalonde) indicated that Suncor Incorporated is targeted for takeover by the Canadian government through Petro-Canada, and whereas this explains why the same minister is offering Suncor Incorporated $16.75 a barrel as against $38 a barrel which is being offered to other companies in the same area for the same quality of crude oil, I therefore move, seconded by the hon. member for Burlington (Mr. Kempling):

That this House, in deploring this violation of security laws and this tricky, underhanded, under-the-table, unscrupulous method of devaluating the shares of Suncor in preparation for the kill, urges the Prime Minister to prepare a scroll in honour of the Minister of Energy, Mines and Resources as being, next to he himself, the trickiest and most outstanding under-the-table and unscrupulous manipulator in the Liberal cabinet.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

GARRISON DIVERSION

ON-SITE MONITORING OF PROJECT—MOTION UNDER S.O. 43

Mr. Charles Mayer (Portage-Marquette): Madam Speaker, I rise under the provisions of Standing Order 43. In view of the fact that the secretary of the interior of the United States has apportioned an additional $3 million for the Garrison diversion unit in North Dakota, that moneys are still being allocated for further construction of this project and that it is well known that the completion of the Garrison diversion will cause irreparable damage to Canadian waters, I move, seconded by the hon. member for Winnipeg-Assiniboine (Mr. McKenzie).

That this government have on-site monitoring as the construction proceeds and that our consular staff in Washington monitor the appropriate committees of the U.S. Congress and report findings to this House on a regular basis so that we may be kept up to date on the status of this project.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

ENVIRONMENTAL AFFAIRS

CONDITIONS OF INDIAN COMMUNITIES IN NORTHERN MANITOBA—MOTION UNDER S.O. 43

Mr. David Orlikow (Winnipeg North): Madam Speaker, I wish to move a motion under the provisions of Standing Order 43. In view of a report prepared for the federal government which indicates that Indian reserves in northern Manitoba have inadequate garbage and sewage disposal, which is contaminating drinking water supplies and causing a high rate of hepatitis and dysentery among northern Indians, and in view of the knowledge of the Department of Indian Affairs and Northern Development of this problem for years, I move, seconded by the hon. member for Churchill (Mr. Murphy):

That this House instructs the Minister of Indian Affairs and Northern Development to table the report prepared for Environment Canada and turned over to the Department of Indian Affairs and Northern Development and the Department of National Health and Welfare, to provide a statement on motions concerning the reasons why the Department of Indian Affairs and Northern Development has failed to act on the deplorable health hazards cited in this report and to outline the steps he proposes to adopt to eliminate this inexcusable and intolerable health threat faced by northern Manitoban Indian communities.

Madam Speaker: The presentation of this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

● (1410)

DUMPING OF CONTAMINATED WATER IN NIAGARA RIVER—MOTION UNDER S.O. 43

Mr. Tom McMillan (Hillsborough): Madam Speaker, I rise under the provisions of Standing Order 43. Highly explosive TNT has been discovered buried near the site of the SCA Waste Services Company of New York, which has been granted a U.S. permit to discharge millions of gallons of contaminated water into the Niagara river, from which a

number of Canadian municipalities draw their drinking water. I move, seconded by the hon. member for Cambridge (Mr. Speyer):

That this House condemn the Canadian government for not honouring its election commitment to oppose vigorously the SCA permit, and that this House call upon the Canadian government to launch, in concert with the U.S. government, a full inquiry into the matter, taking into account in particular that the TNT explosives near the SCA site are only a quarter mile from a concrete silo full of radioactive wastes from the making of two atomic bombs dropped on Japan in 1945.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

HOUSING

CALL FOR SHELTER ALLOWANCE PROGRAM—MOTION UNDER S.O. 43

Mr. Doug Lewis (Simcoe North): Madam Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43. Inflation, unemployment, high mortgage interest rates and, in some cases, a total lack of accommodation are severely limiting the ability of Canadians to obtain adequate housing, especially those on low or fixed incomes. Since the Liberal government has abandoned these Canadians in every area of housing policy, I move, seconded by the hon. member for Edmonton East (Mr. Yurko):

That this House direct the government to rectify its inaction and lack of policy in the housing field and implement a shelter allowance program for Canadian families.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

AIR TRANSPORT

USE OF STOL AIRCRAFT FOR NORTHERN AND COASTAL SERVICE—MOTION UNDER S.O. 43

Mr. Neil Young (Beaches): Madam Speaker, I rise under the provisions of Standing Order 43. In view of the fact that the mayor-elect of the city of Toronto has announced that he supports the establishment of a STOL air service for the Montreal-Toronto transportation corridor, and in view of the fact that STOL aircraft are more appropriate for northern and coastal service, I move, seconded by the hon. member for Prince Albert (Mr. Hovdebo):

That the federal government not authorize the use of STOL aircraft at the Toronto Island airport but instead use STOL aircraft for northern and coastal service.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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SUPPLY AND SERVICES

BNA ACT—PROPOSED CONSTITUTIONAL RESOLUTION—PROVISION OF SUFFICIENT COPIES—MOTION UNDER S.O. 43

Mr. Bert Hargrave (Medicine Hat): Madam Speaker, I rise on a matter of extreme national urgency under Standing Order 43. In view of the rapidly growing nationwide interest and concern about the constitutional resolution, and in view of the very scarce supply of copies of this resolution and the complete lack of copies of the BNA Act, I move, seconded by the hon. member for Cambridge (Mr. Speyer):

That the federal government's Department of Supply and Services immediately print and distribute sufficient copies of these two important documents to supply all educational facilities throughout Canada.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

ENVIRONMENTAL AFFAIRS

SUPPORT FOR USE OF COAL—MOTION UNDER S.O. 43

Mr. Bob Corbett (Fundy-Royal): Madam Speaker, in view of the fact that the next head of the U.S. Senate's energy committee is regarded in some quarters as the strongest anti-environmentalist in the Senate, which must be regarded with great concern here in Canada, I move, seconded by the hon. member for Hillsborough (Mr. McMillan):

That this House express its unanimous support for the principle, as has been stated when referring to Canada's increasing use of domestic coal in an environmentally sound manner, that the political will to do this in Canada is strong and we must demonstrate this to the United States.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

• (1415)

ORAL QUESTION PERIOD

[*English*]

GARRISON DIVERSION

REPORTED APPROVAL OF PROJECT BY UNITED STATES

Mr. Dan McKenzie (Winnipeg-Assiniboine): Madam Speaker, my question is directed to the Deputy Prime Minister. It was reported today that United States interior secretary Cecil Andrus had approved construction of the Garrison diversion project. Will the Deputy Prime Minister tell the House whether it is his understanding that the whole $630 million project now has the go ahead, or if in fact only the West Oakes test area is involved in this announcement, West Oakes being in the James Bay basin, with no possible effect on Canadian waters?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I am not able to give the hon. member the precise information he requested, but I will attempt to provide up-to-date information to him. The hon. member knows the long-standing position of the Canadian government, which has been expressed so often to the United States government, with respect to the Garrison diversion project.

Mr. McKenzie: Madam Speaker, can the Deputy Prime Minister inform the House what steps the government has taken to improve the monitoring done by our officials south of the border, and will he be calling for weekly progress reports on Garrison, as these reports from our own people would go a long way toward allaying the growing concern in this country about ongoing Garrison construction?

Mr. MacEachen: Madam Speaker, there has been ongoing concern with respect to the impact of particular aspects of the Garrison diversion project on Canada and on the Canadian environment. The hon. member has made representations with respect to ongoing monitoring; I will consider those representations with the appropriate minister.

INQUIRY WHETHER STEPS TAKEN TO DETER ACTION IN U.S. CONGRESS

Mr. Dan McKenzie (Winnipeg-Assiniboine): Madam Speaker, I should like to point out to the Deputy Prime Minister that senator-elect Mark Andrews and the governor of North Dakota are calling for the full completion of the Garrison diversion project, especially senator Andrews who is one of the strong supporters of the project.

During this lame duck session of Congress there exists an increasing risk that appropriations for Garrison could be forced through. Has the Liberal government taken any steps to contact the U.S. government with a view to deterring this disastrous course of action in the United States Congress?

[*Translation*]

Mr. Louis Duclos (Parliamentary Secretary to Secretary of State for External Affairs): Madam Speaker, I am sure the hon. member will be happy to learn that, yesterday, the U.S. Department of Interior announced that the appropriation for the parts of the project that would affect Canadian interests will be withheld and spent only after consultation with Canadian authorities.

[*English*]

UNACCEPTABILITY OF PROJECT TO CANADA—INQUIRY AS TO GOVERNMENT ACTION

Mr. Charles Mayer (Portage-Marquette): Madam Speaker, in the absence of the Secretary of State for External Affairs and the Minister of the Environment, I have a question for the Deputy Prime Minister in relation to the Garrison project. It relates to what our relations as a government will be with the new administration in the United States Congress. What action is the government planning to let the new administration and the new president know that in fact this is not an acceptable project to Canada because it will, if completed, cause irreparable damage to Canadian waters?

[*Translation*]

Mr. Louis Duclos (Parliamentary Secretary to Secretary of State for External Affairs): Madam Speaker, we shall adopt towards the new administration exactly the same attitude we had with that of President Carter, that is, we shall insist with the Reagan administration that basic Canadian interests be respected. Be that as it may, we are awaiting a reply to the note we sent to the American authorities on October 1 asking them specifically to start consultations in that regard as soon as possible.

[*English*]

Mr. Mayer: Madam Speaker, I have a supplementary question. It is well known that parties on all sides of the House are opposed to the Garrison project. In fact, the hon. member for Brandon-Souris first travelled to Washington in 1975 to make that point known. Would the government consider sending a delegation representing all parties of the House to Washington at the appropriate time to let the new administration in Congress know, in the strongest possible terms, that we in Canada are unified in our opposition to this project?

• (1420)

I might add that that precedent was set in the spring, I think, when a delegation of members of all parties of this House travelled to Washington to discuss with United States congressmen some fisheries problems that we had.

[*Translation*]

Mr. Duclos: Madam Speaker, we are now in November and the new administration will be in power in a couple of months, around the middle of January, and we will see then what reaction we get to our representations. The suggestion of the

hon. member can certainly be the subject of serious consideration on our part.

* * *

[*English*]

THE CONSTITUTION

SPECIAL JOINT COMMITTEE—INQUIRY WHETHER REPORTING DEADLINE WILL BE EXTENDED

Mr. Edward Broadbent (Oshawa): Madam Speaker, my question is for the government House leader. Last week I asked the minister if the government was prepared to extend the time allocated to the joint committee considering the constitutional proposal. Given the quality of the groups appearing before the committee and the number of others who want to appear before it, it has become clear that an extension of the deadline set is absolutely essential.

Some hon. Members: Hear, hear!

Mr. Broadbent: Therefore, I would like to ask the minister if he is prepared to assure the House today in an unqualified way that the deadline will be extended in order that sufficient time will be allocated to do justice to this important work.

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, the request made by the hon. Leader of the New Democratic Party last week regarding the extension of the timetable was not addressed to me but to the Right Hon. Prime Minister. To me he put a question regarding the televising of the meetings of the committee and I gave him an answer. With regard to the extension of the timetable the Prime Minister told him that he was very receptive to his suggestion and he explained to him clearly, referring to me, that I was prepared to be flexible and would discuss the matter with the House leaders of the opposition parties. I wish to confirm to the Leader of the NDP that I am still prepared to show the same flexibility, that I fully endorse the answer given to him by the Prime Minister and that I intend to meet with the opposition House leaders as soon as possible, whenever it is convenient for them.

[*English*]

Mr. Broadbent: Madam Speaker, I would like to be a little more specific in my next question for the hon. minister. Considering the important and positive criticisms which have been made in the last few days about improvements to the charter of rights, for example, I would like to ask the minister the following. Is the hon. gentleman prepared to accept some of these positive suggestions, and will he assure the House that the committee will have time not only to listen to the witnesses who want to appear before it but that, following the witnesses' evidence, the committee will have time to give the most thorough of consideration to the amending process?

[*Translation*]

Mr. Pinard: From the evidence given up to now by the various witnesses, it is obvious that all of them are in favour of enshrining a charter of rights in the constitution. However, some would want us to go further. That is why, in view of the representations made, I say again to the Leader of the NDP that I am quite ready to discuss this with the House leaders. I think that is the proper procedure under the circumstances, namely a possible extension of the deadline. Last week, the hon. member asked for a two-week extension. I say to him again today that we are prepared to discuss the matter. However, the Leader of the New Democratic Party must realize that I made this offer in early October, after the Right Hon. Leader of the Opposition complained in his speech about the December 9 deadline, and also after the Tory House leader wrote me a letter in which he took exception to the fact that at the third stage we would be discussing a committee report rather than the resolution itself. At that time, that is in the first week or ten days of October, I made it clear to my fellow House leaders that I was prepared to discuss the committee deadline and also the possibility that we consider the resolution itself rather than a motion for concurrence in the committee report. However, I required a reasonable indication as to the total length of the debate and also as to the procedure to be followed for the consideration of amendments at the third stage.

The Leader of the NDP no doubt realizes that without a set procedure for moving amendments at this third stage, it could become a real hodge podge. After three weeks of debate, we might find ourselves still on a subamendment to clause 3 of the resolution which contains 57 altogether. Therefore, all I ask is that the opposition parties be reasonable, and especially that they agree to negotiate. Again, last week, I repeated this offer. I must recognize that some of the parliamentary leaders were very receptive to this idea, and I certainly hope that in the days ahead all of them will agree to plan sensibly the remainder of the debate, both at the committee stage and on third reading.

● (1425)

[*English*]

Mr. Broadbent: Madam Speaker, it is important that this point is very clear. Nobody is proposing a filibuster on this particular measure. What is being suggested, I believe reasonably, by members on this side of the House and by some members on the other side of the House is that there be adequate time, both in committee and after the committee reports, to discuss important amendments to our constitution. What I would like clear from the government House leader is that he is not considering a trade-off. Is the government House leader suggesting to the House that there will be a time extension for the committee to do its important work, but that the government is considering reducing the amount of time the House would reasonably require for it to do justice to the matter?

Mr. Pinard: Madam Speaker, on the one hand the Leader of the New Democratic Party says that he is not proposing a filibuster, and I sincerely believe him.

Mr. Beatty: Write him another letter, Ed.

Mr. Pinard: On the other hand, he is saying that there is no room for give and take or trade-off in this matter. What I would like to determine in the discussions which I will be having with the House leaders is how serious they, or at least the other party, are when they say there will be no filibuster.

INQUIRY AS TO FINAL DEADLINE FOR PRESENTATION OF JOINT ADDRESS

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, we are all interested in watching the New Democratic Party shift its ground again.

Some hon. Members: Oh, oh!

Mr. Broadbent: At least we have some ground.

Mr. Rae: Tell us where you stand, Joe.

Mr. Clark: The NDP is asking where I stand. I stand where I stood when the matter was proposed, which is something the New Democratic Party has not done.

Some hon. Members: Hear, hear!

Mr. Clark: Would the government House leader tell those of us who are in opposition to his proposal, and his bedmates, what is the date of the government's final deadline for the joint address to Great Britain?

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, I have no deadline in mind. My only wish is that a debate here be as thorough, reasonable and fair as possible. I did not have any such evidence during the first stage of the debate, and I say that it is premature at this time to speak of imposing closure at the third stage. If the Leader of the Opposition wants to be provocative, but I do not think that such is his intention, I will not play that game. I repeat that, on the contrary, we are ready to extend the deadline reasonably, which is precisely what the House leaders should be normally discussing during the meeting suggested by the Leader of the New Democratic Party.

In conclusion, with respect to the request made by the New Democratic Party, which is apparently endorsed by the Progressive Conservative Party, indeed we are ready, as I indicated to his House leader in early October, at the outset of the debate, to reconsider extending the deadline, provided, at the same time, that we have some evidence of good faith, especially that the Progressive Conservative Party does not try to delay the proceedings unduly in a dilatory manner and to start in this House a procedural debate on a constitutional issue, the subject matter of which deserves more consideration from his party. That is all I can say to the Leader of the Official Opposition. I do not intend to impose closure at any stage whatever. I merely want to make sure that as an institution and as a government we assume our responsibilities as fairly as possible, while being respectful of the rights of the Canadian people.

• (1430)

[*English*]

Mr. Clark: Madam Speaker, as I hear that long explanation from the minister, I cannot help but recall that he is the minister who promised there would be no trickery in the introduction of this measure the first time, an undertaking that has been broken.

Some hon. Members: Oh, oh!

Mr. Clark: Madam Speaker, there is a great deal of shouting among members of the Liberal party who are so disunited on this matter.

Some hon. Members: Hear, hear!

Mr. Clark: I just want to be sure that we understand exactly what the government House leader has said. He is now telling us that the government has no deadline for the submission of a joint address to Great Britain.

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

Mr. Clark: Is that correct?

[*Translation*]

Madam Speaker, does the government House leader mean to say that the government has no deadline for the submission of a joint address to Great Britain?

[*English*]

Mr. Pinard: To answer the first part of the question, Madam Speaker, the Right Hon. Leader of the Opposition mentioned that I said I was not willing to agree to impose closure at this stage. I think he is right, if that is what he said. In any case, may I remind him that from the very beginning we have offered many times an extension of hours to discuss the matter at the first stage. We are still willing to discuss and agree to extending hours in the committee stage and in the third stage—

An hon. Member: Answer the question.

Mr. Pinard: —when the report is made, to allow more members to participate.

An hon. Member: Is there a deadline?

Mr. Pinard: I would hope that members of the opposition would agree to such extended hours. To deal specifically with the last question, which was whether we have any deadline in mind, I will reiterate to the Right Hon. Leader of the

Opposition that in fact I have no specific deadline. All I want is a full, complete, reasonable debate. I expect that at some stage the Conservative party will show more seriousness than it has so far.

Mr. Clark: Madam Speaker, perhaps our difficulty is that I am addressing the question to the wrong minister. The government House leader is talking in terms of deadlines for House business. My question has to do with whether the government believes it has a deadline by which it must make a joint address to Great Britain. Could the Deputy Prime Minister tell us if, in the view of the government, there is a deadline by which a joint address must be delivered to Great Britain and, if so, what is that date?

[*Translation*]

Mr. Pinard: Madam Speaker, we plan our proceedings and try to carry out our duties with the utmost celerity and fairness. I am sure that the British in London do not intend to interfere in our affairs. We have received from the British government absolutely no instruction as to when we should report. It was courteous enough not to give us any instruction, and I am satisfied that the answers given up to now by the Secretary of State for External Affairs on the matter are quite adequate, and that we will get satisfaction as soon as we are ready to submit our joint address to the British Parliament.

[*English*]

Hon. Walter Baker (Nepean-Carleton): A supplementary question, Madam Speaker. That was an interesting answer but it did not answer the question put by the Leader of the Opposition, which was not what is in the mind of the British parliament but was is in the mind of the Canadian government with respect to the deadline by which they want to make a joint address to Her Majesty the Queen. That is a specific question. Is there a deadline and, if so, what is it?

An hon. Member: Let us see some of your sincerity now.

[*Translation*]

Mr. Pinard: Madam Speaker, I can complete my reply by saying that if the British have told us specifically that they have no intention of interfering in our internal affairs, we do not intend to interfere in theirs either, so that it is quite impossible to reply to the hon. member's question. We will submit our joint address as soon as we are ready, and we have every reason to believe that the British will not turn it down.

* * *

HOUSE OF COMMONS

PRESENCE IN GALLERY OF MINISTER OF CULTURE OF GREECE

Madam Speaker: I should like to draw to your attention the presence in my gallery of a distinguished visitor, the honourable Andreas Andrianopoulos, Minister of Culture of Greece.

[*English*]

ENERGY

NEGOTIATION OF POSSIBLE OIL IMPORTS FROM SAUDI ARABIA—RESUMPTION OF NEGOTIATIONS WITH ALBERTA

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, my question is for the Minister of Energy, Mines and Resources. In the past few days Canadians have been treated to the rather ludicrous spectacle of the Prime Minister perched on top of a camel in Saudi Arabia negotiating the purchase of 100,000 barrels of oil a day from Saudi Arabia. At the same time, in Canada we have had the cancellation of one of the major energy development projects that this country has ever faced. The reason for this is clearly the intransigence of the government in reaching an agreement with the producing provinces in the whole area of energy policy. Madam Speaker, the world is laughing at us today; we are willing to pay high and escalating world prices to Saudi Arabia, yet we cannot reach agreement with our own provinces in Canada.

Some hon. Members: Hear, hear!

Mr. Wilson: I should like to ask why the Prime Minister in Saudi Arabia is quite willing to negotiate for 100,000 barrels of oil a day, when he should be in Canada negotiating with the producing provinces to settle the energy policy that this country will follow over the next ten years.

Some hon. Members: Hear, hear!

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, to deal with the first part of the question, the Prime Minister has indicated that he was not in Saudi Arabia to negotiate anything having to do with oil supply. He has said quite clearly in a statement he made over there that an offer was made in conversation with Sheik Yamani and that this offer would obviously be taken under consideration. That is what the Prime Minister has said quite clearly.

On the second point, may I remind the hon. member that the government of Alberta has indicated it is not interested at the present time in having ministerial or prime ministerial discussions.

Some hon. Members: Oh, oh!

Mr. Lalonde: Mr. Lougheed has indicated quite clearly—and this is on the record for anybody to read, if hon. members on the other side bother to read—that he prefers to have discussions starting at the officials level first. I have been in touch with the government of Alberta and indicated that my officials are ready to start discussions immediately. The answer I received was that the officials in Alberta needed a few more days to do some more work. I would hope that in the next few weeks there will be meetings taking place at the officials level.

I think I have answered both points raised by the hon. member, Madam Speaker.

As far as his preamble is concerned, I would only remind the hon. member that it takes two to make an agreement. Obviously, in this particular case we have made very generous or what are considered very fair offers to the government of Alberta, but it has not found them satisfactory. The Prime Minister has indicated that we are willing to discuss these matters again with the government of Alberta, and that is where the matter stands at the present time.

Mr. Wilson: Madam Speaker, my supplementary question is for the same minister. On this side we do realize that it takes two to tango. We achieved agreement in December; surely this government is able to do the same thing.

These oil sands projects are very important to the future of this country in terms of security of supply, economic development, balance of payments benefits—about $2 billion for each of these projects—and also to bring this country together. Surely the government understands the urgency of this matter. When is the minister going to sit down with his counterpart in Alberta in an effort to achieve a realistic agreement that both sides of this country can be happy with?

Mr. Lalonde: Madam Speaker, I have indicated to my colleague in Alberta that I am quite willing to meet him at any time that would be convenient. The answer I have received is that the government of Alberta feels that the discussions should start at the officials level first. This is where the matter stands.

As to the preamble of the question, again I have to indicate to the hon. member that even the lonely, independent member who was kicked out of the Alberta Conservative party has been trying to get copies of any document showing that there had been an agreement between the government of Alberta and the Conservative government in Ottawa last December, and the poor member has not been able to get anything. I challenge the hon. member to show us that there was any agreement. As a matter of fact, the record is quite clear that there was not an agreement.

Some hon. Members: Hear, hear!

• (1440)

Mr. Lalonde: Madam Speaker, there was a third point in the question.

Madam Speaker: The hon. member for Mission-Port Moody.

OIL SANDS DEVELOPMENT BY IMPERIAL OIL LIMITED—DEVELOPMENT BY PETRO-CANADA

Mr. Mark Rose (Mission-Port Moody): Madam Speaker, my question for the same minister will probably have a little different area of emphasis from the questions presented by the spokespersons for the multinationals on my right.

Some hon. Members: Oh, oh!

Mr. Rose: Given the latest strong-arm tactics by Imperial Oil Limited to shelve its Cold Lake oil sands project unless Alberta and Ottawa hand over a ransom of some $40 million in development costs, and since Imperial Oil can hardly plead poverty having taken since 1975 $2.4 billion in profit out of the hides of Canadians, would the minister tell us when he intends to make good his pledge of increased public ownership in the oil industry and have Petro-Canada take over this oil sands development—something Petro-Canada says it can do and is willing to do—or at least tell the House how much longer he intends to submit to blackmail by these oil giants?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I have to disagree with the conclusion of the hon. member. In this particular instance, Imperial Oil has spent $120 million to get the project going, which the government of Alberta unfortunately has not yet found appropriate to approve. We regret this. The Government of Canada is very concerned about the importance of ensuring security of supply. Concerning those projects, the Government of Canada has always delivered in plenty of time in the past whatever was required of it.

In this particular case the government of Alberta has again decided to delay its approval. As far as we are concerned, the project will be suspended and might risk being cancelled if we do not get agreement with Alberta in the near future. I met yesterday with the president of Imperial Oil. I have reviewed this matter with my officials and I have consulted my colleagues. We have reached the conclusion that it is essential this project proceed. We do not want to lose the team of over 550 people who have been assembled for this purpose. Therefore, we have decided that we will make available our share of the proposal put forward by Imperial, namely that $40 million be made available over the next six months to ensure that this project will hold together. This payment is made on a repayable basis if the project proceeds. In this connection I have instructed Petro-Canada to undertake discussions immediately with Imperial Oil. I have indicated, in addition—

Mr. Andre: What about Canadian-Hunter?

Mr. Lalonde: —that if the government of Alberta for any reason prefers not to come in on this proposal, we will stand ready to ensure that Petro-Canada provides the whole $40 million—

Mr. Clark: You have instructed Petro-Canada?

Mr. Lalonde: —so that this project will go ahead.

Mr. Rose: Madam Speaker, yesterday in New York the minister stated that at best the government might triple Petro-Canada's share of the petroleum industry's production revenue. This means that Petro-Canada would move only from seventh to perhaps fifth place in the industry in Canada. In view of this, how can the minister claim that this so-called Canadianization of the oil industry is anything but tokenism, especially when he admitted in New York yesterday that his

plans were "cautious to a fault". Does the minister tell Canadians one thing and American oil giants something else?

Mr. Lalonde: Madam Speaker, I will be very pleased to forward immediately a copy of my speech to my hon. friend, which he has obviously not read. There have been three very serious misquotes in his question, so I shall send him a copy of my speech and he can learn it by heart, if possible.

* * *

ENVIRONMENTAL AFFAIRS

LOCATION OF EXPLOSIVES ON CHEMICAL WASTE SITE

Mr. Al MacBain (Niagara Falls): Madam Speaker, I have a question for the Parliamentary Secretary to the Minister of the Environment. It has come to light that large quantities of explosive wastes are to be found on the SCA waste site in Porter, New York, on the U.S.-Canada border, in the midst of a silo full of radioactive wastes from the making of the two atomic bombs dropped in 1945 and 88 million gallons of toxic chemical wastes. Will the Government of Canada ask the government of the United States to take the necessary steps to reopen the recently completed SCA hearings, in light of the new evidence concerning quantities of TNT recently located on the SCA chemical waste site, which is just across the Niagara River from Niagara Falls, Canada, and in this way support the strong position assumed by Mrs. Margherita Howe and "operation clean" on the new TNT evidence?

Mr. Roger Simmons (Parliamentary Secretary to Minister of State for Science and Technology and Minister of the Environment): Madam Speaker, the information concerning the disclosure of TNT at the waste site which the hon. member has just mentioned has only come to our attention today through press reports, which our staff is following up. We do not think a discharge from SCA should be allowed by U.S. authorities until the malfunctioning Niagara Falls, New York, sewage plant has been repaired.

We have made these views known to the United States. We will continue to press the matter, especially in view of the information which has just come to light and to which the member has referred.

* * *

ENERGY

PRICE OF OIL IMPORTS FROM SAUDI ARABIA

Hon. Sinclair Stevens (York-Peel): Madam Speaker, my question is addressed also to the Minister of Energy, Mines and Resources, and in this connection I refer him to the Prime Minister's trip to Saudi Arabia. The Prime Minister has indicated there is a possibility of 100,000 barrels of oil a day being shipped to Canada. He stated: "I don't want to minimize what seemed to be an offer and our gratitude if something does take place". Would the Minister of Energy, Mines and Resources indicate what the government expects this oil to cost Canadians? Does he intend to have Petro-Canada offer what he calls the same fair offer that he offered to Alberta? In short, may we anticipate that the oil will cost roughly $40 per barrel, or does the government intend to negotiate the price at roughly the $16.75 conventional wellhead price?

[*Translation*]

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, obviously the hon. member knows that when we buy oil on the international market, we must pay the international price.

With respect to the present situation, if for some reason the government of Alberta should decide to deprive Canadians of some 180,000 barrels of oil, it is quite obvious that the Canadian government would have to try to make up in some way for the action taken by the government of Alberta against Canadians.

As far as the domestic price is concerned, the hon. member also knows that Canada has been following for years a policy that is in line with that followed by many oil producing countries, namely to set a domestic price that is different from the international price.

[*English*]

Mr. Stevens: Madam Speaker, I am still looking for some clarification as to why the Prime Minister felt we should be grateful. Would the Minister of Energy, Mines and Resources indicate whether the 100,000 barrels a day is extra to the 200,000 barrels we are now importing? If it is, would the minister indicate what effect he feels that will have on our trade deficit with Saudi Arabia, which in the first nine months of this year has already reached $1.7 billion?

[*Translation*]

Mr. Lalonde: Madam Speaker, in the interview he gave following his talk with Sheik Yamani, the Right Hon. Prime Minister indicated clearly that that aspect of the matter had not been clarified, that of course it was something to be discussed between Petro-Canada and Petromin when negotiations take place.

All that happened is an offer made in general terms by the representatives of Saudi Arabia at a meeting with the Right Hon. Prime Minister. Since the latter had indicated that he was not in Saudi Arabia to negotiate specific arrangements on oil matters but for other purposes, namely to talk about relations between developing countries and more privileged countries and contributions of the OPEC countries in this regard, the Right Hon. Prime Minister did not want to enter into specific negotiations on that matter.

● (1450)

[*English*]

COLD LAKE OIL SANDS PROJECT—RESULT OF DELAY ON JOB CREATION

Mr. John McDermid (Brampton-Georgetown): Madam Speaker, my question is for the Minister of Energy, Mines and Resources. According to my information 20,000 jobs, including 6,000 in Ontario, stand to be lost if the Cold Lake project is delayed any longer than 30 days. My question is, why is the Desert Fox in Saudi Arabia negotiating for their oil and not here in Canada where both he and the minister should be making an attempt to salvage our own economy and create jobs in Canada?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I have already indicated that the reason there are no ministerial or prime ministerial meetings taking place in Alberta at this time relates to the decision of Alberta to start discussions at the officials level. I have indicated to my colleague that we are ready to meet with him at any time that is convenient to him.

As far as the question raised by the hon. member is concerned, I think I amply covered that in answer to the previous question asked. I indicated that the Government of Canada attaches so much importance to those projects in the tar sands and heavy oils that we stand ready even to pay the full costs of the proposal of Imperial Oil if the government of Alberta for any particular reason does not wish to pay its share of the cost.

Mr. McDermid: Madam Speaker, these negotiations have been going on for so long that it is imperative that the Prime Minister and the Minister of Energy, Mines and Resources take a front row position in debating them, rather than taking rare birds from Canada to Saudi Arabia. Can the minister persuade the Prime Minister to return to Canada and explain to Canadians why jobs in Saudi Arabia are more important than jobs in Canada?

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Lalonde: Madam Speaker, the hon. member does not seem to understand A or B having to do with domestic and international trade. Not only do we want to create a lot of jobs in Canada arising out of projects in Canada, such as the Cold Lake one that we are going to support, but we also want to create thousands of jobs arising out of our export trade with countries like Saudi Arabia. The Prime Minister is out there helping Canadian businessmen sell more to Saudi Arabia and OPEC countries, and that is for the good of Canada all around.

LABOUR CONDITIONS

ECONOMIC COUNCIL OF CANADA REPORT ON UNEMPLOYMENT—EFFORTS TO ASSIST NEWFOUNDLANDERS

Mr. Rod Murphy (Churchill): Madam Speaker, my question is for the Minister of Finance. Since the Economic Council of Canada released a report which states, among other things, that half the unemployed Newfoundlanders are looking for work outside their province while only one-quarter of the unemployed in Ontario have to do so, since the same report indicates that the real rate of unemployment in Newfoundland is probably closer to 23.9 per cent as opposed to the official rate of 16.4 per cent, and since that same report indicates that Newfoundlanders are looking for work, what is the minister willing to do to ensure that these people find work in their own province?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I would like to read the report of the Economic Council of Canada. I am glad the hon. member has given us a few salient points. I know that a report has been prepared by the council at the request of the government of Newfoundland and as a result of a joint reference to the council a few years ago by the present Prime Minister and Premier Moores. I hope the report will provide some leads which will assist in overcoming the unemployment and productivity problem, which was the focus of the report requested by former Premier Moores.

Mr. Murphy: Madam Speaker, I realize the minister may not have had an opportunity to read the report yet, let alone act on it. There is one area which relates to the report on which he has had a chance to act, and that is the fact that there is going to be oil exploration off the coast. No training is going on in Newfoundland at the present time to make sure the people there benefit from those jobs. What action is the government going to take to ensure that the people who live there can get jobs on the oil rigs and so on, and also to cancel the need for the legislation brought in by the provincial government limiting the employment of people from offshore?

Mr. MacEachen: Madam Speaker, the hon. member will recall that I placed special emphasis in the budget on the question of manpower training and supplying especially skilled tradesmen and scarce skilled personnel for trades at the present time. He will also have noticed there was a special allocation of $350 million to be spent on retraining and industrial restructuring. I hope it will have some impact on the problem he has quite properly focused on in his question.

* * *

ENERGY

GOVERNMENT SUPPORT OF IMPERIAL OIL COLD LAKE PROJECT

Mr. Jack Shields (Athabasca): Madam Speaker, my question is for the Minister of Energy, Mines and Resources. I wish to comment that finally, after all these months, the minister

has recognized the importance of the oil sands. Maybe we are making some progress.

Will the minister advise whether the announced support of the Cold Lake project is just a wolf in sheep's clothing? What does he intend to exact from Imperial Oil for this support? Is it unconditional?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, the hon. member is indeed very suspicious. I can assure him he has no cause to be that way. I remind him that over the years the Government of Canada has been pressing ahead with support for all developments having to do with the tar sands and heavy oils. If he checks the record, he will find that over the past three years under our former government, the government of his own party last year and under this government this year, we have always been very forthcoming with regard to taking all steps to ensure the realization of those projects.

For their own reasons, the government of Alberta has decided over the last three years to delay some decisions. I am not passing judgment on the reasons they had to delay these projects; I just mention the fact. The decision I announced today is a further indication that this government stands committed to energy security and the realization of those projects in the tar sands and heavy oil area.

Mr. Shields: Madam Speaker, I asked whether this was a wolf in sheep's clothing. What are the conditions? The minister did not answer my question.

I will ask another question. Why is the government willing to pay world prices to other countries for imported oil but will not pay the same prices to Canadian producers, which would keep the money in Canada, create jobs and develop technology in Canada, and help Canada become energy self-sufficient? I have two questions. First, why will the government not pay the world price for heavy oil production? Second, what are the conditions they are going to have to meet for the $40 million?

Mr. Lalonde: In answer to the first part of the question, Madam Speaker, I assure the hon. member it does not have anything to do with sheep; it is all lamb! There is no condition put forward. I have indicated that we will negotiate with Imperial Oil as to exactly how this should work, and discussions should take place very quickly.

With regard to the second point, the hon. member knows that in the past we have paid the world price for heavy oil plants. We have again offered to start paying at the current world price level, escalated with the cost of living. We feel this is a very generous price for those products. Further representations have been made by Alsands and Imperial Oil regarding these projects to the effect that their costs have further escalated. We are looking at this and are in discussion with them. We are not only concerned that these projects go ahead, but that during this process the Canadian consumer should not be given the axe.

[*Translation*]

LABOUR RELATIONS

DISPUTE WITH EMPLOYEES OF ROYAL BANK IN SAGUENAY-LAC-SAINT-JEAN—REQUEST FOR DECISION BY CANADA LABOUR RELATIONS BOARD

Mr. Pierre Gimaïel (Lac-Saint-Jean): Madam Speaker, I have a question for the hon. Minister of Labour.

The minister is certainly aware of the strike by Royal Bank employees in the Saguenay-Lac-Saint-Jean area which lasted more than a year. As a result of the intervention of the CLRB which held discussions with the employees and the management, an agreement was signed about three weeks ago, following which the cases of eight employees who had been suspended by the bank are still pending before the Canada Labour Relations Board.

Can the minister tell us when he expects the Canada Labour Relations Board to make a ruling on the cases of these eight employees?

• (1500)

[*English*]

Hon. Gerald Regan (Minister of Labour): Madam Speaker, I thank the hon. member for his question. He will be aware that the strike which ended some time ago between six branches of the Royal Bank of Canada and the union in the Lac-Saint-Jean district was a long and difficult one and that the matter of the eight employees who were not re-employed by the bank is unresolved. The Canada Labour Relations Board is vested with this problem, and it has made a finding that there has been a violation by the bank in dismissing the eight employees. The board held further public hearings concerning what remedies should be taken in that regard.

Mr. Nielsen: You read very well, Gerry.

Mr. Regan: The decision concerning the remedies will be released very shortly by the Canada Labour Relations Board.

* * *

PRIVILEGE

MR. McKNIGHT—NOTICE OF INTENTION TO RAISE QUESTION OF PRIVILEGE

Mr. Bill McKnight (Kindersley-Lloydminster): Madam Speaker, the hon. member with respect to whom I wish to raise a question of privilege is not in the House at this time. I would like to bring my question of privilege to the attention of the House when both he and I are in the chamber together.

POINT OF ORDER

MR. CLARK—STATEMENT MADE BY MR. LALONDE DURING QUESTION PERIOD

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, I rise on a point of order relating to a statement made by the Minister of Energy, Mines and Resources (Mr. Lalonde), who was in the House a moment ago but who may inadvertently have misled the House in an answer he gave earlier.

Mr. Lalonde: I am here with your friend.

Mr. Clark: I see that he has been over with the NDP, but he is coming back to his place.

Mr. Cousineau: That is not true. What is the matter with you?

Mr. Clark: The Minister of Energy, Mines and Resources I believe said today that he had instructed the Crown corporation, Petro-Canada, to take certain actions. I wonder if in fact he did say that and whether he intended to say that.

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I am sorry to advise the Leader of the Opposition (Mr. Clark) that the Conservative energy critic, if I understand him well, has now joined the New Democratic Party. I hope he will be assured before long that he is still safe with his energy critic for a while, because he was the gentleman I was talking to, and not members of any other party.

With respect to the question raised by the Leader of the Opposition, I have indeed instructed the president of Petro-Canada to undertake discussions with Imperial Oil as to this particular project. I have indicated that whatever comes out of those discussions will be taken into account in the approval of the capital budget of Petro-Canada.

* * *

PRIVILEGE

MR. ROSE—STATEMENT MADE BY MR. LALONDE

Mr. Mark Rose (Mission-Port Moody): Madam Speaker, I rise on a question of privilege. It concerns the Minister of Energy, Mines and Resources (Mr. Lalonde). Before I do, I might observe that it is incredible that this government, in addition to all the other tax breaks, is now going to give some $40 million to Imperial Oil.

My question of privilege has to do with the minister's response to me that he was misquoted. He gave me a speech to back up his argument. The only quotation I made was his saying that his plans were "cautious to a fault". With regard to the ranking of Petro-Canada I would like to read from the minister's own speech as follows:

> For perspective, consider that Petro-Canada accounts for about 5 per cent of our petroleum industry's production revenue. Now suppose that Petro-Canada doubles or even trebles its share as a result of the energy program. We are still looking at a company with a small minority of the market.

That was the point I was trying to make, and I did not quote at all from the minister's speech when I was talking about the rankings.

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I think the quote mentioned by the hon. member speaks for itself. I indeed said, "Suppose that Petro-Canada doubles or even triples; it will still be a small part of the total industry". That industry will still remain overwhelmingly private. If it is quadrupled or multiplied by five or six, obviously the percentage increases. "Suppose".

Madam Speaker: The hon. member for Mission-Port Moody (Mr. Rose) has raised this matter as a question of privilege. Since he has raised it as a question of privilege, I feel obligated to rule that, of course, there is no question of privilege in the fact that something has been quoted, misquoted or whatever. Rectifications were asked for by the hon. member of the Minister of Energy, Mines and Resources (Mr. Lalonde). This is debate, and the exchange has taken place. There is not much I can do about it, but it is not a question of privilege.

MR. NIELSEN—PROCEDURE GOVERNING PARTICIPATION IN HOUSE COMMITTEE MEETINGS

Hon. Erik Nielsen (Yukon): Madam Speaker, I have a brief question of privilege or point of order to raise with respect to the practices of this House and its committees. I was not at the committee meeting or other meetings involved personally where this has been taking place, but there is a growing practice of refusing members of Parliament, who are not specifically named on the lists of members forming standing committees, participation in the deliberations of the committees. That happened to the hon. member for Peterborough (Mr. Domm) yesterday in the Standing Committee on Transport, I believe. He was accomodated by the chief government whip, who simply deleted his own name and substituted the name of the hon. member for Peterborough therefor. However, the committee chairman and the clerk seemed to be of the view that members who are not specifically named on the roster of members forming that standing committee were not entitled to participate in the deliberations of that standing committee.

It has long been the practice here, for many, many years, that notwithstanding the fact that the name of a member of Parliament may not be included on the roster of members forming a specific standing committee, he has the inherent right, as indeed is the right of all members, to participate in that committee's deliberations. Normally the practice has been that those members whose names are on the roster of a standing committee are called upon by the chairman first, either to ask questions or to state their views, but subsequent to that any other member who may not be on the roster, if he expresses a desire to do so, is then invited to participate in those deliberations.

I merely raise this at this time so that perhaps the knowledge might be disseminated to the various chairmen of the standing committees that they should not be depriving the rights which are enjoyed by all members of Parliament to participate in committee deliberations, notwithstanding the fact that they are not specifically named on the rosters of standing committees.

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, I have two things to say. First of all, it is true that members of the House, even if their names are not on the roster of a standing committee, may attend the meetings of that committee, but it is up to the chairman to recognize those who take part in the proceedings, and each committee is master of its own procedure. I know that those whose names do not appear on the roster of a committee do not have the right to vote. According to our practice, they are generally entitled to take part in the proceedings if the committee and the chairman agree. However, the hon. member has raised a specific question concerning the Standing Committee on Transport. In the absence of a report from this committee I believe, Madam Speaker, that it would be very difficult for Your Honour to rule on what may have happened. This committee is master of its own procedure, and I believe that it would be improper for you to make a ruling without having a report from that committee.

[*English*]

Mr. Nielsen: Madam Speaker, I am very happy with the first part of the response of the government House leader because in those remarks he confirmed my view of the past practice of the House that members who are not named on the rosters of particular standing committees have the right to participate if called upon by chairmen to do so.

Hon. Stanley Knowles (Winnipeg North Centre): Madam Speaker, in support of the position taken by the hon. member for Yukon (Mr. Nielsen), may I point out to him that he does not have to rely on what he says is past practice. The matter is covered in the rules. There was a time years ago when it was a matter of practice, but a few years ago the rules were amended.

● (1510)

Standing Order 65(9) says quite clearly:

> Any member of the House who is not a member of a standing or special committee, may, unless the House or the committee concerned otherwise orders, take part in the public proceedings of the committee, but he may not vote or move any motion, nor shall he be part of any quorum.

I suggest, Madam Speaker, that the wording of that Standing Order 65(9) does not leave it to the discretion of the Chair. Unless the committee passes an order saying that non-members of the committee may not speak, the right of such non-members to speak is clearly provided in Standing Order 65(9).

Madam Speaker: I thank the hon. member for Winnipeg North Centre (Mr. Knowles) for having read to members of the House the Standing Order to which this point of order refers. Although members usually know the Standing Orders very well, it is not a bad idea to read them from time to time. I think the hon. member for Yukon (Mr. Nielsen) will agree that this Standing Order says exactly what has to be said about the committees. His point of order might be considered by the committee itself. The Standing Orders are quite clear that the committees are responsible for their own procedure and that any member who wishes to participate in the proceedings may do so.

* * *

[*Translation*]

MESSAGE FROM THE SENATE

Madam Speaker: I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed the following bills, to which the concurrence of this House is desired:

Bill S-12, an Act respecting the Canadian Merchant Service Guild;

Bill S-13, an Act to revive Montilac Ltd. and Socam Ltd.;

Bill S-14, an Act to revive Tremus Industries Limited.

* * *

[*English*]

POINT OF ORDER

MR. SIMMONS—LANGUAGE USED BY MR. DOMM DURING ADJOURNMENT DEBATE

Mr. Roger Simmons (Parliamentary Secretary to Minister of State for Science and Technology and Minister of the Environment): Madam Speaker, last evening during the course of the late show an exchange involving me and the hon. member for Peterborough (Mr. Domm) took place. The hon. member for Peterborough used some unparliamentary language to which I draw your attention for a moment, Madam Speaker. Because of the rules of debate during that particular exercise, there was no opportunity for me to raise the issue. The Acting Speaker (Mr. Blaker) assured me last night that there would be an opportunity to do so today. He also undertook to have a look at the transcript of *Hansard* to see if further action were required.

In the absence of any action from the Chair on this matter up to this point, I wish to raise the matter. I refer to page 4841 of *Hansard*, in the left column, three lines from the bottom, where it is reported that the hon. member for Peterborough used the word "lie".

The term "lie" is clearly unparliamentary. I realize that the hon. member for Peterborough and I have a difference of opinion on an issue, but this is not the appropriate time to debate the substance of that issue. The fact is that whatever he

might feel about my views or stance on the subject, he should use parliamentary language. I submit that, according to the parliamentary authorities, the term "lie" is clearly unparliamentary and the hon. member should be asked to withdraw it, as I invited him to do last night. If he does not do so voluntarily, I suggest the Chair has a clear duty to instruct him to withdraw the unparliamentary term.

Mr. Bill Domm (Peterborough): Madam Speaker, I rise in response to the point brought up by the Parliamentary Secretary to the Minister of the Environment (Mr. Simmons) with regard to the debate last night in which I referred to a statement and used the words of the parliamentary secretary, with the addition of one word in error. I used words in my remarks such as "an untruth", and other parliamentary words which are perhaps considered acceptable, but I also used the word "cowardly" because I was quoting the parliamentary secretary when he referred to me as having used cowardly means in giving partial truths to my constituents.

At the time when I raised my question of privilege following the May 12 episode, you ruled, Madam Speaker—I respected your ruling and fully supported it—that there were ways in which I could address the subject of the statement by the parliamentary secretary in which he stated that I was using cowardly tricks. One of the ways in which you suggested I might handle it would be in a late night debate. So last night in the late night debate I brought forward certain subjects dealing with the "cheap, cowardly and political" points, to use the words of the parliamentary secretary.

To be exact, he said I had used "cheap, cowardly, political means" to point out that the parliamentary secretary was misrepresenting the facts, that I was, in turn, misrepresenting the facts and I was cowardly. However, last night I inserted a word which seems to have aroused the ire of the Parliamentary Secretary to the Minister of the Environment, and that was the word "lie".

When he rose on a point or order last night, he said he would yield the floor to the hon. member for Peterborough in order that I might clear up the matter and withdraw the word. I rose to my feet in order to respond to the request of the parliamentary secretary to tell him I would be prepared to leave in part of the statement, in which I said he was using cheap, cowardly, political points to score a political gain in his presentation, and that perhaps I would consider—and I do so now— substituting for the word "lie", in order to make the sentence grammatically and structurally sound, the phrase "mired in the mud of mendacity".

Some hon. Members: Oh, oh!

Madam Speaker: Well, I am sure we are all in favour of good grammar and good phrase structure—

Mr. Baker (Nepean-Carleton): And against mendacity.

Madam Speaker: I am sure that anything the hon. member can do to help in that situation is important to this House.

Point of Order—Mr. Simmons

I was not present when these events took place. I gather from the intervention of the hon. member for Peterborough (Mr. Domm) that he wishes to stress that he was describing a situation, not addressing words to the parliamentary secretary which were unparliamentary. If that satisfies both hon. members, I can rule on the matter immediately and hope that everyone in the House is satisfied. However, I should like to make the reservation that I have not read *Hansard* and I was not present when the incident occurred. Despite that fact, if hon. members are satisfied with the comments which have been made on both sides of the House today, I guess we should leave it at that.

Mr. Simmons: No, Madam Speaker, I am not satisfied—

Mr. Baker (Nepean-Carleton): Who is wasting the time of the House now?

Mr. Simmons: —and I doubt that any member in the House, partisan issues aside, can be satisfied with that kind of response to an invitation to withdraw a term which is clearly unparliamentary. We cannot allow this word to stand on the record. On page 4841 of *Hansard* the word "lie" appears quite clearly, three lines from the bottom of the left hand column. Erskine May will tell you quite clearly that that is one of the terms which is unparliamentary, no ifs, ands or buts.

I submit, with respect, that this is not a matter of grammar or a matter of rewriting a phrase, or saying it differently. The hon. member, without equivocation, without entering into a debate and without explaining why he did it, should withdraw the term. There is no excuse for using it. It is unparliamentary and he is not allowed to use that term, I submit to the House. He should be asked, without equivocation or asides, to withdraw the unparliamentary term unequivocally and categorically. I am not allowed to use it in the House nor is any other member allowed to do so, so why should he be allowed to use it? It cannot stand on the record, and I appeal to the Chair to ask the hon. member to withdraw the unparliamentary word "lie" without any equivocation.

Some hon. Members: He did withdraw it.

Mr. Domm: Madam Speaker, I do not think the parliamentary secretary is paying attention—

Some hon. Members: Oh, oh!

Mr. Domm: Clearly I withdrew the word "lie". I should like to point that out.

Some hon. Members: Order!

• (1520)

Mr. Domm: After the dissertation of the Parliamentary Secretary to the Minister of the Environment, I think I should at least be entitled to respond.

Some hon. Members: Hear, hear!

Some hon. Members: Order, order!

Point of Order—Mr. Simmons

Mr. Domm: The Parliamentary Secretary to the Minister of the Environment made a statement in the House which prompted me to follow the procedure as set out by the Speaker of the House, which was to address his statement that I in turn, through my announcement, cancelled the Parks Canada move from Cornwall to Peterborough. That is a blatant untruth.

An hon. Member: It is a lie.

Mr. Evans: On a point of order, Madam Speaker—

Mr. Domm: At that time I asked for the opportunity on a question of privilege. Madam Speaker advised me to take up the matter during the adjournment debate—

Some hon. Members: Oh, oh!

Madam Speaker: Order, order!

Mr. Domm: Madam Speaker, could I just finish one sentence, please?

Madam Speaker: I had understood that the hon. member had, in essence withdrawn an unparliamentary expression, but the hon. parliamentary secretary does not feel that the expression has been formally withdrawn. In that case, if members do not agree, I will have to look at *Hansard*, look at the "blues", to determine whether there has been a situation which calls for the withdrawal of any words.

Hon. Erik Nielsen (Yukon): Madam Speaker, I have just a brief word on this point of order. When Madam Speaker is checking the "blues", if that is your intention, I would urge you also to check the "blues" with respect to the intervention of the hon. member for Burin-St. George's (Mr. Simmons) in the debate on the constitution when the Right Hon. Leader of the Opposition (Mr. Clark) was not present; he will find a good many things to withdraw.

Madam Speaker: Order, order! I will be ruling on only one situation.

Mr. Baker (Nepean-Carleton): There goes the Bank Act.

Mr. Simmons: Madam Speaker, I understood that my second intervention—

Some hon. Members: Oh, oh!

Mr. Simmons: My second intervention was based on the contention that the hon. member had not withdrawn. I submit that in his second intervention he withdrew unequivocally. I accept that as an unequivocal withdrawal, and I do not think the matter needs to be pursued any further.

Some hon. Members: Oh, oh!

Madam Speaker: I ask the hon. member to co-operate. Since the hon. parliamentary secretary feels that the matter should not be pursued—and he was the aggrieved member—I think we will leave it at that.

Mr. Domm: Madam Speaker, on a point of order, I did not withdraw—

Madam Speaker: Presenting reports from standing and special committees.

Mr. Taylor: A point of order, Madam Speaker—

Mr. Domm: Madam Speaker, I rise on a very definite point of order. I did not withdraw without conditions.

Some hon. Members: Oh, oh!

Mr. Domm: I substituted.

Some hon. Members: You cannot do that.

ROUTINE PROCEEDINGS

[*English*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. John Evans (Parliamentary Secretary to Deputy Prime Minister and Minister of Finance): Madam Speaker, the following questions will be answered today: Nos. 234, 810, 860 and 1,543.

[*Text*]

HOSPITAL CONSTRUCTION COSTS

Question No. 234—**Mr. Herbert:**

1. Were (a) payments (b) commitments made in the past three fiscal years towards hospital construction costs and, if so, by province, what amount was paid or committed in each year?

2. Were any commitments or payments made since April, 1979?

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): I am informed by the Departments of National Health and Welfare, National Defence and Veterans Affairs as follows: 1. The Department of National Health and Welfare does not have hospital construction programs. Federal assistance toward hospital construction costs has been provided under the Health Resources Fund Program to assist with construction, renovations, acquisition and equipping of health training facilities, including teaching hospitals, as follows:

(a) Payments:

	Payments 1979-80	1978-79	1977-78
Newfoundland	—	2,951,975.60	71,057.45
Prince Edward Island	—	133,844.90	—
Nova Scotia	—	—	561,178.75
New Brunswick	—	4,516,613.82	13,111.87
Quebec	1,296,016.79	1,497,347.69	7,404,597.19
Ontario	765,861.25	5,540,711.76	7,585,011.10
Manitoba	799,408.13	6,755,006.15	—
Saskatchewan	678,799.41	735,538.25	2,439,189.77
Alberta	—	2,670,784.00	—
British Columbia	—	10,530,388.59	2,044,736.34
Northwest Territories	—	—	—
Yukon	—	—	—
Canada Total	$3,540,085.58	$35,332,210.76	$20,118,882.47

(b) Commitments:

	Commitments 1979-80	1978-79	1977-78
Newfoundland	—	—	—
Prince Edward Island	—	1,676,971.12	—
Nova Scotia	—	—	—
New Brunswick	—	925,583.38	(12,825.45)*
Quebec	—	(478,028.17)*	10,393,989.12
Ontario	—	(17,889.29)*	5,792,498.90
Manitoba	—	4,167,873.00	—
Saskatchewan	—	—	584,676.50
Alberta	—	2,967,537.81	—
British Columbia	—	(2,989.00)*	14,205,138.00
Northwest Territories	—	—	—
Yukon	—	—	—
Canada Total	—	9,239,058.85	30,963,477.07

*Funds not claimed by provinces

2. For year 1979-80, see parts 1(a) and (b) above.

In so far as the Department of National Defence is concerned:

1. (a) and (b) Payments for the past three years were as follows:

Fiscal Year	Province	Payment ($thousands)
1977-78	British Columbia	$ 501.5
	Alberta	309.1
	Ontario	101.1
	Quebec	654.8
	Nova Scotia	261.9
1978-79	British Columbia	21.3
	Alberta	67.1
	Ontario	44.3
	Nova Scotia	458.7
1979-80	Alberta	7.0
	Nova Scotia	121.0
	Quebec	42.0

Commitments for 1979-80 were as follows:

Province	Commitments ($thousands)
Alberta	$ 2,229.0
Quebec	51.0

2. Commitments and payments for year 1979-80, see parts 1(a) and (b) above.

In so far as the Department of Veterans Affairs is concerned:

1.

	(a)	(b)
1977-78 — Nova Scotia	26,100	279,918
— Quebec	841,275	46,387
— Ontario	4,483	—
— Manitoba	304,055	—
— Alberta	1,153,234	—
1978-79 — Nova Scotia	273,900	6,018
— Quebec	103,108	51,860
— Manitoba	88,009	57,627
— Alberta	69,174	394,734
1979-80 — Quebec	335,468	600,000
— Manitoba	129,879	6,494
— Alberta	469,174	42,671

2. Please refer to above reply.

NOTE: These expenditures represent progress payments to the provinces in accordance with the terms of hospital transfer agreements.

METRIC COMMISSION

Question No. 810—**Mr. Towers:**

1. (a) On what date was the Metric Commission established (b) under what legal instrument does it exist (c) what are its terms of reference or its mandate?

2. (a) What is the term of office for a member of the commission (b) are honoraria paid to the members and, if so, in what amount?

3. (a) What are the names of the members of the commission (b) what are the names and addresses of previous members of the commission?

4. Do any members of the commission, past or present, have an interest in any firm which manufactures, distributes or sells any form of weights or measures calibrating devices?

Mr. Ralph Ferguson (Parliamentary Secretary to Minister of State (Small Businesses)): In so far as Metric Commission Canada is concerned:

1. (a) Metric Commission Canada was established by order in council 1971-1146, 1971-06-10.

   (b) It exists under section 18 of the Government Organization Act, 1969.

   (c) Attached is order in council 1971-1146.

2. (a) Term of office for a member of the commission is three years, except for the chairman who is appointed during pleasure.

   (b) An honorarium is paid to the members for the periods they are engaged in Metric Commission business. The amount is on a per diem basis set from time to time by order in council.

3. (a) List of members:

D. R. B. McArthur	Member and chairman
M. Archer	Commissioner
L. H. Chater	"
P. Demers	"
G. L. Draeseke	"
S. M. Gossage	"
A. J. Groleau	"
W. M. Hall	"
C. J. Laurin	"
D. D. Morris	"
R. Parent	"
Mrs. B. Robinson	"
A. S. Somerville	"
Mrs. Y. Thode	"
A. S. Tirrell	"
J. O. Wright	"

(b) G. G. E. Steele, 165 Sparks Street, Ottawa

A. D. Cohen, 1370 Sony Place, Winnipeg

J. E. Thomas, Brockville, Ontario (deceased).

4. No.

SOR/71-276

GOVERNMENT ORGANIZATION ACT, 1969

Metric Commission Order

PC 1971-1146

10 June, 1971

His Excellency the Governor General in Council, on the recommendation of the Minister of Industry, Trade and Commerce, pursuant to section 18 of the Government Organization Act, 1969, is pleased hereby to make the annexed Order to Establish a Preparatory Commission for Conversion to the Metric System.

AN ORDER TO ESTABLISH A PREPARATORY COMMISSION FOR CONVERSION TO THE METRIC SYSTEM

Short Title

1. This Order may be cited as the *Metric Commission Order*.

Interpretation

2. In this Order,

(*a*) "Commission" means the Preparatory Commission for Metric Conversion established pursuant to section 3; and

(*b*) "Minister" means the Minister of Industry, Trade and Commerce.

Establishment of Commission

3. A committee is hereby established to be known as the Preparatory Commission for Metric Conversion, consisting of

(*a*) a full-time member who shall be the chairman of the commission, and

(*b*) not more than fifteen part-time members, to be appointed by the governor in council.

4. The commission may make such rules as may be necessary for the conduct of its meetings and the performance of its duties.

5. (1) The governor in council may, upon the request of the commission, provide the commission with the services of such officers and employees employed by or in any department of the Government of Canada as are necessary for the proper conduct of the business of the commission, and the commission may obtain the advice and assistance of any department or agency of the Government of Canada.

(2) The commission may engage such organizations or persons having a technical or specialized knowledge on any matter relating to the work of the commission to advise and assist the commission in the performance of its duties.

Purposes and Powers

6. The commission is established for the purpose of advising the minister on plans for conversion to the metric system, and for such purpose, the commission may

(*a*) initiate, co-ordinate and undertake investigations, surveys and studies relating to the implications of conversion to the metric system in different sectors of the Canadian economy;

(*b*) prepare, in consultation and cooperation with any department or agency of the Government of Canada, any department or agency of the government or any province, the Standards Council of Canada, or other interested parties an overall program for conversion to the metric system which will ensure, as far as possible, that any programs for such conversion in the different sectors of the Canadian economy are phased and co-ordinated in order that

(i) the benefits of conversion to the metric system are achieved at minimal cost, and

(ii) conversion to the metric system as a whole is effected to the best advantage to Canada; and

(*c*) furnish, publish and disseminate information concerning conversion to the metric system.

7. The commission shall advise the minister on the need for legislation or any other action that may be required to facilitate conversion to the metric system.

8. The commission shall make such reports on its activities from time to time as the minister may require.

Oath

9. Each member of the commission shall, before taking up his duties, take and subscribe an oath or affirmation in the following form:

"I, solemnly and sincerely swear (or affirm) that I will faithfully and honestly fulfil the duties that devolve upon me by reason of my appointment as a member of the Preparatory Commission for Metric Conversion and that I will not, without due authority in that behalf, disclose or make known any matter that comes to my knowledge by reason of such appointment.

(In the case where an oath is taken add, 'So help me God')".

FISHERIES AND OCEANS—WHITE PAPER ON POLICY REVIEW

Question No. 860—**Mr. Gass:**

1. What amount was spent by the Department of Fisheries and Oceans in the preparation of the white paper on policy review?

2. Will the white paper be tabled in the House of Commons and, if so, on what date?

Hon. Roméo LeBlanc (Minister of Fisheries and Oceans): 1. Policy review is now, and has long been, a continuing activity of my department. Part of the review process under the previous administration was identified as a white paper exercise, and expenditures that can be identified as belonging to it totalled $123,516. As of February 17, 1980.

2. The review process is continuing, with a view, among other things, to preparing a discussion paper for consideration by groups with fisheries interests.

EMPLOYMENT AND IMMIGRATION—ARTICLE IN "GLOBE AND MAIL"—MINISTER'S POLICY ON IMMIGRATION

Question No. 1,543—**Mr. Cossitt:**

1. Was a letter dated July 7, 1980 and signed by Mr. J.C. Best, executive director, immigration and demographic policy, Department of Employment and Immigration, circulated to all members of the immigration and demographic policy staff?

2. Did the letter refer to an article in *The Globe and Mail* of May 24, 1980 on the subject of immigration to Canada and did the letter state in part, that the minister "has requested that this article be circulated to all immigration staff as he feels that it accurately reflects his own thoughts on immigration policy"?

3. Is it government policy to formulate policies in the field of immigration by consulting articles on the subject in *The Globe and Mail* during the formulating process?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): 1. Yes.

2. Yes.

3. No, the article was the result of a personal interview by the writer with the Minister of Employment and Immigration and accurately reflected the views of the minister on immigration policy.

* * *

[*English*]

QUESTION PASSED AS ORDER FOR RETURN

Mr. John Evans (Parliamentary Secretary to Deputy Prime Minister and Minister of Finance): Madam Speaker, if question No. 1,542 could be made an order for return, this return would be tabled immediately.

[*Text*]

SUPPLY AND SERVICES—CONTRACTS

Question No. 1,542—**Mr. Cossitt:**

1. In each of the past three years, what percentage figure of the total contracts awarded by the Department of Supply and Services went to recipients operating in each of the ten provinces and what were the over-all percentage of total contracts for each province during the three years combined?

2. In each case, what was the percentage population figure of each province of the total Canadian population and did it compare with the percentage figure of contracts awarded?

3. Will the government take steps to call tenders for its requirements to a greater degree in the western and maritime provinces and (a) if so, what are all the details and the individual provincial percentage targets (b) if not, for what reason?

4. What was the total money value of all contracts awarded by the Department of Supply and Services (a) in each of the past three years and, in each case, what percentage of all figures went to recipients in each province (b) in the past three years combined?

Return tabled.

[*English*]

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

Madam Speaker: The questions enumerated by the parliamentary secretary have been answered. Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

* * *

MOTIONS FOR PAPERS

Mr. John Evans (Parliamentary Secretary to Deputy Prime Minister and Minister of Finance): Madam Speaker, I ask that all notices of motions for the production of papers be allowed to stand.

Madam Speaker: Shall all notices of motions for the production of papers be allowed to stand?

Some hon. Members: Agreed.

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Madam Speaker, I should like to bring to the attention of the hon. parliamentary secretary my notice of motion for the production of papers No. 24, dated July 11, 1980, which reads as follows:

That an order of the House do issue for a copy of the contract entered into between the government and the Canadian Media Corporation to perform its duties as agency of record for the government.

It was four months ago that I put my notice of motion for the production of papers on the order paper. The government has awarded an untendered contract to a company which did not exist before the contract was awarded. The contract was signed in September, and I think surely in the course of four months the government should be prepared to say to the House whether it agrees to accept this notice of motion for the production of papers. I wonder whether the parliamentary secretary could indicate to the House when he will be prepared to give the government's answer.

Mr. Evans: Madam Speaker, I will take notice of that question and will refer it to the Parliamentary Secretary to the President of the Privy Council (Mr. Collenette).

GOVERNMENT ORDERS

[*English*]

BANKS AND BANKING LAW REVISION ACT, 1980

MEASURE RESPECTING BANKING INSTITUTIONS

The House resumed from Tuesday, November 18, consideration of the motion of Mr. MacEachen that Bill C-6, to revise the Bank Act, to amend the Quebec Savings Banks Act and the Bank of Canada Act, to establish the Canadian Payments Association and to amend other acts in consequence thereof, be read the third time and do pass, and the amendment thereto of Mr. Rae (p. 4816).

Mr. Bill Yurko (Edmonton East): Madam Speaker, I rise as I did last night to continue debate on Bill C-6 and to make an additional point to the three points I made last night.

Just to review very quickly my three points of last night, first of all they dealt with the location of chartered banks within the nation, or the location of the head offices of chartered banks within the nation. I pointed out that three of them, with a capitalization of $100 million, were located in western Canada; that seven of them, with a capitalization of $700 million, were located in central Canada, that is, four in Montreal and three in Toronto; that only one was located in the Atlantic provinces, in Halifax, with a capitalization of $50 million.

I made the point that serious consideration or an examination should be given by the banking system itself in terms of relocating its head offices in this nation, as big as it is and as dependent upon the banking system as it is. I suggested that it would be appropriate if one located in Calgary, if one considered St. John's, Newfoundland, and if the other one would perhaps consider Quebec City.

I went on to indicate that, because of the geographical size of the nation and the spread of the population across the nation, it was necessary for the banks to give the utmost consideration to placing on their boards of directors Canadians from all over the land, so that there would be regional representation on their boards of directors.

My third point was in connection with the use of Canada's technological might in terms of working on an export basis. Canada has great capability today in technology and in its amassment of engineering talent to work throughout the world in this area, but it must associate itself with the liberalization of the capitalization of some of these projects. I indicated that the chartered banks should look seriously at setting up a comprehensive system in regard to the use of Canadian technology and technological might overseas.

My fourth point deals with the evolution of a quasi-form of government bank. The shortcomings of the banking system for western Canada have caused much apprehension and concern over the years. For example, for the first time in Alberta there was an ability to amass sufficient capital together to deal with capital needs in the west and permit a growth formula, controlled and directed by the west itself instead of by central Canada. In this regard it was advisable, on the basis of extracting money from resources, to set up vehicles like the Alberta Energy Company and the Alberta Heritage Savings Trust Fund.

• (1530)

I want to speak about the use of these instruments to Canadianize Canada's oil and gas industry. There are two ways of doing this. One way is to use a blunt instrument to nationalize the oil and gas industry and literally take over segments from government funding and from some form of quasi national banking institution. The present government has embarked upon a system not of Canadianizing the oil and gas industry but of nationalizing it. There are some pluses and minuses with respect to this type of procedure or over-all policy.

As a member of the government in Alberta I was associated rather closely with the oil and gas industry. We decided at one point it was necessary to Canadianize some of the oil and gas industry. We arranged a remarkable tool for accomplishing that without disturbing the existing industry in all its dimensions. We set up the Alberta Energy Company, which is 50 per cent owned by the province of Alberta. The other 50 per cent was sold to the citizens of Alberta, who are Canadians in the truest sense of the word. In every possible way Albertans are Canadians, and they intend to remain as such. With the type of tool we arranged it was possible for Albertans, in conjunction with the Alberta government, to move on an equity share basis on new projects in the province of Alberta and therefore specifically and directly to Canadianize some of the growth of this industry. This was done to assist the industry, and it was done in co-operation with it. It created a terrific impetus to the growth and catalyzation of this industry, not only in Alberta but in western Canada.

Last summer when I was a member of the Progressive Conservative caucus committee on energy I wrote a memorandum in which I specifically proposed a national energy bank. That was a memo I wrote a year ago last August. I also indicated in it that in connection with the national energy bank in an effort to Canadianize some of the oil and gas industry in this nation—indeed, much of the energy industry in this nation—and in conjunction with money from the Alberta Heritage Savings Trust Fund this would effect, on a gradual and co-operative basis, a degree of Canadianization of the energy industry. That is an acceptable way of moving forward, by using the financial resources of this nation to Canadianize in a gradual and acceptable way by using shareholders and government capital, if you wish, to increase the Canadian ownership of two vital industries in this nation.

I would like to put forward a comparison of that system, which is partially working so well in Alberta, and the federal government system of providing a quasi form of banking through their Petroleum Compensation Fund in order to buy additional multinational corporations. They wish to buy them in totality, not to buy 20 per cent or 30 per cent of some of these companies, which would effect some reasonable amount

of control, and nationalize them. They want to buy them in totality and add them to the corporate public giant called Petro-Canada, thereby increasing the inefficiency of this corporation. We all know that its inefficiency is increasing dramatically compared to the efficiency of some of the well-managed multinationals.

Mr. Speaker, nobody is against Canadianization of the oil and gas industry, or a movement toward the Canadianization of it through banking institutions or quasi banking institutions, through government funds or shareholders. Nobody is against Canadianization of the oil and gas industry in that way. Some of us have difficulty, though, with the proposal of Canadianization through the process of nationalization, which is a blunt weapon. This is an unacceptable weapon, which can be used in such a way that it could dictate policies, reducing the asset value of companies which have done business in Canada for many years. So they are prime targets for takeover at a low share value. Suncor is an excellent example of this. It was a company that pioneered the oil sands. This was a subject discussed rather hotly and heavily in the question period today. It is known that in the oil sands there are approximately 900 billion barrels of oil. About 74 billion barrels are available through surface mining, and 900 billion are available through in situ mining.

Mr. Evans: On a point of order, Mr. Speaker, I would be most interested if the hon. member could possibly relate his comments to the Bank Act, which is the subject before us now, and not to oil policy or the national energy program. Could the hon. member be asked to restrict his comments to the topic?

The Acting Speaker (Mr. Blaker): The hon. member for Edmonton East.

Mr. Yurko: Mr. Speaker, when I spoke yesterday about the Bank Act and about banking institutions in Canada I specifically stated that this system, which is vital to the nation, had enormous power in the circulation of wealth, finances, and the creation of credit. Indeed, I said that it had a great effect on the growth of the social structure and the organization of the nation in totality. I also spoke about the banking system and its effects on the growth and health of the industrial sector of this nation. That is a very vital and substantive part of this banking act. It extends from one end of the nation to the other, putting forward the fundamental nature of commerce.

Today the energy industry needs some $200 billion of investment to create growth during the next decade. Can the parliamentary secretary honestly suggest that the energy industry and the banking industry are not totally intertwined? Of course they are.

Mr. Evans: What has that to do with nationalization?

Mr. Yurko: Of course it does because you can raise money in several ways. Mr. Speaker, I do not have too much time left and one could spend a great deal of time on this topic.

I simply want to reiterate that Canadianization of a vital industry like the oil and gas industry could have been done in such a way that the industry's growth and performance in terms of self-sufficiency would not have been affected to the extent that it was. This is a fundamental point.

The vital project at Cold Lake is the first of its kind dealing with some 900 billion barrels of oil which are in the ground. It was vital this process and this plant go ahead. That is one of the reasons why I wrote to both the Prime Minister (Mr. Trudeau) and the Premier of Alberta last August. I wanted to do whatever was necessary to see that this plan and this process went ahead, because it was a new form of technological development. By the way, that oil in the ground is better than dollars in any bank, but I wanted to see that this resource was developed and commercialized, since this in situ plant was the first such plant.

• (1540)

The point I am trying to make is that the financial institutions of this nation could have been used rather effectively to Canadianize a substantive portion of the oil and gas industry, as is being done in Alberta through the Alberta Energy Company and through investments of the Heritage Savings and Trust Fund in oil sands plants and in other areas. These institutions could have been used in such a way that they would not affect the industry to any great extent. I am honestly saddened, because I have spent so many years dealing with this industry as a minister in the Alberta government, that we have had to use such blunt instruments in relationship to Canadianizing the oil and gas industry, by nationalizing rather then by Canadian investment in the industry.

Those are my remarks, but I hope to have the opportunity again to speak on the use of Canadian capital, whether it be by the government directly or, indeed, by the people through investors and shareholders, or by corporations themselves, in regard to excess capital and Canadianization of the energy industry in Canada, particularly the oil and gas industry.

Mr. Fred McCain (Carleton-Charlotte): Mr. Speaker, one of the problems which arises when this government introduces legislation is that it is considered to have descended from heaven and to be virtually the holy grail of legislation and not subject to criticism, unless one wishes to be mocked by government members, or to amendment, as was illustrated beyond any question of doubt as vote after vote rejected amendment after amendment during report stage in the House.

The government controlled the committee and accepted only some very minimal amendments. The act as it exists today is virtually identical to the act which was introduced three or four years ago. I sat on the banking committee four years ago and listened to the objections of hon. members from the province of Quebec in particular, and there was consideration given to caisses populaires and credit unions. Many of the proposals were accepted, instituted and put into the act by that committee four years ago. That particular committee was considered—

Mr. Evans: Talk to Bert Hargrave.

Mr. McCain: At least I would be talking to somebody who understands what he is talking about, and that would be significant because the hon. member for Medicine Hat (Mr. Hargrave) sat on the committee during its deliberations on agriculture and made a major contribution to one of the minor amendments which was of major consequence to farmers in this country, namely, that livestock dealers be protected for their deliveries up to the figure which is presently in the bill. The hon. member criticized the act, and it was only after great pressure by myself, by the hon. member for Medicine Hat and others, that the amendment was adopted. All of this occurred in the initial presentation and consideration of the act by the committee, like all the other changes.

The amendments which were offered in the House the other day were rejected out of hand. I believe that the hon. member for Ottawa Centre (Mr. Evans) voted against every single amendment, regardless of whether an amendment came from my extreme left or whether it came from the official opposition. The hon. member was as guilty as the government itself in rejecting amendment after amendment by virtue of his vote.

Mr. Evans: Mr. Speaker, on a point of order, I do not know whether or not the hon. member realizes that he is misleading the House. In referring to the contribution of the hon. member for Medicine Hat (Mr. Hargrave), it was certainly a great one, but there was no animosity in that committee with regard to the agricultural amendments.

Mr. Nielsen: That is debate, not a point of order.

Mr. Evans: If the hon. member will review the speech of the hon. member for Medicine Hat in this House yesterday, he will find that in fact—

Mr. Nielsen: Don't abuse the rules.

Mr. Evans: —the hon. member made the same comment.

Mr. Cullen: You never do that, Erik?

Mr. Nielsen: Never.

Mr. McCain: I have acknowledged the contribution of the hon. member for Medicine Hat, myself and others toward that end. I repeat, every amendment which was submitted to the House was rejected by vote, and the hon. member for Ottawa Centre contributed to that vote. I am referring to the voting in this House during the report stage of the Bank Act. Let us separate the apples and the oranges and get down to what I said initially. Every amendment submitted at the report stage was rejected in one vote after another by the government.

Mr. Cullen: And by the opposition.

Mr. Evans: It is just not true.

Mr. McCain: The hon. member can read *Hansard*.

Mr. Evans: There were 59 amendments.

Mr. McCain: Would the hon. member for Ottawa Centre reflect on what I said. Like the hon. member for Burin-St. George's (Mr. Simmons), he is digging himself a deeper hole as he emphasizes his point. The amendments which were moved in this House at the report stage were rejected by the government.

Mr. Evans: There were governments amendments which we accepted.

Mr. McCain: But those are government amendments, and that is a different structure.

Mr. Evans: They are amendments.

Mr. McCain: They pleased the government, but what pleases the public is of a different consequence to this particular government.

I, like the hon. member for Medicine Hat, the hon. member for Portage-Marquette (Mr. Mayer) and the hon. member for Bow River (Mr. Taylor), appreciate the amendments which affected agriculture because they did so in an important way. I repeat, though, that the proposals were brought in on behalf of the caisses populaires and credit unions and were primarily supported by Quebec members of the government and opposition members when the act was initially submitted. There were some changes on behalf of those members which were very important, and which will make a better financial structure for Canada.

The act was primarily introduced—as I can see when I compare the 1967 act, which was finally passed in 1971, with the performance of the banks—to give the authority to the banks to perform functions which they were able to perform by virtue of the fact that they were not asked to observe the letter of the Bank Act of 1967 by consecutive ministers of finance over that period of time. The act has opened up the fields into which the banks more or less infringe, with the acquiescence of the Minister of Finance (Mr. MacEachen) and his officers who are responsible for the administration and supervision of the regulations.

As a result the banks have been expanded to a degree which gives me great concern. I am concerned that we have established for Canada an oligopoly which will control the financial structures of this nation to the point where the Minister of Finance may not be able to control the money supply or inflation, since he may lose control of the M2 and M3 factors which must be considered in the fiscal and monetary policy of this nation. We are creating a structure which is now involved in virtually all fields of finance. The banking institutions can now go into equity, and under certain circumstances can deal with securities. The banks are into the mortgage business, leasing, and all sorts of fields.

I submit that we have created an oligopoly and abandoned the principle that banks were intended to receive deposits and loan money to creditors primarily for individuals and the businessmen of the country. Now we find that banks have the option of putting such money as they may have at hand into

fields which may be more lucrative than what small businessmen, farmers and others may wish to pay. Banks also have the opportunity to put their moneys, raised through deposit or through the issuance of equities of their own, where they wish to finance, by mortgages, the building of structures, for example, in Calgary, Edmonton, Toronto, Montreal and so on. And if such a move creates a tight money situation for farmers, small businessmen or others, this act offers no means by which the banks can be directed in the spending of their money.

• (1550)

Mr. Rae: You voted against our amendment yesterday.

Mr. McCain: Mr. Speaker, that is a funny thing. I have sat in this House and listened as these people on my left pleaded with the government to help Chrysler Corporation, a multinational—

Mr. Rae: You voted against it.

Mr. McCain: —and applauded the government. Let the hon. member take one step at a time, Mr. Speaker. I will take another one when I am through. They applauded the government when it supported a Canadian multinational, Massey-Ferguson.

Mr. Rae: Not true.

Mr. McCain: They applauded the government because jobs were at stake. They claim to be the friends of the job seekers and the employed, and now they interject in this debate. They want to pick and choose what they will support. They say that the oil industry should be dropped into perdition but they do not want jobs to be affected in Peterborough, Brantford, Windsor, or some of the other constituencies in which they wish they had stronger support.

Mr. Nielsen: The Liberal bed is getting uncomfortable.

Mr. McCain: If they are going to pick and choose, to make flesh of one and fowl of the other, it would be better if they made their choices early and then were quiet.

Mr. Rae: You have made yours, brother!

Mr. McCain: I do not happen to be one of those $100,000 a year lawyers, an apologetic millionaire associated with the NDP.

Mr. Rae: Who are you talking about?

Mr. McCain: One of the boys who was appointed to a directorship. He is probably making more money than he ever saw, and certainly more than I have ever made or expect to make.

Mr. Rae: Who are you talking about?

Mr. Nielsen: Husky Oil, maybe?

Mr. Rae: Name him.

Mr. McCain: It is all very well to exploit the dissatisfied people in the country and mislead them by supporting their complaints—by proposing the impossible as though it were practical, and then watch people be put out of work and go on the unemployment insurance rolls because the Government of Canada has adopted too many NDP policies. Hon. members to my left should get out of the Liberal bed and stand on their own feet for a change.

Mr. Rae: You are going to vote for the Bank Act.

Mr. McCain: They should get out of the Liberal bed and speak for themselves for a change, and not talk out of both sides of their mouths at once.

Mr. Rae: There is no room left. We will see who stands up for the government in half an hour.

An hon. Member: The bionic mouth.

Mr. McCain: Mr. Speaker, they call themselves economists and socialists but we have seen, as they supported the socialist tendencies of the Liberal government, that unemployment has gone up, deficits have gone up, taxes have gone up—at what point in the tax structure will they be satisfied?

Having allowed the banks into all these forms of business and having created an oligopoly, ten or 15 years from now we may have some reservations about the success of this act. Have we created a structure so large that it could interfere with the fiscal and monetary policy of Canada? Will it be possible to reverse what has been done?

I have heard the excuses put forward for allowing the banks to get into the leasing business, such as the one that an American bank owns a leasing company in Canada. All of those things could have been adjusted by amendments to the Bank Act, or by restrictions on the operations of foreign corporations in this country. We should not have compounded the problem by extending the privilege, which is precisely what we have done.

I admire the hon. member for Bow River, the hon. member for Prince George-Peace River (Mr. Oberle), and the hon. member for Portage-Marquette (Mr. Mayer) for identifying a problem which exists in every rural constituency in Canada. It is impossible for the branch banking system that exists in this nation to offer the expertise in the village or small town branches that is necessary to oversee the breadth of business that they handle. The bank staff is usually trained in the small rural branches, at the expense of small business, farmers and fishermen, and the expanded field of business which would come about as a result of this act would be new to them.

I regret that hon. members in this House who come from urban areas do not understand the difficulties that will be faced by small businessmen and farmers. A member of the NDP mentioned that branches had been withdrawn from isolated communities in British Columbia. I am very sorry for those communities as I understand the problems some of them will face. Although the mileage involved is not as great in the province in which I live, the same thing has happened, to the

detriment of small communities in New Brunswick, and it is a matter of very deep concern.

The act does not place any obligation on the banks, however, to recognize the needs of farmers and small businessmen.

I am concerned about the expansion of opportunities available to banks, Mr. Speaker, because one by one the provinces have been forced into a structure in which they are financing small business and farmers. I think I am correct in presuming that one of the reasons for this is that, after the 1967 structure was created, there were other places for the banks to put their money. At a time when absolutely no control was exercised over the mortgage rate, small businesses and farmers could not exist because of the rates they were charged. Now there are government guarantees. The banks encourage people to go to the government to get a guarantee. If someone is refused a loan by a bank today, he can approach a government structure such as the Farm Credit Corporation, Small Business Development Bank and so on. Federal officials are encouraging this action. This is not the way the banks should operate, Mr. Speaker. The banks and the government should see to it that all businessmen, farmers, fishermen and others who require funds, are looked after by the banking structure of Canada. That is not the case, however.

We have created an oligopoly. I hope that Canada has a healthy fiscal future and I hope that my fears are not realized. I hope the Minister of Finance and his officials will exert the necessary influence to bring banks back to reality.

I should give an example of why I complain about the operation of the rural banks Mr. Speaker. A business friend of mine approached the bank in his community for a loan. As security, he offered assets valued at more than twice the value of the loan. The bank manager looked at his statement, which had been favourable and progressive, and suggested that he add his house as collateral. He owned the house outright, Mr. Speaker. This man had been engaged in a profitable business for ten or 15 years. There was no way he was going to put his house on the line, as this was not considered necessary according to standard banking practice in other areas of Canada. I checked with other members of this House to find out whether it would have been necessary, had he lived in a city, to do the same thing. The answer was no.

● (1600)

In the branch system in a city where there is a multiplicity of perhaps eight to 15 different bank branches, there is competition. In the village and small town structure of this nation there is no competition and there is nothing in this act which will create competition. That is my complaint. Lack of competition denies opportunity to small businessmen in Canada, and there is no mechanism by which the minister can exert any pressure.

An hon. Member: Open a credit union.

Mr. McCain: I attended the opening of one the other day. It is a good idea and I am not quarelling with credit unions, nor have I attacked them. I have applauded the amendments which gave them a better opportunity, but that is not good enough. That is the government for you. The government is your enemy, not us.

An hon. Member: Do not get into bed with them, though.

Mr. McCain: I have a second example that I would like to put on the record. I asked the president of one of the major Canadian banks whether his branch had ever granted a household mortgage to anyone in a small community in my constituency. I told him that I did not believe the bank had done this, although I knew the bank had taken mortgages on some very large structures in the west, and I could name them. However, I told the president that if I was wrong he was to let me know. I told him that I would be blunt and that I knew he had not taken a single mortgage on a new house in a certain community in New Brunswick. I was not asking how many but I told him that if I was wrong that he did not accept a single mortgage in that rural community, he was to let me know.

I must assume the bank did not issue a single mortgage for the building of a new house in that community because I have never heard from him since. As a person from rural Canada I am alarmed that this act will go through as it is without any consideration for the lack of competition, or any obligation on the part of banks to supply the needs of the villages and small towns of rural Canada. As hon. members have pointed out repeatedly, it is in those areas where there is employment.

If control can be kept of the money supply and if inflation can be controlled with this Bank Act, I will retract my words five years hence if I am still here. But these are my concerns at the moment and they are real. If I were president of the Bank of Nova Scotia, the Bank of Montreal or the Royal Bank of Canada, and I had a choice on behalf of my stockholders of taking a mortgage on a new building for company X in Toronto or lending it to a fisherman in Campobello, I would choose the highest return with the least risk, which would probably be the mortgage in the city of Toronto. Having done that, I must ask whether I would then have any money left for the fishermen in Campobello. That is my worry. There is no obligation on the part of the banks to look after people in areas where there is no competition. These people are unable to compete with large corporations in other parts of Canada for mortgages which are attended to personally by bank presidents and city competition. There is just nothing in this act for a small town in rural Canada and its residents.

Mr. Bill Wright (Calgary North): Mr. Speaker, I want to say a few words about Bill C-6 this afternoon before it is passed. It is a bill to revise the Bank Act, to amend the Quebec Savings Banks Act and the Bank of Canada Act, and to establish the Canadian Payments Association. We have had four extensions to the Bank Act since 1977. Hopefully this time we will be able to complete and put in place a new act to which all financial institutions in Canada will be able to adhere.

Since banks were established in Canada, dynamic growth has occurred. Assets are now at $250 billion, and 35 per cent

of net revenues comes from foreign operations. I mention foreign operations because there is no question but that the business the banks do in foreign countries aids Canada in trade generally. Rather than discouraging trade, we should be encouraging it, and we can do this by allowing other banks into Canada, which in turn will create competition in the banking system. The banking system is controlled by five major banks. I believe most of us see a need for competition. However, I find it very strange that on the one hand we would encourage expansion of the banking system partly by allowing foreign banks to come here, while on the other we are telling the oil companies to leave.

An hon. Member: Who told them that?

Mr. Wright: I find it even more strange that this government would support Chrysler Corporation by guaranteeing loans to an American corporation and on the other hand tell the oil companies they are not wanted.

I remember in Winnipeg in the early 1960s we attempted to obtain money for the producing provinces. We tried to raise money in the east. In fact we phoned all over Canada in an attempt to raise money for the small oil companies starting out. But what happened? We ended up going to the United States. We put small packages together and asked U.S. individuals to help us. That was the method by which a lot of the smaller oil companies got going. I realize the majors were here, but they were not doing all of the exploration. In fact it was the small oil companies to a great extent that brought in the competition for the major companies. It was not through the efforts of Canadians. But it was more than that. During the period of the 1960s and 1970s—and I must admit this is my opinion—the Canadian government actually discouraged the investment of funds.

Over the years those of us who have moved into the oil business could see that the Government of Canada was not encouraging people to enter the oil business. Yet, I find it very strange just two months ago I stood here and said that $600 million of Canadian money, sitting in Canadian banks, was going to leave the country for the United States. Little did I know then that that figure would double within a month and a half. Now over $1 billion of Canadian funds is leaving Canadian banks for the United States. It is also my opinion that the real purpose of the Canadian government is total nationalization of the oil companies. That is not based on lack of information or a lack of knowledge of this industry.

I am not sure whether present Canadian banks will be affected, but I have a feeling that there will be some effect on new Canadian banks. These new enterprises will look at the government and ask "has there been a major shift in policy from being supportive of industry to being a socialist government wanting to take over any industry that is vibrant?" The banking industry must now address itself to this problem. If the government should take over the oil industry, what is to stop it from taking over the banking industry? That is a real problem. If it takes over the oil industry and the banking industry, what is next?

• (1610)

As the representative of Calgary North, I cannot live with that. Quite frankly, that is not my Canada. However, I see a nationalization of industries coming far greater than we have seen before. When I have to deal with the separation problem in my constituency, it scares me. We are not going to hide behind, we are going to deal with it directly.

I sat here many months ago listening to members opposite from Quebec speak about their problem of separation. I must say that their problem was nothing compared to ours. You cannot turn ours around by standing here in the House of Commons and saying why the west should stay in Canada. There are studies out now by qualified individuals from the University of Calgary which suggest that it would be better for western Canada to separate.

I do not believe that. I have been across Canada and probably know it better than most people. I cannot put my head in the sand and presume the problem will go away, or that it is in any way similar to what we saw here some months ago. It is far worse. In my opinion we cannot turn it around. We cannot treat it like the Quebec problem.

Nationalization of the oil companies is a very real threat in western Canada. I would be very surprised if the board of directors of any bank in Canada did not have on its agenda in the last two weeks the nationalization of the banks. They must address the problem.

I wish to mention some of the good things which happened on that finance committee. We were very fortunate in having a minister who was receptive to many ideas. We got through a number of amendments. We were encouraged by the support of government members with regard to leasing, and now are very happy that automobile companies in Canada are being protected. All of us will be watching to make sure they do not abuse the privileges and protection they will receive under the new Bank Act.

The protection provided to cattlemen is a step in the right direction. Many of us feel it does not go far enough, but we are quite prepared to go along with the government on this point. To give cattlemen $100,000 protection when they sell their cattle to the livestock yards is not very much. That amount can represent as few as ten cattle. However, we recognize that we could not possibly provide everything the cattlemen wanted. We will be watching this new act to see that it fulfils the intent of what we wanted.

I now wish to make a few comments regarding the committee. We were fortunate in having on the committee members who wanted to see the act passed. Parts of it they wanted changed in order to improve it. However, speaking as a new member of this House, I was appalled at the NDP filibuster. I thought that they, like the rest of us, were here to do their best for the people of Canada. Little did I, as a new member, realize that they are not dedicated to the same purposes that I am.

An hon. Member: That's true.

Mr. Wright: They tried to push through amendment after amendment, even though they were getting nowhere. I suppose when I become more accustomed to this place and realize the kind of people they are, I will accept that. However, quite frankly, the travelling road show which the NDP brought to that finance committee in July, bringing in members to alternate and speak to amendments, was ridiculous. How anyone in their right mind can vote for them in an election is beyond me. Fortunately, many Canadians who did vote for them are coming to realize that.

I want to make another comment which those on the government side may not like. As a new member perhaps I am not aware of all that can happen in committee. One evening we were presenting an amendment which had the sympathy of some of the government members. I was very surprised when two government members stood up, left the room and broke the quorum. Older members may say that is quite acceptable, but as a new member I found it ridiculous. I am here to represent those in my constituency. When members walk out of a room like that, whom are they representing? Perhaps all of us should stand in this House more often and say that we do not agree with this type of partisan politics.

I do not mean to be critical of the government, certainly not of the chairman of that committee or the minister, because I believe I learned a lot from associating with them. However, it is too bad when we have that type of politics in committee meetings. I know it goes on in this chamber, but surely it is not needed in committee meetings.

I hope we can conclude third reading of the Bank Act this afternoon and put in place an act which will allow more competition in the banking community. It is certainly needed. It should not be delayed any longer.

Hon. Sinclair Stevens (York-Peel): Mr. Speaker, my friend to the left said that he thought I had already spoken on the bill now before us. Clearly, from some of the comments made by both the government members yesterday and the socialist members calling themselves the New Democratic Party, my mere presence in the House last night seemed to be enough to stop the bill in its tracks, which rather surprised me. The fact is that I have not spoken on this bill, certainly at report stage or third reading. It was over six months ago that I even commented on the Bank Act which was then before us for second reading.

● (1620)

I wish first to comment on some of the strange happenings that occured yesterday, particularly during the speech of my hon. friend from Broadview-Greenwood (Mr. Rae). As we know, he proposed an amendment, and because perhaps they are forgetting, I would like to remind hon. members that what is now before us is the amendment which was proposed by the hon. member for Broadview-Greenwood (Mr. Rae), seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That Bill C-6, an act to revise the Bank Act, to amend the Quebec Savings Banks Act and the Bank of Canada Act, to establish the Canadian Payments Association and to amend other acts in consequence thereof, be not now read a third time, but that it be referred back to the Standing Committee on Finance, Trade and Economic Affairs for the purpose of reconsidering clause 2 with respect to the proposed section 222 at page 246 of the said bill.

The reason I read that into the record once again is so that there should be absolutely no doubt, when the name calling begins and when it is suggested that our party is somehow or other blocking the passage of this legislation through the House of Commons, that the very person from whom that is said to be an accurate quote is the person who, only a few hours before, stood up in the House and said he did not want the bill to proceed at all and that it should be referred back to the standing committee for further consideration.

Was the hon. member just frivolous in moving that amendment? Was he simply saying that for good measure he should throw the amendment in and "see what the House does with it" and that he can have a little sport with it? Was he saying that if somehow or other he could get things turned up, that would be good fun? Or did he mean it? If he meant it, surely it was his party which was trying to block the passage of this legislation last night and certainly not ours, because how can one more effectively block the passage of this bill than to suggest that we not now read it a third time but refer it back to the appropriate standing committee?

This is the cynical approach some of the socialists take to this House of Commons. They seem to feel that the House is a plaything and that they can come in and move amendments to delay almost permanently—certainly for the next few weeks—the passage of this bill, and then be able to walk out into the lights of the television cameras, the radio microphones and what not, and say that somehow or other it is somebody else who is blocking the passage of the bill.

If there is any doubt on this subject, let me recall for hon. members what I said when I spoke at second reading on May 6, as reported at page 784 of *Hansard*. I concluded my remarks by saying the following:

Having said that, Mr. Speaker, let me tell you this. If we, as a new Parliament, can pass this bill—

That was Bill C-6.

—that will go a long way toward creating a new sense of confidence in the economic community in Canada. This is needed, and I only hope that members will accept the challenge and say, "Let us debate it, get it into committee and passed." Thank you very much.

Those were my sentiments on May 6, those have been my sentiments ever since, and they are my sentiments today, and I challenge anybody in this House to show where I have ever blocked the passage of this bill in committee or at any stage in this House of Commons.

Mr. Evans: Sinc, you are too much.

Mr. Stevens: I recall for those who sat in the finance committee that it was my motion, accepted by government members, which put a limitation on the amount of time during which the committee would sit for the further consideration of the bill. Hon. members will recall that it was then suggested and agreed upon that we would come back during the recess to

consider the bill so that it could be in a form suitable for passage in the House as soon as the emperor chose to call back the House of Commons.

Mr. Evans: You moved closure, Sinc.

Mr. Stevens: I have said that because I believe that it is important that, contrary perhaps to what some government members may feel or certainly what some of the socialist members may feel, the record be at least accurate as to what has happened with respect to the bill which is now before us.

Mr. Rae: Hear, hear!

Mr. Stevens: In the committee to which I was referring, hon. members will recall that many witnesses were heard, and I suggest that there are various things which were considered. Some changes were suggested by members of my party.

In general, I think we have a better bill before us today than that which went into committee. Let me recall for hon. members some of the sections which were considered and amended largely as a result of action taken by members of the official opposition. Hon. members will recall section 12 of the bill which is now before us. That was with respect to covering institutions applying for bank charters and any public objections which might be raised thereto. We proposed that the Inspector General of Banks should be able to call full public inquiries with respect to such applications, and I am pleased to report that that was accepted. I think we have a better process to be followed under section 12 than that which the government was initially suggesting.

Section 28 originally stipulated that foreign bank licences should be renewed every three years. I want to come back to this question of foreign banks, but largely at our suggestion that was changed to one year in order to give the government a little better control over what foreign banks may be doing in future years with respect to banking in the country. Surely it does not behoove members of the government or the NDP to suggest that these changes were unnecessary or somehow delayed the passage of the bill which is now before us.

If they feel that, I would like them to go out and tell the cattlemen of this country that the changes for which we were largely responsible under section 178(6) would likely not have been made if we had not pressed the minister to accommodate the request of the Canadian Cattlemen's Association. These are things which I think should be put on the record and understood.

Mr. Evans: How can you say that with a straight face?

Mr. Stevens: They should be understood not only by members in this House but also by the public at large.

Mr. Rae: You should be blushing.

Mr. Stevens: Section 208 deals with the question of the banks holding reserves with respect to moneys which they may take for one to five-year terms. Hon. members will recall that in its eagerness to accommodate the banks the government in effect told them to forget the reserves, there should be no reserves, "We want to give you that big break, you are not doing well enough and we would like to give you that added break". We suggested, largely on the representations of trust companies and loan companies, that that was perhaps an undue concession to be giving to the chartered banks.

The trust and loan companies indicated that they felt that it would result in severe added competition for them, and certainly prior to its passage, or even of an indication of what was in store for them in their own trust and loan legislation yet to be introduced in the House, they asked that the banks not be given that added advantage. We agreed with them and pressed the government, and I am pleased that the government did accept that it perhaps should not give that added concession to the banks. As a result section 208 now requires a reserve as opposed to the original government suggestion that there be no reserve for such encashable deposits.

Section 193 was the subject of much debate and comment. As originally drafted by the government, it would have given the banks tremendous leverage in going into the leasing field in Canada and particularly the leasing of ordinary automobiles and trucks. We opposed that. We impressed upon the government that this was a concession it was giving to the banks which we felt was unnecessary and unneeded. There were witnesses. There were representations made by various associations in the automobile leasing field.

However, our general feeling was that the government had to be pressed to concede that the advantage it wanted to give to the banks by allowing them to get into that leasing field was too rich and too lavish. I think largely due to the efforts of members of the official opposition the government finally backed up and agreed to give the banks only a limited right in the leasing field compared with the very generous rights it originally proposed.

● (1630)

Again there is the data processing industry. Representations were heard. Clause 174(2) deals with this. It was the government's original suggestion—they love the banks—that the banks should be given increased powers to go into data processing in this country. At least we managed to get them to change the onus in that connection so that, in effect, the banks would have to show that data processing is of a banking nature as opposed to the reversed onus which the government was proposing that anything was fair game for the banks so long as they could decide whether or not they wanted to go into data processing. I just touch on those points, because in the debate which will ensue, the facts perhaps will become clouded and we will forget to what extent the bill which is now before us is an improved bill. It is improved largely as a result of the efforts and activities of members in the official opposition.

Earlier, when I referred to foreign banks, I indicated that I wanted to touch on this question of the foreign banks' penetration in this country. You will recall that clause 157 in the bill states, and I would ask hon. members to listen carefully to the words:

Every person who, in any language, uses the word "bank", "banker" or "banking", either alone or in combination with other words, or any word or words of import equivalent thereto, to indicate or describe his business in Canada or any part of his business in Canada without being authorized so to do by this or any other act, is guilty of an offence against this act.

Then it goes on to say:

Every person who uses the name of a bank in a prospectus or advertisement for the sale of securities other than those issued by or guaranteed as to principal and interest by Canada or a province, a municipal or school corporation in Canada or a bank, is guilty of an offence against this act; but this subsection does not apply where such use is required by law and is confined to a statement contained in a prospectus that a corporation is the holder of shares of the capital stock or evidences of indebtedness of a bank.

In short, to any lay person who reads section 157 in our existing Bank Act it would appear that one cannot carry on the business of banking in this country unless one is authorized to carry out the banking business under the Bank Act. That was the law of the land for over 100 years, and it is not to be questioned. What I find most strange is that this government, which pretends to wish to Canadianize industry in this country, and in particular the petroleum industry, is, at the same time "foreignizing" the banking industry in our country in direct defiance of the existing Bank Act. Imagine what they have done in spite of the clear law of the land as I read it. They have permitted an estimated 80 to 90 foreign banks to set up operations in the country, with assets totalling something like $8 billion at present, notwithstanding section 157 of the existing Bank Act.

Is it not understandable then why people are so cynical about this government and about the coalition of the government opposite and its NDP allies?

An hon. Member: How are you going to vote on the Bank Act, Sinc?

Mr. Stevens: We hear glorious statements such as, for example, the one which appeared in the national energy program for 1980, made by the Minister of Energy, Mines and Resources (Mr. Lalonde), a statement which, presumably, can be attributed to him. It reads as follows:

The significant fact today remains that the foreign companies control most of Canada's oil and gas industry, and of its revenues. Foreign-controlled firms control the future through the control of the land in which exploration takes place.

Throughout this document, all kinds of similar comments are to be found. The whole thrust of the document is that, in view of foreign ownership, the only way to put it right, to Canadianize the situation, is through some type of nationalization, ownership by the state as opposed to ownership by the private sector of petroleum companies which are declared to be foreign.

The point I want to make is that, whether or not you believe there is undue foreign ownership in the petroleum industry, surely it is strange to have a government which says, on the one hand, it wants to Canadianize the petroleum industry through state ownership, and at the same time says about the banking industry, which has been one of the truly Canadian owned industries in the country, "We want to open it up so that foreigners can now participate". Not only is the government eager to do it by having Parliament pass the bill which is now before us but, as hon. members will recall and as I have stated, it turns a blind eye to some 80 foreign banks setting up shop here and being active to the tune of $8 billion. In spite of that, the government asks us to believe that somehow or other it is the great Canadian champion.

I sometimes wonder where that illustrious Minister of Industry, Trade and Commerce (Mr. Gray) was when all this was going on, that minister who likes to say how much he hopes he will be able to Canadianize industry in this country and ensure it is owned by Canadians to a greater extent. The truth is that the government opposite is hypocritical. We have a government in power which is vacillating, pragmatic, deceitful. Ministers know how to win elections by deceit but, unfortunately, they fail to recognize that you cannot run a country by deceit only.

I suggest that hon. members look through the list of foreign banking corporations which the government has permitted to enter the country. It is truly astounding, notwithstanding the provisions to which I have referred in the existing Bank Act. For example, the Bank of America, which has an office in the Royal Bank Plaza in Toronto, shows assets in Canada amounting to $301 million. The total assets of that bank, which is one of the largest of the world, are $108 billion. They have been allowed to enter this country, notwithstanding the Bank Act. I could take hon. members through the list. ABN Canada Ltd. is a subsidiary of A. Oortman Gerlings and has assets in Canada amounting to $53 million. Barclays Canada Limited, a subsidiary of Barclays International Limited, has assets in Canada amounting to $625 million. BCI Finance Ltd., a subsidiary of Banca Commerciale Italiana Group, has assets in Canada amounting to $13 million. The B.T. Capital Services Ltd., a subsidiary of Bankers Trust Company, has assets in Canada amounting to $158 million, and it has an office in the Royal Bank Plaza in Toronto.

● (1640)

We have the Canadian Financial Company, which is a subsidiary of the Bank of Virginia, with assets of over $78 million. We have the Chemical New York Canada Ltd. and the Chemco Leasing concern, University Avenue, Toronto, which is a subsidiary of the Chemical Bank of New York, with $783 million in Canadian assets. Then we have the "biggie", we have Citicorp, 100 King Street West, Toronto, which is a subsidiary of the First National City Corporation in New York, with assets in Canada of over $1,600 million. I could go on and refer to Chase Manhattan Canada Limited, which is a subsidiary of the Chase Manhattan Bank in New York, with Canadian assets of over $175 million. We have the Continental Illinois in the Commerce Court North, Toronto, which is a subsidiary of Continental Illinois in Chicago, with Canadian assets of over $324 million. We have the Credit Lyonnais, which is a subsidiary of the bank with the same name in France, with Canadian assets of over $320 milllion.

In one sense the government is saying that it wants to Canadianize certain parts of our industrial structure. That

self-same government over the last few years, particularly since the early 1970s, has allowed bank after bank of a foreign nature to set up shop in Canada and carry on business.

The net result is that presumably 50 to maybe 60 banks will be licensed and permitted to enter into banking operations in Canada under the act which is now before us. I only ask that the government, as it accepts these new banks, also accept the challenge or obligation of policing them with respect to their operations in a more effective manner than they have been policed under the existing Bank Act which includes a complete prohibition against foreign banks coming into the country.

But an odd thing happens. I could take us through the various Japanese, German, Dutch, British, French and American banks, but there is only one foreign bank about which, for some reason, the government is determined to put an impediment in its way with respect to its eligibility to be an operating foreign bank in Canada. I see the minister is getting ready to speak. When he speaks, I hope he will try to clear the air as to why he singles out one foreign bank for a prohibition when he seems to be so generous in accepting 50 to 60 or possibly 80 other foreign banks into Canada. The bank to which I refer is a bank called Grindlays.

Mr. Rae: Now the truth comes out. Here is the lobby. It is not for businesses, it is not for the car dealers. It is for Grindlays. Let the record show that the hon. member is for Grindlays. Is he not for Citicorp? Let's hear it for Citicorp, let's hear it for Lloyds. We can pray for Lloyds, we can shed a tear for Citicorp. You are a credit to your party, Sinc.

Mr. Stevens: I wish the socialist side of this coalition would just hear me out.

Mr. Rae: I bet you wish we would go away.

Mr. Stevens: If they would just hear me out they might not be so quick to join in the general condemnation. They should listen to some of the things I want to put on the record. Of all the banks which might come into Canada, the one which has the most presence, if you like, in countries such as India, Bangladesh, Pakistan—

An hon. Member: And it really helped the people there!

Mr. Stevens: In fact, if we review the various branch operations of this bank—

An hon. Member: You can say this with a straight face?

Mr. Stevens: —we will find that of the 200 branches that bank has around the world, 60 alone are in India. The majority of its operations is in the countries to which I have referred, those Asian and African countries.

An hon. Member: What about South Africa?

Mr. Stevens: For example, I could refer to the fact that there are branches in Zambia, Malaysia, Ghana, Zimbabwe, Hong Kong, Uganda, Kenya and Zaire. I want to know what the government and its NDP cohorts—

An hon. Member: They are bed partners.

Some hon. Members: Oh, oh!

Mr. Stevens: What do they have against those countries?

Mr. Rae: How will you vote, tiger?

Mr. Stevens: Why, of all the foreign banks they are willing to accept into this country, do they want so dramatically to say no to the bank which is active in India, Pakistan, Bangladesh and those African countries?

Mr. Evans: Because it is owned by Citicorp.

Mr. Stevens: If we take a look at the world bank atlas, we will see that the majority of the countries to which I have referred have average per capita incomes below $200. They are among the poorest countries in the world. It really fascinates me why this socialistic little alliance indicates that that is the one place they do not want any banking connections. The fact that that bank has already arranged $150 million in lines of credit for Canadians to do export business over in those countries means nothing to them. They somehow or other say that they would like to see them disqualified, notwithstanding.

I am sorry I did not recognize from what seat on the government benches came the comment that Citibank is a shareholder.

An hon. Member: It was the hon. member for Ottawa Centre (Mr. Evans).

Mr. Stevens: If the minister is recognized later this afternoon, I would like him to stand up and tell us that he knows exactly the shareholdings behind all the other foreign banks which presumably he is willing to accept. The fact is that he does not. But they zero in on this one bank on the pretext that they understand it is 49 per cent owned by Citibank.

I do not care if it is owned by Citibank, or who exactly are the shareholders of that bank. I am very curious as to why they seem to be dead set on preventing that one foreign bank from coming into Canada. It is a bank represented in areas of the world where literally no other bank is represented. If we are to accept foreign banks, why are they dead set against that one bank? I think there is a story to be told that is not being told.

Mr. Rae: You are telling it.

Mr. Stevens: I should like the minister to elaborate on what are his reasons. If he can assure the House, with whatever technical problem there may be in clause 303(4), that he feels in all likelihood he can work out an accommodation for this bank, then I will be very much relaxed and satisfied that at least we are accepting all banks, as far as the initial criteria are concerned, without singling out one which seems to have a very interesting side to it that no other bank in the world has. That is an entree for us into not only Commonwealth countries but into some of the poorest nations of the world. What I would like to find out, Mr. Speaker, is what is that sort of little alliance, that socialistic alliance up to—

● (1650)

Mr. Rae: How are you going to vote on the Bank Act?

Mr. Stevens: They want to zero in, in what appears to be such an unfair way, with respect to a bank that I think could lead some of our exporters into those markets where we see so little activity at the present time.

When we had the opportunity to visit the Prime Minister of India, in new Delhi, in company with my leader, I can still remember how impressive it was to hear the prime minister state that we should restore the economic operation which could, and at one time did, exist within the Commonwealth of Nations. Frankly, I think we should. I think we should seize every opportunity to increase trade with such countries as India, Pakistan and African nations. If they are members of the Commonwealth I think we have a bond which we can capitalize on, not only for our advantage but for their advantage also. When this act is passed it is something I hope the minister will weigh, and hopefully he will see fit to accomodate it, and extend our trade activities into those areas. A national trading corporation is being proposed by the government. Unless they want to appear totally inconsistent they should not allow a trading corporation to be considered and, presumably, accepted, at the same time killing off obvious avenues to develop trade for Canadians in areas of the world which are relatively inactive at the present time.

Mr. Rae: Maybe Grindlay's will set up a bank in New Brunswick for Fred McCain, and put their head office in Alberta.

Mr. Stevens: Mr. Speaker, it would be such a blessing if the NDP would join the Liberal caucus. Presumably they could settle that matter with it, and we would not have to listen to it in the House of Commons.

Mr. Skelly: Don't bend over like that!

Mr. Rae: There is a Liberal behind us. Don't bend over like that.

Mr. Stevens: Mr. Speaker, when you stand in this House with socialists behind you, and near-socialists in front of you, you can understand what a Tory must do in order to keep his guard up.

As I said last May, if we can get on with it, and presumably we will pass the bill this month, I believe we will be able to get into a new banking environment in Canada. In many ways I think it can be constructive. I urgently press on the government that we are entering into a decade that will be the most revolutionary we have had since confederation, as far as banking in Canada is concerned. I hope that with the entry of these foreign banks there will be a continuing discipline applied by the federal government to ensure that the banking activity, and in particular the foreign banking activity in the country, will be for the benefit of all Canadians and not just for the benefit of a few. I say that because I think that the system will be very fragile for a few years.

If we have the opportunity to review the bank act a decade down the road, we might find that things will have occurred in those ten years that most of us in the House today would never have felt could happen. I believe if we do not have a vigilant minister and a vigilant inspector of banks that the banking system we have known, which is one of the best in the world—hopefully it will continue to be one of the best in the world—could be unrecognizable if we do not watch what we will be doing in the coming decade.

I do not want to continue. It may be that the NDP will get on with their blocking tactics now and we will find their true spots will show. I can only say that if they are having somewhat of a war with their friends on the government benches, I wish they would settle it privately and not take up the House's time any longer.

Some hon. Members: Hear, hear!

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I have seldom been as puzzled in this chamber as I have been this afternoon. We heard the hon. member for York-Peel (Mr. Stevens) say that the NDP members have been blocking passage of this bill. Mr. Speaker, I was told on Monday by our House leader that there was an agreement between the House leaders of the three parties that—

Mr. Nielsen: Just two—you and the Grits.

Some hon. Members: Oh, oh!

Mr. Orlikow: Mr. Speaker, the reason they are interjecting so much is that they are ashamed of the fact that they broke their commitment.

I was told there was an agreement that the report stage amendments would be voted on Monday evening. That did not happen because the Conservatives kept the debate going. I was told we would finish third reading last night. Who held it up? It was the Conservatives. Now we are told we are filibustering. We have listened to Conservative members talking about—

Mr. Stevens: On a point of order, Mr. Speaker, I think the record should show what the truth is. This so-called agreement which the hon. member is referring to never existed. Clearly the NDP are confused. They are so confused now they think that when they have an agreement with their cousins on the government benches that it is a House agreement. We were never party to an agreement and the record should show there was never any agreement with respect to the passage of the bill last night.

Mr. Evans: That is false.

The Acting Speaker (Mr. Blaker): The hon. member for Winnipeg North—

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

The Acting Speaker (Mr. Blaker): The hon. parliamentary secretary on a point of order.

Mr. Collenette: Mr. Speaker, I would like to comment on the point of order raised by the hon. member for York-Peel (Mr. Stevens). It is all very well for him to say that. I would like the hon. member for Nepean-Carleton (Mr. Baker) to come before the House and say exactly what his colleague has just said.

Mr. Nielsen: Mr. Speaker, with respect to the same point of order, and as deputy opposition House leader, I back up 100 per cent what my colleague has just said. While there was an agreement—and the minutes of the House leaders' meeting will show—it was confined to the Liberal party and the New Democratic party and there was no such agreement coming from the Conservative party.

Some hon. Members: Hear, hear!

The Acting Speaker (Mr. Blaker): The hon. member for Winnipeg North Centre on the same point of order.

Mr. Knowles: Mr. Speaker, several members are talking about things that happened when they were not there. The fact is there was an understanding among the three of us that this stage of the debate, the report stage and the third reading, would not take more than six days. Those six days ended last night. That was an agreement among the three of us, and those who are trying to deny it are responsible for a good deal.

Mr. Nielsen: Mr. Speaker, on that same point of order, that is simply not true. The member for Nepean-Carleton (Mr. Baker) did provide the understanding which the member for Winnipeg North Centre (Mr. Knowles) speaks about. He did provide that understanding, but there was no agreement. Indeed, the House leader, who is now in his seat, said, "Will you agree, then, to . . ." I do not like disclosing matters which go on in House leaders' meetings. That should not be done, but the matter was raised by the hon. member for Winnipeg North Centre and is now exposed.

● (1700)

Mr. Rae: You are completely exposed.

Mr. Nielsen: If the bionic mouth would control himself for a moment, he will hear the truth.

Mr. Rae: We all know how much we can trust you guys.

Mr. Nielsen: I believe the government House leader will confirm that at that particular meeting the hon. member for Nepean-Carleton, when asked by the government House leader whether there could be agreement as to time, said that he could not give such an agreement. The hon. member for Nepean-Carleton said that he had been informed by the hon. member for Edmonton West (Mr. Lambert), who has the conduct of the debate on this side, that there would be six speakers.

The agreement cited by the hon. member for Winnipeg North Centre was an understanding only and did not take the form of an agreement. Indeed, the hon. member for Nepean-Carleton went out of his way to say that he could not give an undertaking as to the limitation of debate as requested by the House leader.

[*Translation*]

Mr. Pinard: Mr. Speaker, it is true that there is no order of the House. The hon. member for Winnipeg North Centre (Mr. Knowles), the hon. member for Nepean-Carleton (Mr. Baker) and myself attended that meeting as parliamentarians and no other individual, except we three parliamentarians is in a better position to know what happened at the meeting. I have absolutely no hesitation to support fully the comments which the hon. member for Winnipeg North Centre has just made.

[*English*]

I confirm that there was no House order, but there was a gentlemen's understanding.

Mr. Knowles: Hear, hear!

Mr. Pinard: That understanding was respected by the House leader for the New Democratic Party, his party and by ourselves.

Mr. Nielsen: Mr. Speaker, I do not intend to prolong this matter.

The Acting Speaker (Mr. Blaker): The Chair has a problem. As the hon. member for Yukon (Mr. Nielsen) will realize, he has already been up twice on this matter. Perhaps I could invite the hon. member to think up a new point of order on which he may rise, because he has already risen twice on the same point of order. Unless there is some desire on the part of hon. members to pursue this discussion further, it seems to me that it has been vented and that we should return the floor to the hon. member for Winnipeg North (Mr. Orlikow).

The hon. member for Yukon seems to be insisting, so I will recognize him on a fresh point of order. However, it may have the effect of producing another round of discussion.

Mr. Nielsen: With respect, Mr. Speaker, if the Chair had not been so premature it would have learned, as the hon. members present would have learned, that I was rising to say that because the hon. member for Nepean-Carleton is not present perhaps I could reserve in his name the possibility that he may wish to contribute to this discussion tomorrow afternoon.

An hon. Member: Here he is now.

Mr. Nielsen: I am glad that the hon. member for Nepean-Carleton is here now. He was absent when this matter arose.

Mr. Baker (Nepean-Carleton): I saw some of it on TV.

Mr. Nielsen: The government House leader has confirmed in every respect, and qualified by his definition, that what went on in the House leader's meeting as being a gentlemen's understanding.

Mr. Knowles: That's right.

Mr. Nielsen: Both the hon. member for Winnipeg North Centre and members opposite have said that there was an agreement with respect to the termination of this debate. My understanding, in discussing the matter with the hon. member for Nepean-Carleton, is that that was not the case at all. In fact the hon. member for Nepean-Carleton went out of his way, when requested by the government House leader to give a commitment, to say that he could give no such commitment. The hon. member for Nepean-Carleton is here and is familiar with that meeting, and familiar, now, with what went on in the past few moments.

Mr. Baker (Nepean-Carleton): Mr. Speaker, if I may have the floor for just a moment, I watched the "public" House leaders' meeting on television, and it was quite interesting. But since the matter has been raised publicly and since my name was used publicly, perhaps I should read from the minutes of the House leaders' meeting.

Mr. Pinard: Who took the minutes?

Mr. Baker (Nepean-Carleton): The minutes were taken by my executive assistant.

Some hon. Members: Oh, oh!

Mr. Baker (Nepean-Carleton): They are dated November 13, 1980, and were circulated on the same day.

Mr. Knowles: To whom?

Mr. Baker (Nepean-Carleton): They were circulated to the Leader of the Opposition (Mr. Clark), the hon. member for Yukon (Mr. Nielsen), the hon. member for Provencher (Mr. Epp) the hon. member for Burlington (Mr. Kempling), Senator Flynn, Mr. Fairnie, and Miss Huntington and other officials in the office of the Leader of the Opposition, the PC research office and within my own office, so there would be no doubt, if questions were asked of these people, they could be answered if possible. The minutes with respect to the Bank Act read as follows:

> Marcel Lambert has offered to end the report stage of the Bank Act on Monday evening, and third reading on Tuesday evening (according to Pinard).

There was an offer, and some discussion may have gone on. The minutes continue:

> I said we had no reason to carry the debate on but I couldn't guarantee the schedule, although it seemed reasonable.

The "I" refers to me, and I said quite clearly that I could not guarantee the schedule. The request did not seem unreasonable, but I could not guarantee the schedule. After listening to this debate on television, the point, in my view, is whether or not there had been an agreement which had been binding between the parties and binding on the House in the absence of a House order. There was no such agreement, and I would not make such an agreement with my friend unless I could. There had been a discussion which carried over two House leaders' meetings and a number of days on the estimate of time that would be taken from our point of view, even with extended hours.

Mr. Pinard: Six days.

Mr. Baker (Nepean-Carleton): Yes, six days. But if the issue here in the House is that there was some binding agreement between me as the House leader, the government House leader, and the hon. member for Winnipeg North Centre (Mr. Knowles) which would apply even in the absence of a House order, that is not the case. The minutes which were prepared by someone else at the time, and signed by me as being correct, and which I have now read into the record of the House of Commons, indicate that there never was such an agreement.

Mr. Orlikow: Mr. Speaker, we have already spent too much time on this matter.

Mr. Baker (Nepean-Carleton): You raised it.

Mr. Orlikow: Indeed, I raised the subject. I have worked with the hon. member for Winnipeg North Centre (Mr. Knowles) for many years and I am prepared, on the basis of my experience, to accept his version of what happened. If others do not wish to accept that version, that is their business.

We heard a great deal from the hon. member for York-Peel about the so-called coalition between the members of the Liberal party and the members of the New Democratic Party. We will see in a very few minutes where the real coalition lies, because members of our party have said on every occasion in the House, and in committee, that they disagree fundamentally with many of the important clauses in the Bank Act and will vote against the act. The hon. members for York-Peel, Calgary North (Mr. Wright), and Carleton-Charlotte (Mr. McCain), this afternoon criticized important sections of the act and pointed out what was wrong with them, but when the debate is over in less than one hour, those three supporters of free enterprise, who are so opposed to the so-called socialists on the Liberal side, will vote with those so-called socialists for the exact bill which we will vote against.

I ask the hon. member for York-Peel: who is coalescing with whom? The hon. member for York-Peel says that by moving the amendment proposed by the hon. member for Broadview-Greenwood (Mr. Rae), we are filibustering the bill. We moved that amendment because we are concerned about the tremendous amount of money involved in the foreign loans which the banks have made. We are particularly concerned about the loans which have been made to countries such as South Africa and Chile. These countries have received loans from such Canadian banks as the Bank of Montreal, the Canadian Imperial Bank of Commerce, the Royal Bank, and the Orion Bank in England. Our concerns are shared by such organizations as the United Church. That was a very legitimate concern, and we put it in an amendment.

● (1710)

I assume that the hon. member for York-Peel and other Conservatives who are so critical of banks will vote against our amendment, even though they should not.

The hon. member for York-Peel criticized the government for permitting and encouraging foreign banks to come to Canada. This party does not believe they should be coming, and that is part of the reason we will vote against the bill. After listening to the long speech of the hon. member, I assume he will vote for the bill. So much for his opposition to foreign banks.

We are opposed to foreign banks. This government failed significantly to expand the powers of the near banks and so the foreign banks will carry the ball for the government's argument for increased competition. We believe it would have been healthy and more consistent with a policy of gaining control of the Canadian economy, to strengthen Canadian financial institutions rather than encouraging more subsidiaries of foreign banks. We think that foreign banks will concentrate on wholesale or large scale commercial business. Statistics from the Bank of Canada support this view. Assets of the 35 to 40 foreign banks operating in Canada through their representatives' offices have grown by 169 per cent over the last four years—from $1.7 billion in 1975 to $4.8 billion this year, while the assets of the Canadian chartered banks have increased by just 94 per cent.

That is the case with the foreign banks, Mr. Speaker. The hon. member for York-Peel made quite a critique of them and then, with his Conservative colleagues, proposes to vote for this Bank Act which will permit them to expand.

We heard the hon. member for Carleton-Charlotte complain that the banks do not look after the interests of small business. In the committee, our members proposed amendments that would require the banks to allocate more of the capital they have available for loans to small business, but the Conservatives voted against that suggestion. We argued that banks should direct their funds to more useful purposes. We proposed that they should be required to make more of their investment portfolios available for housing at a reasonable rate of interest, especially housing for low and moderate income people. Of course this was not supported by the Conservative party. They are not prepared to put their votes where their mouths are.

The hon. member for Carleton-Charlotte argued that the banks do not make money available for loans to farmers or fishermen in the small towns and rural areas. When we proposed amendments which would require them to do just that, the Conservatives voted with the government against them.

We heard the hon. member for Calgary North complain about the amendments that our members of the finance committee proposed to this bill. Of course they proposed an amendment which we felt would strengthen the Bank Act and which would have directed the banks to make part of their portfolios available to people in isolated and rural areas. Some Conservative members had been calling for it, but when it came to the vote they were conspicuous by their absence. They certainly did not propose such an amendment themselves.

The hon. member seemed worried about the possible nationalization of the banks but, Mr. Speaker, no member of this House argued for that. There is nothing in this bill which would indicate movement in that direction. I suppose what he was talking about was the fear that the government is going to take over the oil industry. Mr. Speaker, there are many people who, like president-elect of the United States, Ronald Reagan, are opposed to public ownership. We could discuss the merits of American public ownership and of private ownership. I am puzzled and confused when I hear members of the Conservative party argue against public ownership.

There are publicly-owned telephone companies in western Canada, Mr. Speaker. In 1908 a Conservative government in Manitoba established a publicly-owned telephone company, and no one since then has suggested they should get rid of it. Alberta also has a publicly-owned telephone system. That province has had a Conservative government for a number of years and before that it had a Conservative government which called itself a Social Credit government. The hon. member for Bow River (Mr. Taylor) could tell us about it. It never moved to get rid of the publicly-owned telephone system. Almost every province has a publicly-owned power company and many of these were started by Conservative governments and expanded by Conservative governments. No one has suggested we should get rid of that public ownership.

The Conservative government of Alberta has taken over Pacific Western Airlines which is now a wholly-owned public corporation. I do not know how they can square that with their belief in free enterprise. Then there is the Alberta Energy Company, Nova Corporation, the Alberta Gas Trunk Line Company. All of these have a substantial public investment, and they were established by the Conservative government of Alberta.

I have to assume that the Conservatives oppose public ownership except when it is proposed by Conservative governments. That is a very interesting way of looking at things.

Mr. Taylor: On a point of order, Mr. Speaker, I should like to say that the companies the hon. member has just mentioned are in competition. They do not have a monopoly; they are in competition with others, and the shares are owned by the public.

Mr. Orlikow: Mr. Speaker, it was not my understanding that the Alberta telephone system is in competition with any other, but it may be. Petro-Canada is certainly in competition with the privately-owned energy corporations. Even this party has not suggested that all energy corporations should be taken over and run by the state.

I would remind the hon. member for Bow River that in almost every other country in the world, whether Norway, Sweden or any western European country, governments own a very substantial percentage of most of the new oil and gas development in recent years. Since World War I, BP has been 50 per cent publicly owned. That great exponent of socialism, Winston Churchill, took over 50 per cent of it.

I should like to take a few moments to indicate some of our reservations about this bill, Mr. Speaker, and why we propose to vote against it. We not only speak against the bill, we vote against it. That illustrates the difference between this party

and the Conservative party which speaks against the bill and then will vote for it, as I believe it will.

We are against this bill because, in our opinion, it fails to meet the needs of the Canadian people. We believe that for too long the Canadian banking system has been allowed a central position in the economy of this country without playing a key role for the benefit of Canadian citizens. That is not to suggest that the banks have necessarily abused their position. What I am saying is that the opportunity to use the banking system as an instrument of public policy to benefit Canadians, and to strengthen our economy, has been missed and it will continue to be missed if we pass this bill as it has been drafted.

● (1720)

The disparities and the weaknesses of the Canadian economy are well known and well documented. What is especially worrying to us is that these disparities and weaknesses result from underlying trends in the national economy which continue to go untreated. The problem of regional disparity is getting worse, and is accompanied by very high unemployment. In fact we have the highest rate of unemployment in the industrialized world. We also have low rates of job creation. The manufacturing sector in this country is deteriorating. The share of that sector in the national work force is dropping. It has dropped from 26 per cent in 1973 to 19 per cent in 1979. Research and development are inadequately funded. In the past five years, $13.8 billion in dividends and interest payments has left the country. A further $8.5 billion left in management fees, patent fees, licence fees, copyright fees and the like.

We say the banks are, to a large extent, responsible for that situation because the banks have not been directed by governments of this country, Liberal or Conservative, to play a socially useful function in this economy of ours. We say the banks should be one of the best instruments for helping to put this country back to work by developing resources for the benefit of Canadians. Instead, the banks have been given tremendous economic power. They have used it largely to benefit their directors and shareholders.

I do not want to repeat today some of the things I have said on other occasions, and which other members of our party have said. However, the system of interlocking directorships we have in Canada in which bank directors are also directors of other corporations, has helped to build a resource not just at the banks, which have grown at a tremendous rate, but has helped to give an even greater stranglehold each year to the large corporations in Canada.

We have a situation where directors of each of the major banks are in turn directors of the major industrial and business corporations in Canada. The Royal Bank of Canada, the Bank of Montreal, the Canadian Imperial Bank of Commerce, in fact all of them are involved in this kind of operation. Directors of the large corporations, such as the president of the CPR, the president of Seagram's, the president of Brascan, and other corporations are in turn directors of banks. Each of them is interested in seeing their corporations grow. They grow obviously at the expense of the small businessman, the local entrepreneur, for whom our friends in the Conservative party have so often expressed sympathy, and on whose behalf they are very loath to do anything of any real significance to help.

We do not apologize for our opposition to this bill, nor do we apologize that our members did what the hon. member for Calgary North said they did, and that was bring in a large number of amendments. They did it knowingly and with the support of all members of our party. They did it because we have fundamental disagreements with the government and with Conservative members of Parliament who, despite all of their protestations, are going to vote for this bill. They will vote for this bill despite being so critical of so many of the provisions in it, because they wrote the bill. The former minister of finance helped draft this bill, as did the present Minister of Finance (Mr. MacEachen). And to whom did these people go for help? They went to the very people this bill is supposed to regulate and monitor, the people in the banking community. They got the kind of bill, despite the protestations of some of their backbenchers, which the bankers wanted.

The same bill which was introduced by the former minister of finance, with very few amendments or changes, comes back today in this session brought forward by a Liberal government. It proves again what we have said so often, that there is virtually no difference between the Liberal and Conservative parties.

I conclude by saying that we are going to vote against this bill despite the claims of the hon. member for York-Peel that there is a coalition between the Liberals and the NDP. I am certain that members of the Conservative party are going to vote for the bill. These votes we will have will demonstrate very clearly to Canadians that if there is a coalition of parties in this Parliament, it is between the two old line parties, the Liberals and the Conservatives. We, as always, oppose this bill and bills like it which are brought forward either by Conservative or Liberal governments.

Mr. Knowles: Question.

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

Some hon. Members: Question.

The Acting Speaker (Mr. Blaker): The question is on the amendment. Is it the pleasure of the House to adopt the amendment?

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

Some hon. Members: Yea!

The Acting Speaker (Mr. Blaker): All those opposed to the amendment will please say nay.

Some hon. Members: Nay!

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

And more than five members having risen:

The Acting Speaker (Mr. Ethier): Call in the members.

The House divided on the amendment (Mr. Rae) which was negatived on the following division:

(Division No. 33)

YEAS

Messrs.

Benjamin	Lewycky	Orlikow
Blackburn	Manly	Parker
de Jong	Miller	Rae
Fulton	Mitchell (Mrs.)	Robinson (Burnaby)
Hovdebo	Murphy	Rose
Jewett (Miss)	Nystrom	Skelly
Keeper	Ogle	Young—22.
Knowles		

NAYS

Messrs.

Allmand	Evans	Maltais
Andre	Ferguson	Marceau
Bachand	Fisher	Massé
Baker (Gander-Twillingate)	Fleming	Mayer
Baker (Nepean-Carleton)	Foster	McCauley
Beatty	Fox	McCuish
Bégin (Miss)	Fraser	McDermid
Berger	Fretz	McGrath
Blenkarn	Friesen	McKenzie
Bloomfield	Frith	McMillan
Bockstael	Gamble	McRae
Bossy	Garant	Mitges
Breau	Gauthier	Munro (Hamilton East)
Bujold	Gendron	Neil
Bussières	Gimaïel	Nickerson
Campbell (Miss) (South West Nova)	Gingras	Nielsen
Campbell (LaSalle)	Gourd	Oberle
Cardiff	Gray	Olivier
Chénier	Greenaway	Ostiguy
Chrétien	Guilbault	Ouellet
Clark (Yellowhead)	Gurbin	Paproski
Clarke (Vancouver Quadra)	Halliday	Parent
Coates	Hargrave	Patterson
Collenette	Henderson	Penner
Comtois	Hervieux-Payette (Mrs.)	Pepin
Cook	Howie	Peterson
Corbett	Hudecki	Pinard
Corbin	Huntington	Portelance
Corriveau	Irwin	Prud'homme
Cousineau	Jarvis	Reid (Kenora-Rainy River)
Crombie	Johnston	Roberts
Crosby (Halifax West)	Joyal	Roche
Crouse	Kelly	Rompkey
Cullen	Kempling	Rooney
Cyr	Kilgour	Rossi
Darling	Killens (Mrs.)	Savard
Dawson	Korchinski	Schroder
de Corneille	Kushner	Scott (Hamilton-Wentworth)
Demers	Lachance	Scott (Victoria-Haliburton)
Deniger	Lalonde	Shields
Desmarais	Lambert	Simmons
Dinsdale	Lamontagne	Smith
Dion	Landers	Speyer
Dionne (Northumberland-Miramichi)	Lang	Stevens
Dubois	Lapierre	Stollery
Duclos	Lapointe (Charlevoix)	Tardif
Dupont	La Salle	Taylor
Dupras	LeBlanc	Tessier
Duquet	Leduc	Tobin
Elzinga	Lefebvre	Towers
Epp	Lewis	Turner
Ethier	Lonsdale	Vankoughnet
	MacBain	Wise
	MacDonald (Miss)	Wright
	MacEachen	Yanakis
	Mackasey	Yurko—167.
	MacLaren	
	MacLellan	
	Malépart	

● (1750)

Madam Speaker: I therefore declare the amendment lost.

The question is on the main motion. Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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

Some hon. Members: Yea!

Madam Speaker: All those opposed will please say nay.

Some hon. Members: Nay!

Madam Speaker: In my opinion, the yeas have it.

And more than five members having risen:

Madam Speaker: Shall we dispense with the ringing of the bells?

Some hon. Members: Agreed.

The House divided on the motion (Mr. MacEachen) which was agreed to on the following division:

(Division No. 34)

YEAS

Messrs.

Allmand	Cullen	Hargrave
Andre	Cyr	Henderson
Bachand	Darling	Hervieux-Payette (Mrs.)
Baker (Gander-Twillingate)	Dawson	Howie
Baker (Nepean-Carleton)	de Corneille	Hudecki
Beatty	Demers	Huntington
Bégin (Miss)	Deniger	Irwin
Berger	Desmarais	Jarvis
Blaker	Dinsdale	Johnston
Blenkarn	Dion	Joyal
Bloomfield	Dionne (Northumberland-Miramichi)	Kelly
Bockstael	Dubois	Kempling
Bossy	Duclos	Kilgour
Breau	Dupont	Killens (Mrs.)
Bujold	Dupras	Korchinski
Bussières	Duquet	Kushner
Campbell (Miss) (South West Nova)	Elzinga	Lachance
Campbell (LaSalle)	Epp	Lalonde
Cardiff	Ethier	Lambert
Chénier	Evans	Lamontagne
Chrétien	Ferguson	Landers
Clark (Yellowhead)	Fisher	Lang
Clarke (Vancouver Quadra)	Fleming	Lapierre
Coates	Foster	Lapointe (Charlevoix)
Collenette	Fox	La Salle
Comtois	Fraser	LeBlanc
Cook	Fretz	Leduc
Corbett	Friesen	Lefebvre
Corbin	Frith	Lewis
Corriveau	Garant	Lonsdale
Cousineau	Gauthier	MacBain
Crombie	Gendron	MacDonald (Miss)
Crosby (Halifax West)	Gimaïel	MacEachen
Crouse	Gingras	Mackasey
	Gourd	MacLaren
	Gray	MacLellan
	Greenaway	Malépart
	Guilbault	Maltais
	Gurbin	Marceau
	Halliday	

Messrs.

Massé
Masters
Mayer
McCauley
McCuish
McDermid
McGrath
McKenzie
McMillan
McRae
Mitges
Munro
(Hamilton East)
Neil
Nickerson
Nielsen
Oberle
Olivier
Ostiguy
Ouellet
Paproski
Parent
Patterson
Penner
Pepin
Peterson
Pinard
Portelance
Prud'homme
Reid
(Kenora-Rainy River)
Roberts
Roche
Rompkey
Rooney
Rossi
Savard
Schroder
Scott
(Hamilton-Wentworth)
Scott
(Victoria-Haliburton)
Shields
Simmons
Smith
Speyer
Stevens
Stollery
Tardif
Taylor
Tessier
Tobin
Towers
Turner
Vankoughnet
Wise
Wright
Yanakis
Yurko—168.

NAYS

Messrs.

Benjamin
Blackburn
de Jong
Fulton
Hovdebo
Jewett (Miss)
Keeper
Knowles
Lewycky
Manly
Miller
Mitchell
(Mrs.)
Murphy
Nystrom
Ogle
Orlikow
Parker
Rae
Robinson
(Burnaby)
Rose
Skelly
Young—22.

Madam Speaker: I declare the motion carried.

Motion agreed to and bill read the third time and passed.

Madam Speaker: It being after six o'clock p.m., this House stands adjourned until two o'clock tomorrow afternoon.

At 6.08 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, November 20, 1980

The House met at 2 p.m.

● (1405)

ROUTINE PROCEEDINGS

[*English*]

THE CONSTITUTION

SPECIAL JOINT COMMITTEE—CALL FOR EXTENSION OF REPORTING DEADLINE—MOTION UNDER S.O. 43

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, I have a matter of urgent and pressing necessity dealing with the deadline for the report of the Special Joint Committee on the Constitution which is now sitting. In order to avoid any misunderstanding with respect to it, I have given notice of this motion both to the House leadership of the government and of the NDP. The motion, seconded by the hon. member for Provencher (Mr. Epp), reads:

That the terms of reference of the Special Joint Committee on the Constitution be hereby amended so that the deadline for the committee's report shall be February 10, 1981, instead of December 9, 1980, and that a message be sent to the Senate asking it to concur in this motion.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

THE PRIME MINISTER

MOTION UNDER S.O. 43

Mr. Lorne Greenaway (Cariboo-Chilcotin): Madam Speaker, I rise today under the provisions of Standing Order 43 on a matter of somewhat urgent and pressing concern. In view of the fact that the Prime Minister of Canada (Mr. Trudeau) is at present preoccupied in his role as "Pierre of Arabia", the all-Canadian oil buyer, while oil exploration and development is grinding to a halt in his own country, and in view of the fact that he has been reported to have been seen in exotic regalia while he sits sifting sand, I would like to invite him, because obviously he enjoys wearing clothes of other lands, to come to British Columbia where we are anxious to present him with a costume of feathers held in place with tar.

Some hon. Members: Oh, oh!

Some hon. Members: Shame.

Mr. Greenaway: Therefore I move, seconded by the hon. member for Prince George-Bulkley Valley (Mr. McCuish):

That the Prime Minister come to British Columbia at his earliest convenience to receive this well deserved gift.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

MOTION UNDER S.O. 43

Mr. Ray Skelly (Comox-Powell River): Madam Speaker, I also rise pursuant to Standing Order 43 to move a motion along lines similar to that of the previous speaker. With over a million Canadians unemployed, with double-digit inflation, negative economic growth, an energy crisis and constitutional problems in the major provinces while vitally important constitutional discussions are taking place, I move, seconded by the hon. member for Saskatoon East (Mr. Ogle):

That the picture of the Prime Minister of Canada dancing sheik-to-sheik, as it were, be attached to today's *Hansard* as living proof of the level of concern that this Prime Minister has for the pressing problems within this nation today.

Some hon. Members: Hear, hear!

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

THE MINISTRY

COMMENDATION OF MINISTER OF AGRICULTURE—MOTION UNDER S.O. 43

Mr. Maurice Bossy (Kent): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of pressing and urgent necessity. In view of the fact that the Minister of Agriculture (Mr. Whelan) is widely known and respected by all Canadians—

Some hon. Members: Hear, hear!

Mr. Bossy: —and in view of an article in the news media about his recent trip to western Canada and the continuing efforts of this distinguished Canadian to bring about better

understanding among our citizens, I move, seconded by the hon. member for Lambton-Middlesex (Mr. Ferguson):

That this House commend the minister for his untiring efforts to communicate with his fellow citizens and nominate him as the best dressed man of the year.

Some hon. Members: Oh, oh!

Some hon. Members: No.

* * *

AUTOMOTIVE INDUSTRY

CALL FOR RENEGOTIATION OF NEW AUTO PACT—MOTION UNDER S.O. 43

Mr. Otto Jelinek (Halton): Madam Speaker, I rise under the provisions of Standing Order 43. In view of the fact that the Canadian deficit within the U.S.-Canada auto pact has reached a staggering $15 billion since 1965 and that 25,000 Canadians have lost their jobs within the industry and hundreds of thousands more in associated industries, creating widespread bankruptcies within this vital sector of our economy, and because the Minister of Industry, Trade and Commerce (Mr. Gray), after having been so ineffective while the auto industry crumbled in front of his eyes, has seen fit to send a few officials to Washington merely to modify the auto pact, I move, seconded by the hon. member for Brampton-Georgetown (Mr. McDermid):

That this House instruct the Minister of Industry, Trade and Commerce to scrap the obsolete and inadequate auto pact so harmful to this country and attempt to replace it with a new package which would ensure that Canada receive its fair share of the assembly and production of fuel-efficient cars as well as parts and components manufactured in Canada for the so-called world car concept, and that during this transition period import quotas on offshore vehicles be imposed and an annual report of the over-all aspects of the auto industry in Canada be produced and tabled by the minister, as recommended in the Reisman report.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1410)

THE PRIME MINISTER

MOTION UNDER S.O. 43

Mr. Geoff Scott (Hamilton-Wentworth): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. I trust the House will say "Yemen" to this motion.

Some hon. Members: Oh, oh!

Mr. Scott (Hamilton-Wentworth): Since the Prime Minister (Mr. Trudeau) is negotiating with Arabians rather than with Canadians on oil prices, and instead of letting Imperial Oil "dip" into public funds and "stick" it to the taxpayer, I move, seconded by the hon. member for Red Deer (Mr. Towers):

That the Prime Minister stop his "whole lot of sheikin goin' on" over there and return to Canada at once, since the only Allah he should be dealing with is "Allah-berta".

Madam Speaker: I wonder if there are many more of these urgent and pressing motions which require the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

HOUSE OF COMMONS

CALL FOR ELECTRONIC VOTING SYSTEM—MOTION UNDER S.O. 43

Hon. Bud Cullen (Sarnia): Madam Speaker, I rise to move a motion under the provisions of Standing Order 43. Given that the present method of voting in the House is time-consuming—the vote on the Bank Act took some two hours—and often results in votes going "on division" rather than having a formal vote, I move, seconded by the hon. member for Pontiac-Gatineau-Labelle (Mr. Lefebvre):

That the Chair and/or the government consider the possibility of installing an electronic voting system similar to the one employed at the United Nations.

Madam Speaker: Presentation of such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

ENERGY

OIL PRICING AGREEMENT WITH ALBERTA—MOTION UNDER S.O. 43

Mr. Gordon Taylor (Bow River): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. Whereas in Arabia the Right Hon. Prime Minister (Mr. Trudeau) is having an extravaganza dancing with the sheik "sheik-to-sheik", and buying Arabian oil at world prices; whereas in Canada businesses are slowing up, oil rigs are leaving, scores of Canadians are losing their jobs, and hunger and frustration are haunting Canadian fathers, mothers and children, all because our Prime Minister refuses to buy Canadian oil even at 75 per cent of world prices, I move, seconded by the hon. member for York North (Mr. Gamble):

That the Prime Minister return immediately to Canada and offer Canadian producing provinces a full agreement—not a piece-by-piece agreement as heretofore—in order to keep the money, the jobs and our businesses in Canada.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

THE MINISTRY

CALL FOR RESIGNATION OF MINISTER OF INDUSTRY, TRADE AND COMMERCE—MOTION UNDER S.O. 43

Mr. Dan McKenzie (Winnipeg-Assiniboine): Madam Speaker, I rise under the provisions of Standing Order 43. The defence industry productivity program is designed to support selected research and development projects and to provide increased employment opportunities. This program now has a backlog of some 200 applications. The government encourages businesses to apply for reimbursement of 50 per cent of the cost of purchasing new equipment, only to find the program has no funds to meet the federal commitment. Given the fact that the failure of the federal government to meet its financial commitments will result in a large number of lay-offs in the defence industry, I move, seconded by the hon. member for Red Deer (Mr. Towers):

That because of the obvious lack of influence in cabinet of the Minister of Industry, Trade and Commerce, which resulted in his inability to get the necessary funds for his program which is now in the red by some $66 million, this House calls on the Minister of Industry, Trade and Commerce to do the honourable thing and resign his office in protest.

Madam Speaker: Presentation of such a motion for debate requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

EMPLOYMENT

ROBERTS BANK COAL TERMINAL—JOBS FOR CANADIANS—MOTION UNDER S.O. 43

Mrs. Margaret Mitchell (Vancouver East): Madam Speaker, I also rise under the provisions of Standing Order 43, in view of the discussion which started today at the closed Pacific Rim conference in Vancouver. Given the fact that dredging contracts for the proposed expansion of the Roberts Bank coal terminal to serve the Pacific Rim will be open to foreign contractors, which will mean an even greater loss of jobs to Canadian dredging companies and workers, and in view of the increased sell-out of our raw resources such as British Columbia coal, I move, seconded by the hon. member for Mission-Port Moody (Mr. Rose):

That the Minister of Transport (Mr. Pepin) require that all jobs related to the Roberts Bank development go to Canadian workers and that the Ministry of Industry, Trade and Commerce, instead of selling off Canada's raw materials, establish a western industrial strategy to develop a steel mill in B.C. with secondary manufacturing, and that he also introduce legislation which will require Canadian exports to be shipped on ships built in Canada and manned by Canadians.

● (1415)

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

THE CONSTITUTION

SPECIAL JOINT COMMITTEE—VOTE NOT TO EXTEND REPORTING DEADLINE

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, my question is for the Deputy Prime Minister. He will know that already more than 100 Canadian organizations or individuals have applied to appear before the Special Joint Committee on the Constitution. I wonder if he will tell the House why the Liberal members of that committee voted unanimously today against extending the reporting date of that committee?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I think that is an extraordinary question. The members of the committee are entitled to discharge their own responsibilities. That is what they have done. I believe this is a question which casts a reflection on the action of the committee and it is quite unacceptable on this side of the House.

Some hon. Members: Hear, hear!

Mr. Clark: The Deputy Prime Minister has indicated that he feels no regret that countless Canadians, who want to have their views heard on the constitution, have been denied by a Liberal party vote the right to have their views heard. I wonder if the hon. gentleman will tell the House, as a matter of government policy, notwithstanding the unanimous party vote by the Liberals today designed to limit the capacity of the constitution committee to hear Canadians on the Canadian Constitution, whether the Government of Canada would still be prepared to consider an agreement among House leaders to extend the reporting date of that committee to February 10.

Mr. MacEachen: If the right hon. gentleman is entitled to comment upon the conduct of the Liberal members on the committee, I might be permitted to comment on the conduct of opposition members who, in my view, are putting forward mischievous amendments at a time—

Some hon. Members: Oh, oh!

Mr. MacEachen: —when the Leader of the Government in the House has already indicated his willingness to negotiate with members of the opposition in a flexible way with respect to the deadline to which the hon. gentleman has referred. That is the situation and it was stated in the House yesterday. Instead of waiting for these negotiations, the members of the opposition took a couple of hours this morning putting forward mischievous motions which could be dealt with in a better way, in accordance with the request made yesterday by the leader of the New Democratic Party who asked for negotiations on this subject.

Some hon. Members: Hear, hear!

Mr. Clark: We know the preference of the Deputy Prime Minister is to deal privately with questions which should be decided upon publicly. But we do not share his view at all that it is mischievous for the people of Canada to be given the right to be heard on their own constitution.

Some hon. Members: Hear, hear!

Mr. Clark: The hon. gentleman may know there has been an umbrella group formed under the signature of the Mayor of Ottawa, Marion Dewar, which represents women's organizations, native groups, various churches and poverty groups in the country, among others, which is asking that the unrealistic deadline of November 25 for submission either for written briefs or requests to be heard by the committee be changed to December 31. Will the Deputy Prime Minister tell us whether, as a matter of policy, the Government of Canada will accept that reasonable request by that umbrella group to extend the deadline for receipt of requests to be heard or written submissions to be made by Canadians who want to participate in decisions about our constitution to December 31?

Mr. MacEachen: Madam Speaker, we are as eager as hon. members opposite to give Canadian citizens an opportunity to present their views before the constitution committee. Yesterday the President of the Privy Council indicated that on this question he was prepared to be flexible, that he wanted to enter into arrangements with members of the opposition and that he was prepared to undertake negotiations with representatives of other parties in order to reach an agreement on this matter. So the government is flexible and is prepared to discuss the matter.

● (1420)

I do not accept the view of the Leader of the Opposition that it is up to the leader of the House, to him or to any one member to dictate the proceedings of that committee. Hon. members have been nominated by this House to sit on the committee. They are adults, they know their own minds and they are prepared to do their own work.

Mr. Beatty: The Liberals refused.

THE COMMONWEALTH

REPORTED THREAT BY CANADA TO LEAVE

Hon. Flora MacDonald (Kingston and the Islands): Madam Speaker, my question is supplementary and is directed to the Secretary of State for External Affairs. Since Liberal members on the committee have refused to extend the deadline for witnesses to appear before the committee beyond December 9, 1980, I would like to pursue the question as to the lengths to which the government is prepared to go in forcing through its constitutional package unilaterally.

My question is with regard to Canada's membership in the Commonwealth. As the Secretary of State for External Affairs will be aware, the latest edition of *Maclean's* states:

> British officials report that extreme pressure has been put on Thatcher by Canada, including even the threat of pulling out of the Commonwealth.

Would the minister tell the House who made that threat and under what circumstances?

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, I can unequivocally deny that the Canadian government has made any such threat or even any such suggestion to members of the British government or to anyone else.

Miss MacDonald: Madam Speaker, the minister is only too well aware that reports such as this are given added credibility by the tactics used by the government of closure and arm twisting, all of which have been going on throughout the course of this matter. If the minister says that the threat of cutting our links with the Commonwealth would not apply, what were the extreme pressures which were brought to bear on the British government referred to in that article?

Mr. MacGuigan: Madam Speaker, no pressures were brought to bear on the British government and no threats were issued because none was necessary. In fact, the British government recognized, from the time of the first meeting on this subject between the two Prime Ministers, that there is a tradition as to how to handle requests coming from our Parliament by way of joint resolution. This tradition was acknowledged from the beginning, and there has never been any occasion for argument on either side about that tradition.

* * *

ENERGY

GOVERNMENT SUPPORT OF IMPERIAL OIL COLD LAKE PROJECT

Mr. Ian Waddell (Vancouver-Kingsway): Madam Speaker, my question is for the Minister of Energy, Mines and Resources. It concerns his announcement yesterday that the government will bankroll Imperial Oil, the richest oil company in Canada and a subsidiary of Exxon Corporation of the United States, the biggest oil company in the world, to the tune of $40 million for the Cold Lake project. In view of the fact that Imperial Oil had profits of $2.4 billion from the years

1975 to 1980, profits of something like $493 million last year and an increase in profits in the first nine months of 1980 of 56 per cent over last year, in view of all the money made by this rich company, why is it necessary for the Government of Canada to give the company an extra $40 million? Why could the company not raise its own money to continue the work at Cold Lake?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, there is a very simple reason. I agree that Imperial Oil is a wealthy and powerful company, but it has already spent $120 million on this particular project. For reasons which are well known, the government of Alberta has delayed over the last three years the approval of this project which, in our view, is a very important project if we are to achieve our goal of national autonomy or independence of oil supply.

● (1425)

Rather than see the team of 550 engineers and experts disbanded and this project shelved and abandoned indefinitely, it was felt it would be much better at this time, to ensure that the team would be kept together, to advance the money necessary over the next six months, shoved between the two governments preferably. Since I do not know whether Alberta is going to come up with its share, we said we would provide the full advance if they do not. If the project does proceed, the loan will be repaid with interest by Imperial Oil.

Mr. Waddell: And if the project does not proceed, the government will throw away $40 million, I gather. I do not think the minister and hon. members opposite understand this. I note that the whole basis of the national energy policy is to Canadianize the industry. What is the first act of Canadianization, Madam Speaker? To give $40 million to Imperial Oil. Imperial Oil has stated that it considers the $38 per barrel oil price offered by the federal government too low to allow the project to proceed. Would the minister not admit that he has boxed himself into a corner? If he wants the $40 million back, he will have to agree with Imperial Oil on the Cold Lake Project as to what the final price will be.

Mr. Lalonde: Madam Speaker, as far as the first part of the question is concerned, I should like to tell the hon. member that I have already had discussions with Imperial Oil about a very substantial expansion of Canadian participation in the Cold Lake project. Obviously it would appear that this project that is at the present time overwhelmingly foreign owned will end up having a very much larger Canadian participation. I think this has been a very encouraging development in the last few weeks, since the budget has come out.

On the second point raised by my hon. colleague, the debate is not so much about the $38 per barrel as about the rate of escalation, as he well knows. We are reviewing this matter and there will be discussions with the government of Alberta.

I should like to conclude by saying that the alternative he offers as the only alternative is not necessarily so; there are other alternatives, and I would want to keep those in reserve.

Mr. Waddell: Madam Speaker, I do not know if the hon. minister saw the movie "The Sting" where somebody got taken as a mark for a million dollars. I suggest that he is the "$40 million Marc".

Some hon. Members: Oh, oh!

Mr. Waddell: The minister suggests that there are some alternatives to fuller Canadian participation. Let me suggest an alternative and ask him if he is prepared to go ahead with it. On November 27, 1979, at the Standing Committee on National Resources and Public Works, the leader of my party, the hon. member for Oshawa, asked Mr. Hopper, the president of Petro-Canada, if Petro-Canada could develop the tar sands and avoid the 15 per cent to 20 per cent profit that the multinationals would take out of it. He replied that there was no question that Petro-Canada could do it.

Instead of giving $40 million to Imperial Oil, why does the minister not let Petro-Canada develop the tar sands for Canadians?

Mr. Lalonde: Madam Speaker, I will not go into great detail in answering the hon. member. I just remind him that we are talking about a heavy oil project here, not a tar sands project.

* * *

NATIONAL ENERGY PROGRAM

FUTURE ENERGY DEVELOPMENT AND POLICY

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, my question is also directed to the Minister of Energy, Mines and Resources. It becomes more clear every day that the national energy program is having a very adverse effect on future energy development in this country. Companies have suffered a major loss of confidence and trust in the ability of the government to get on with the job and in their real intentions here. The industry does not want bail-outs; they do not want loans; they want an agreement and they want to get on with the job. If we had that agreement we would not need to have any loans to companies of the magnitude of Imperial Oil.

Does the minister not agree that a positive environment developed by an energy policy will do far more for future energy development than bail-outs or loans to major companies in this industry?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): I agree, Madam Speaker, and I believe this is what we have produced with the national energy program for the 1980s.

Mr. Wilson: Madam Speaker, it is certainly not apparent from anything that anyone reads or hears spoken about that particular energy program in Canada today, including observers outside this country. Many of the companies that are affected by this energy policy, particularly the small and medium-sized Canadian-owned companies, are reacting nega-

tively in terms of laying off staff, cutting back exploration budgets and reducing purchasing in other parts of the country. Would the minister embark on a detailed survey of the attitudes of the individual companies involved to get a proper assessment before the damage done by this energy program continues further?

● (1430)

Mr. Lalonde: Madam Speaker, I might tell the hon. member that I have already had several meetings with representatives of the industry, official associations and individual companies. My officials have also sat down with representatives of individual companies to compare figures, projections and examine the implications of certain aspects of the program of concern to them.

Mr. Nielsen: Like Imperial Oil?

Mr. Lalonde: These are being examined side by side with the companies concerned. When areas of particular difficulty appear, an examination will be made as to what can be done, if necessary, to adjust the situation. This process is going on. It is quite normal and I am quite confident this will work out to the satisfaction of everyone.

* * *

IMPERIAL OIL LIMITED

INCREASED CANADIAN OWNERSHIP AND CONTROL

Hon. Sinclair Stevens (York-Peel): Madam Speaker, I would also like to put a question to the Minister of Energy, Mines and Resources and thereby give him an opportunity to expand on some of the answers he has given to us which would indicate, perhaps, that we are on the eve of a changed budget.

The minister has stated, in effect, that there have been discussions, presumably with Imperial Oil or with the Rockefeller corporation itself—Exxon Corporation—with respect to getting more Canadian ownership of Imperial Oil. Would the minister indicate precisely what he is referring to ? May we anticipate that Exxon will sell off sufficient of its Imperial Oil shares that its ownership in Imperial Oil will be reduced from the present 69 per cent or so to something which will put the majority of control into private Canadian hands?

[*Translation*]

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, the objective of the government has been made public, and it is very clear. First, to achieve at least 50 per cent Canadian ownership of the industry within this decade; second, to achieve Canadian control of a large number of big companies; and third, to have the Canadian people increase, through the Government of Canada, their share of Canadian ownership. Discussions are now in progress with various companies and will continue in coming weeks and months in this connection. My hon. colleague surely knows that it would be improper for me to reveal any specific element of those discussions while they are under way.

[*English*]

Mr. Stevens: My supplementary question is for the same minister, Madam Speaker. Let me be more specific. Yesterday the minister said, as reported in *Hansard* at page 4851, the following:

> I met yesterday with the president of Imperial Oil.

The minister said there have been general discussions. To be specific, has the minister discussed with the Exxon Corporation, or representatives of it, the possibility of their selling shares, which they now own in Imperial Oil, to Canadians for private Canadian investment?

[*Translation*]

Mr. Lalonde: Madam Speaker, I indicated that I had met the chairman of Imperial Oil, Mr. Jack Armstrong, and had discussions with him. The general policy of the government is well known to Imperial Oil as well as, obviously, to Exxon.

[*English*]

Mr. Stevens: Madam Speaker, my question is again for the Minister of Energy, Mines and Resources who appears to be most unwilling to be communicative. Can he tell us more about the loan that he is making to this very rich company, a subsidiary, incidentally, of the wealthiest company in the world? Would the minister indicate what interest rate he is offering in this cozy deal, bearing in mind that Imperial Oil at the present time is able to borrow funds on the open market at approximately the same cost as the Government of Canada itself? In turn, would the minister tell us why he used the words yesterday that he has instructed Petro-Canada to enter into this deal? Where does he get the authority to instruct Petro-Canada?

Mr. Baker (Nepean-Carleton): It is not in the act.

Mr. Lalonde: Madam Speaker, as far as the first part of the question is concerned, I would like to remind the hon. member—if I am not mistaken—that yesterday the energy critic for his party indicated to the press that I had taken the right decision in supporting this particular project.

Some hon. Members: Hear, hear!

Mr. Stevens: What interest rate?

Mr. Clark: Come on, Marc, answer the question.

Mr. Nielsen: What about the interest rate?

Mr. Lalonde: Secondly, as far as the specific negotiations are concerned—

An hon. Member: They do not like your answer.

Mr. Lalonde: I am sorry, Madam Speaker, but the wounds in the back of the Leader of the Opposition seem to be hurting him just now.

Some hon. Members: Oh, oh!

Mr. Clark: The wounds are in my country, and you are driving them in.

Mr. Crombie: What is the interest rate?

Mr. Lalonde: As far as the negotiations are concerned, I have asked Petro-Canada to undertake those discussions with Imperial Oil—

An hon. Member: Look at the separatists laugh.

Mr. Lalonde: —and to advise as to all of the details of this particular arrangement. In my discussions with the president of Imperial Oil it was indicated that obviously this money would have to be repaid with interest.

An hon. Member: At what interest rate?

Mr. Lalonde: The exact amount will have to be negotiated as will the arrangements. This is what Petro-Canada is going to do. When such negotiations are concluded, we will be very happy to reveal to the hon. member all of the details.

As to the last question, I would remind the hon. member that the Government of Canada is the shareholder of Petro-Canada and I, as Minister of Energy, Mines and Resources, have the voting share for Petro-Canada, which gives me the power to give instructions to that corporation.

Mr. Andre: No, you have not read the act.

* * *

FISHERIES

PROPOSED DAMMING OF RIVERS IN BRITISH COLUMBIA

Mr. Jim Fulton (Skeena): Madam Speaker, my question is for the Minister of Fisheries and Oceans. I am sure he is very fond of his new policy for western Canada, somewhat interestingly called "western vision blueprint". I note he has not yet released it to the public, although I am sure he will in the near future. However, I would like to quote briefly from this document because my question arises from it. The document reads in part:

> B.C. Hydro is looking for ways in which to meet peak power demands—many of these projects could have very attractive benefit cost ratios—there is an opportunity through joint development for *both parties* to meet their goals. We know B.C. Hydro is interested; we also know there are perhaps 20 or more salmon streams that would lend themselves to this approach.

Would the minister tell this House, when he refers to "both parties" whether he is referring to the Liberal party and the provincial Social Credit party or to B.C. Hydro and federal fisheries? In addition, will he table for the information of all members of this House the list of the 20 rivers which he and his department are proposing to dam in British Columbia?

Hon. Roméo LeBlanc (Minister of Fisheries and Oceans): Madam Speaker, if the hon. member were more interested in the development and protection of the fishing resource than in making headlines, he would have listened very carefully when he phoned officials of my department who fully briefed him about the problems being discussed in this supposed secret memo.

I have stood in this place a number of times and I have said that I did not think the fish could claim the absolute and exclusive use of water. Water is a resource which has to be used for a number of other requirements.

Some hon. Members: Oh, oh!

Mr. LeBlanc: We know, in case the hon. member does not know, that the flow of water—the hon. member from Broadview might learn something if he listened.

An hon. Member: He thinks he is so smart, but he does not know anything like that.

Mr. LeBlanc: Madam Speaker, I indicated that water can be used very intelligently to produce electricity at certain peak hours and then be used during certain periods of the year to give sufficient water supply for spawning or for the smolts which are in the freshwater system. This is an approach where we think we can work intelligently if our engineers and biologists talk to one another. But obviously the hon. member's position is that the two are enemies who must never get together. That is not my view.

● (1440)

Mr. Fulton: First, Madam Speaker, I hope the Minister of Fisheries and Oceans will again rise in his place; he would not want to mislead the House. I did not phone any officials from his department. They in fact called and were crying over the phone to me, asking me to stay away from raising any questions on this particular issue.

Some hon. Members: Oh, oh!

Mr. Fulton: I wonder if the minister would rise in his place and change the statement that he put on the record today. Also, he beat around the bush. Will he table in this House for members from western Canada which 20 rivers he is proposing to dam in British Columbia? Will he also table in this House the correspondence which has gone between him and B.C. Hydro as to what sort of secret deals are going on between fisheries and B.C. Hydro?

Mr. LeBlanc: Madam Speaker, I will correct my statement. I will say an official has spoken to the hon. member.

Mr. Fulton: He phoned me.

Mr. LeBlanc: Yes, I said I would correct that. I said I would correct the impression I may have left. An official spoke to him to try to explain what the simple suggestion is. Instead of seeing water as the subject of a fight between different users, we try to use water resources intelligently so that all users can benefit. If the hon. member does not like that approach, he can continue to take the obscurantist view. I suggest to him that in many cases he will lose important fish runs.

POSSIBLE BAN BY BRITAIN OF IMPORTS OF CANADIAN LOBSTER

Miss Coline Campbell (South West Nova): My question is also to the Minister of Fisheries and Oceans. The important lobster season is about to begin. Is the minister aware of a story in today's *The Globe and Mail* concerning the wish of Scottish fishermen to have Britain ban imports of Canadian lobster because they say they carry a contagious disease? If so, is he aware of any disease which Canadian lobster carry, or is this a trick to keep the price of lobster down now that the season is about to begin in the southern end of Nova Scotia?

Hon. Roméo LeBlanc (Minister of Fisheries and Oceans): Madam Speaker, it is a fact that if lobster is eaten alive, which is not an easy job—

Some hon. Members: Oh, oh!

Mr. LeBlanc: —in some cases there may be a problem. I understand that in Scotland lobsters are eaten cooked, in which case they are perfectly safe. The hon. member has suggested that this may be an effort to keep Canadian lobster off the market. I would not assign that kind of motive to the Scottish fishermen, whose lobster is more expensive than ours. Neither would I assign to the best known industry of Scotland the fact that sometimes it is deleterious to one's health.

* * *

ENERGY

INQUIRY RESPECTING SIGNING OF OIL PRICING AGREEMENT

Mr. Doug Lewis (Simcoe North): Madam Speaker, my question is for the Minister of Energy, Mines and Resources. Fahramet Limited, a Canadian company located in Orillia, Ontario, has laid off 125 workers since May because of a slowdown in demand in the petrochemical material supply business such as valves, pumps and castings. I talked to an official of this company today and it will be a relief to know he did not ask for a $40 million loan, but he did say that the lack of an energy pricing policy or agreement was severely hurting Canadian manufacturing and costing Canadians jobs. What we have is Canada's energy opportunity becoming a crisis. I would ask the minister this. Canadian businesses, and I do not mean the oil rig business but manufacturers in Ontario and across Canada, the little guy, want an opportunity to participate in building and selling. When will this agreement with the oil producing provinces be reached and when will it be signed?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): As soon as there is an agreement, Madam Speaker. We hope to have an agreement as soon as possible. We have indicated our willingness to sit down at the officials or ministerial level, or at the prime ministerial level, at the convenience of the government of Alberta. The government of Alberta has indicated they prefer to have discussions starting first at the officials level, and ministerial meetings will take place at a later time. We are available and ready to discuss.

PETROCHEMICAL DEVELOPMENT—OPPORTUNITY FOR CANADIAN INDUSTRY

Mr. Doug Lewis (Simcoe North): I will direct my supplementary question to the Minister of Industry, Trade and Commerce. When Celanese Canada built its latest plant at Edmonton, a $5.2 million contract for reformer tubes went to the United States, although there were competitive bids from Canadian companies and sufficient capacity to produce the product in Canada. Has the minister discussed with his colleague, the Minister of Energy, Mines and Resources, provision in the agreement they are going to reach with the producing provinces to provide a means whereby Canadian manufacturers will be given a clear opportunity to participate in the development of the petrochemical industry?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, providing increased opportunities for Canadian manufacturers to participate in the kinds of activities the hon. member has mentioned, and in the benefits from our energy development generally, is very much a part of our national energy program. I spoke about it at some length at the conclusion of the budget debate the other week. I hope from what the hon. member just said that he will be supporting our efforts to have this national energy program in place, helping Canadian companies and workers as soon as possible.

* * *

[*Translation*]

INDUSTRY

INQUIRY WHETHER MEASURES TO CREATE JOBS CONTEMPLATED

Hon. Roch La Salle (Joliette): Madam Speaker, in the same vein, I should like to direct a question to the Minister of Industry, Trade and Commerce. A quite recent survey conducted among 11,000 Canadian businessmen showed clearly that most of them were experiencing tremendous problems because of the interest rate, that 50 per cent of them suffered a decline in profits and that, in Quebec alone, nearly 13 per cent of these businesses had abandoned their development plans in the past six months, which means a loss of new jobs. Under the circumstances, I will not direct my question to the Minister of Finance, because I already know his answer, but I wonder if the Minister of Industry Trade and Commerce would consider introducing special measures to help these businesses and indeed create new jobs.

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, I think that the budget introduced by my hon. colleague, the Minister of Finance, laid the foundations for a substantial expansion of all Canadian businesses across the country, but I also hope that the bills designed to implement the budget will soon be introduced in the House, which will indeed bring about the results that my hon. friend is seeking today.

Mr. La Salle: Madam Speaker, I directed my question to the Minister of Industry, Trade and Commerce on a very specific problem, namely interest rates. The minister asked me to trust the budget. Of course, I am not as optimistic as he may be, but considering the situation in the building and in various industries, and it has been demonstrated that they have enormous problems—and I say again to the Minister of Industry, Trade and Commerce that in Quebec in particular as far as I can understand, 13 per cent of the industries have abandoned their development plans, and consequently job-creation opportunities, because of interest costs, would the minister be prepared to recommend to his colleague a special measure to help those industries and consequently create jobs in an indirect fashion?

Mr. Gray: Madam Speaker, I think there is already such a provision in the budget for small business development bonds, and I hope it will be possible in the very near future to have the measures before us, with the consent of my hon. friend, and to implement them as soon as possible. This provision was originally introduced by his government, and I hope that we shall have the consent and continued support of the House for that necessary measure.

* * *

[*English*]

AUTOMOTIVE INDUSTRY

SCIENCE COUNCIL OF CANADA REPORT—PROGRAM TO INCREASE SKILLED LABOUR FORCE

Mr. Otto Jelinek (Halton): Madam Speaker, my question is addressed to the Minister of Industry, Trade and Commerce. In view of the Science Council of Canada's recently released report on the devastating state of the auto industry in North America, could the minister tell this House, first, whether or not he agrees with the conclusions made in this report and, if he does agree, would he consider implementing a program devised to improve and increase the skilled labour force within the industry, as the report recommends, as well as provide for opportunities in technological research and development in Canada, which would prepare Canada for its fair share of the industry?

● (1450)

If the minister does not agree with the report, will he implement temporary quotas on offshore imports during which time the obsolete and inadequate auto pact, which he is very well aware of, would be completely revamped and not just modified, as his assistant deputy minister is attempting to do in Washington today?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, the Science Council of Canada report, which I have not yet had the opportunity to review in detail, details a number of concerns and problems which have already been indicated in various ways and which we have already taken aboard in the development and application of programs to deal with the concerns of the very important auto industry and auto parts industry.

For example, work is under way, in co-operation with my colleague, the Minister of Employment and Immigration, to have further programs in place to develop necessary skills and upgrade skills; and as part of our discussions with the auto companies—including the head offices, something recommended by the report, and as part of our discussions with the American authorities—we certainly are striving to have in place more activity in the research and development and technological area.

With respect to my hon. friend's suggestion that there be a complete renegotiation of the auto pact, that is not something recommended by the auto industry itself, either the manufacturers, the parts industry or the workers. My hon. friend is completely out of step, therefore, in urging that action upon this House and upon this country.

Mr. Jelinek: Madam Speaker, the minister says that the auto industry is not in support of revamping the auto pact. He is talking about the American auto industry which is not in favour, and that is very clear because the auto pact has cost Canada a deficit of $15 billion since 1965, $4 billion in the last year alone.

I therefore want the minister to explain to us why, first, it has taken him even this long to send his officials to Washington to begin to renegotiate or modify the auto pact, which he knows is not enough. Second, what are those proposals which are under discussion in Washington today? Third, what positive and direct steps is the minister planning which he has not outlined at all over the period of the last nine months? What positive steps is he taking so that Canada will get its fair share of the manufacturing and assembling of fuel-efficient autos as well as the production of parts and components for the so-called world car concept?

Mr. Gray: Madam Speaker, the fact of the matter is that we are working to bring about improvements in the auto pact with respect to areas of concern to Canada. We did not begin that in our meeting of officials yesterday. Instead, the meeting yesterday was only the latest in a series of meetings under the auspices of the consultation to which we agreed with the United States and which was begun at the ministerial level between myself and special trade representative Askew on June 27.

What the hon. member is talking about did not simply begin yesterday. I am sorry he has missed all this. There was a lot of attention given to it in this House and across the country. We are carrying out discussions with the United States as provided for by the auto pact, which calls for consultations with a view to bringing about substantial improvements in the way it operates from the Canadian point of view; and our objective is to have in place a fair share of automotive industry activity for Canadian companies and Canadian workers.

If my hon. friend is asking what steps we have been taking in addition to what has already been outlined in this House, I

remind him of my efforts to create a substantial degree of Canadian content in Japanese imports into this country. My hon. friend may have overlooked the announcement I made a few days ago that Toyo Kogyo, the manufacturer of the Mazda automobile and the third largest Japanese automobile manufacturer, as a result of my discussions in Japan and those of my officials, will send a buying mission to Canada early in December. This is something which I think will have very important results for Canadian companies and workers.

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FISHERIES

FOOD HERRING FISHERY—LICENCE ISSUED TO M.V. "CALISTRATUS"

Mr. Ted Miller (Nanaimo-Alberni): Madam Speaker, my question is to the Minister of Fisheries and Oceans. Is the minister aware that the factory trawler *Calistratus* has recently been given a food herring licence despite his department's assurances of two years ago that this vessel would not be included in the traditional fishing industry to process fish such as salmon, herring and halibut, and that on Monday of this week that vessel was indeed fishing for herring and processing it at sea, jeopardizing the incomes of fishermen and shore workers in British Columbia?

Could the minister explain to this House how, despite the assurances given to the B.C. fishing industry, that vessel was able to obtain a licence for food herring, and will he give some assurances to that fishing industry that this will not continue?

Hon. Roméo LeBlanc (Minister of Fisheries and Oceans): Madam Speaker, I do not remember the exact amount of herring involved, but it certainly does not constitute a threat to the B.C. industry. That is the first point.

The second point is that the licence was issued, I suspect in good faith, by someone looking at the regulation that registered fisheries vessels are entitled to food or bait herring licences. We immediately contested that, and we recognize that there may have been a mistake or a loophole which was exploited. We have asked the vessel to retreat from that fishery and it has. We are looking for other fishing opportunities for it. We will be plugging the loophole when we have identified exactly what the legal problem is, but the vessel is not fishing any more.

Mr. Miller: Madam Speaker, the fear of the fishermen in British Columbia when this vessel first appeared was exactly what has happened, that it would eventually get into those traditional fisheries in one way or another.

In light of the mistake—if it was a mistake that this vessel was licensed—I would like to ask the minister if he is now prepared to consider a public inquiry into the whole licensing issue in British Columbia before he implements the recommendations of the Sinclair report and the more recent Doucet-Pearce report, which recommend a public inquiry into the British Columbia salmon industry not only with regard to licensing but also many other aspects of that industry, a public inquiry which much of the industry is also demanding.

Mr. LeBlanc: Madam Speaker, on the second point, this question is very much under consideration and there may be grounds for a good discussion of the issues affecting fisheries on the west coast. I think public opinion would benefit from a discussion, with public hearings, of the issues involved.

On the first question, I must say to the hon. member that the trawl licence issued to the *Calistratus* had very strict limitations. The problem is that the trawl licence and the herring licence were issued quite separately, and we could not in law, I was told by my legal officers, apply the restrictions on one to the other. That is why we asked the *Calistratus* to leave that fishery. If there was, as I suspect, a loophole, it will be plugged in a matter of days.

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ENERGY

COLD LAKE OIL SANDS PROJECT—ROLE OF PETRO-CANADA

Mr. Gilbert Parent (Welland): Madam Speaker, my question is addressed to the Minister of Energy, Mines and Resources, and it is supplementary to the question of the hon. member for York-Peel. With regard to instructing Petro-Canada, could the minister please clarify for us just how this so-called instruction to Petro-Canada took place?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Yes, Madam Speaker. After the receipt of the letter from Imperial Oil, consultations took place inside the government and it was decided that we would agree to the proposal of Imperial Oil, that Imperial Oil should be advised as soon as possible and that Petro-Canada should therefore be instructed. We contacted the president of Petro-Canada orally and instructed him to get in touch with Imperial Oil but, obviously, that no steps should be taken until he received from the governor in council instructions in writing according to section 6(2) of the Petro-Canada Act. Therefore, these instructions will be forwarded in writing without delay.

RECEIPT OF LETTER FROM IMPERIAL OIL LIMITED

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, the minister has referred to a letter he received from Imperial Oil. Can he tell us whether that letter was received before his visit and meeting in New York, or after, and before his speech?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, the letter was delivered to me at ten o'clock on Tuesday morning in New York by Mr. Armstrong himself.

Mr. Baker (Nepean-Carleton): Madam Speaker, in the matter of the discussions to which the minister referred earlier in the question period, when he indicated that with respect to the oil industry and representations and discussions that were going on the government was prepared to be flexible, would the minister now indicate generally in what way the government is prepared to be flexible and, specifically, whether that flexibility relates to the budget proposals as they apply to the oil industry?

● (1500)

Mr. Lalonde: The Prime Minister has indicated on behalf of the government that we were willing to undertake further negotiations with the government of Alberta. That statement speaks for itself, and that is as far as I am ready to go.

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SMALL BUSINESS

INQUIRY RESPECTING FINANCIAL ASSISTANCE

Mr. W. C. Scott (Victoria-Haliburton): Madam Speaker, my question is for the Minister of Industry, Trade and Commerce and it deals with the serious matter of plant closings which are resulting in the lay-off of thousands of workers throughout Canada. In addition to adding to the unemployment rolls, scores of communities all over the country are losing the spin-off resulting from the absence of light industries, as well as the purchasing power of employees' wages. I am prompted to question the minister because of the recent closing of an industry in my riding which has resulted in the loss of 300 jobs in one fell swoop. I should like to ask the minister if the federal government has any plans to offer financial assistance to light industries and businesses which have encountered difficulties in the same way as it assists major industries in trouble.

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, we have these programs in place already through the Federal Business Development Bank and the enterprise development program operated by the Department of Industry, Trade and Commerce. That program makes available loan guarantees as well as in some cases direct loans, and also in some cases grants, for purposes of technology and innovation, particularly to assist smaller and medium-sized companies to restructure and take advantage of opportunities in order to operate in the rapidly changing conditions in today's economy. In fact, if I am not mistaken with respect to the company which prompted my hon. friend's question, we did have people of the enterprise development program meet with the company in question and with people in the community and we indicated our willingness to provide assistance if a new buyer was found to operate the company. I regret this has not proven possible as yet, but we want to continue our efforts to assist the community and the workers in it.

Mr. Scott (Victoria-Haliburton): Madam Speaker, I should like to ask the minister if the federal government is not applying a double standard with regard to assisting financially ailing industries in that the larger industries are important and the smaller businesses and industries are not important. May I point out, Madam Speaker, that 60 per cent of all jobs in Canada are provided by the small business sector.

Mr. Gray: Madam Speaker, we are giving primary and priority attention to smaller and medium-sized businesses. For example, in the fiscal year 1979-80, over $1 billion was authorized for some 29,000 separate projects for small business-oriented programs, such as the Federal Business Development Bank, the small business loan program, the program for export market development and the enterprise development program. We intend to operate these programs effectively, and now that the budget is in place we are in a position to take decisions on their possible expansion. I hope to have my hon. friend's support for these efforts.

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BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Baker (Nepean-Carleton): Madam Speaker, I wonder if I could ask the government House leader the usual Thursday question on the business of the House. I think this program is usually well set, but could the government House leader confirm the order for the record in *Hansard* so that hon. members can look to it for guidance?

[*Translation*]

Mr. Pinard: Madam Speaker, we hope to be able to complete second reading of three bills today, namely, Bill C-42, the Canada Post Corporation Act, Bill C-43, the Access to Information Act, and Bill C-34, the Judges Act. If possible, we would like those three bills referred to committee today. Tomorrow, we start the debate on one of the proclamations tabled by the Minister of Energy, Mines and Resources (Mr. Lalonde). I believe a three-day debate is planned for this first proclamation.

With regard to the second proclamation, House leaders will be meeting later on today to discuss the length of the debate. At any rate, I remind the House that it was agreed, as a precaution, to set aside the last six sitting days in November to debate those proclamations; however, a final agreement has yet to be reached on the length of the debates, and were we to save a day or two, it is understood that we would then proceed with the study of the bills I have just mentioned—all that before December 2.

In addition, I intend to designate December 2 as an opposition day, and the days following up to December 10, the House will sit in committee of the whole according to the agreement and the order of the House made last spring. The House will remember, Madam Speaker, that three of those days will be very long days on which the House will sit without any

interruption until midnight; we have had preliminary discussions in this regard, and I wish to confirm to my colleagues that, in actual fact, from December 3, the House will sit without any interruption in committee of the whole, and December 2 will be an allotted day.

[*English*]

Mr. Knowles: Madam Speaker, unless I missed something in the translation, I think the order of business which the minister announced for today is not in keeping with my understanding. I understood that the first item today would be the Post Office bill and the second item would be the freedom of information bill. As it came through the translation, the judges' salaries bill was to be the second item. It is not; it is the third, fourth, or the fifth.

Some hon. Members: Oh, oh!

Mr. Clark: I rise on the same point of order, Madam Speaker. The Minister of Industry, Trade and Commerce used the phrase in his remarks "now that the budget is in place". Earlier the Minister of Energy, Mines and Resources had indicated that he was engaged in discussions with, I gathered he said, several Canadian companies, and I think he included in that group some of the Canadian companies which his policies are forcing to leave Canada. He indicated that, as a result of some of those discussions with energy companies, some flexibility might be shown by the government. My question to the government House leader relates to the House business, and it is whether any changes are intended in the budget.

[*Translation*]

Mr. Pinard: Not to my knowledge, Madam Speaker. There is no change. To return to the question and comments of my hon. friend from the New Democratic Party, I must remind him that the Judges Act is not a measure that we would want to be consigned to oblivion. If possible, we would like to deal with it today, if not, as soon as possible after the debate on the proclamations.

[*English*]

Mr. Friesen: My question is for the government House leader. One of the pieces of legislation tabled in the previous Parliament, and I believe also in this one, was in the name of the Minister of Transport and had to do with the ports act. My view is that that is a long overdue piece of legislation. Withholding it is working a hardship on municipalities which have commissioned ports, because they obtain no revenue. I wonder if the House leader can give us any indication as to when that legislation will be debated in the House.

[*Translation*]

Mr. Pinard: Within a reasonable period of time, I hope, Madam Speaker.

[*English*]

Mr. Beatty: Madam Speaker, the last two Thursdays, on this point of order, I have asked the government House leader with regard to Bill C-42 whether he was prepared to accede to the request on behalf of the Standing Joint Committee on Regulations and Other Statutory Instruments that the regulation making powers contained in Bill C-42 be sent to the Joint Committee on Regulations and Other Statutory Instruments and that the substance of the bill be sent to the Standing Committee on Miscellaneous Estimates, as is currently contemplated by the government. Last week the government House leader undertook to look further into this and give us an answer. Second reading begins immediately, so could he give us an indication as to what his policy is?

[*Translation*]

Mr. Pinard: Madam Speaker, I apologize for having kept the hon. member waiting. I hope that he will extend the same courtesy to the ladies whom he kept waiting this morning at the committee on the constitution. I can tell him two things. In the first place, if we agreed to refer to his committee for consideration the relevant clause of the bill to set up a Post Office corporation, the clause dealing with the regulation making powers, we would somewhat anticipate on his committee report which has now been tabled in the House but has not been dealt with nor voted on. The report has not been discussed nor approved by the House. It seems to me then that it would be premature. On the other hand, I have indeed spoken to the minister and he is ready, merely as an act of courtesy, to appear before the committee of which the hon. member is chairman or vice-chairman. He is ready to appear and provide explanations on the nature of the regulation-making powers liable to be involved in the legislation setting up a Post Office corporation.

Of course, we would like to have the bill referred to the committee as soon as possible this afternoon. Anyway, I confirm that the Postmaster General, as an act of courtesy and unofficially, without any formal reference to the relevant clause of the bill, is ready to appear before the committee chaired by the hon. member to provide some explanations.

● (1510)

[*English*]

Mr. Beatty: Madam Speaker, I should like to get some clarification. The committee report was unanimous from members on all sides of this House and on both sides of the Senate. The committee asked that the regulation-making powers of this bill and of other bills, including broad regulation-making powers, be sent to the committee for study, for recommendation back to the House, and for amendment, if necessary, at second reading.

If I understand the government House leader correctly, is he saying that our committee would not have the authority to make amendments to the regulation-making authority granted in that bill, that that would remain exclusively with the Standing Committee on Miscellaneous Estimates?

[*Translation*]

Mr. Pinard: Madam Speaker, what I have explained is that we could not prejudge the committee report which was tabled in the House. Surely the hon. member is aware that a special House committee or task force is investigating this matter. We expect it will submit its findings shortly, and I think that December 19 is the date agreed upon. Moreover, there is also the Economic Council of Canada which is looking into this and which is expected to report at some early date in 1981.

I have already suggested to the House leader of his party that it would be wise to wait until these reports are tabled before looking into the two reports from the committee chaired by the hon. member which are now on the order paper.

That being said, I am only being logical when I say no to the request the hon. member has made as to the opportunity to examine at this stage the clause of the bill establishing the Canada Post corporation which deals with the regulation making power. As I indicated before, as a compromise and a matter of courtesy, the minister is ready to appear on a non official basis before his committee and to provide him with all relevant explanations.

[*English*]

Mr. Clark: Madam Speaker, I rise again on the same point of order. The Deputy Prime Minister and Minister of Finance have come into the House since the government House leader indicated that, to his knowledge, there would not be any changes in the budget flowing from the flexibility the Minister of Energy, Mines and Resources indicated might emerge from the discussions he would be having with energy companies his policies will be driving out of the country, and other energy companies. I wonder if the Minister of Finance is able to tell the House whether he is contemplating any changes in the budget which he has not yet had a chance to draw to the attention of his colleague, the government House leader?

Mr. MacEachen: No, Madam Speaker, I can assure the House that that is not my intention. I have reached no decisions with respect to any changes at all.

Mr. Baker (Nepean-Carleton): It is still under consideration.

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POINT OF ORDER

MR. NYSTROM—STATEMENTS MADE BY MR. MacEACHEN DURING QUESTION PERIOD

Mr. Lorne Nystrom (Yorkton-Melville): Madam Speaker, I wish to raise a point of order arising out of the comments of the Deputy Prime Minister and Minister of Finance (Mr. MacEachen) when he was reflecting upon the deliberations of the Special Joint Committee of the Senate and the House of Commons on the Constitution of Canada earlier this afternoon, wherein he accused opposition members of engaging in mischief.

In raising that question, I should like to refer to the fifth edition of Beauchesne's Parliamentary Rules and Forms. On page 103, citation 316, sentence (e) indicates that a member while speaking must not:

impute bad motives or motives different from those acknowledged to a member;

Also sentence (f) goes on to indicate that a member while speaking must not:

make a personal charge against a member;

I do not think the Deputy Prime Minister was making any specific personal charges, even though two of us moved motions at that committee this morning, myself and the hon. member for Provencher (Mr. Epp). But I suggest on a point of order that while he was speaking perhaps he did "impute bad motives or motives different from those acknowledged to a member".

As evidence of that I want to say that we moved those motions this morning for what I think are two very legitimate reasons. First, we believe that we need more time for the people and Canada to be heard on their constitution, and second, we need more time as members of that constitutional committee to study what in effect is a very controversial and detailed resolution before the committee. For those reasons we moved an amendment to recommend to Parliament, the House of Commons and the Senate, that consideration be given to extending the deadline to February 10. I think we had the right as a committee to make that recommendation, and we were not engaging in mischief of any sort or kind.

I want to say that we are doing and have done it because we have learned one thing, if nothing else, from the witnesses who have already appeared before us, that they need more time, that Canadians need more time. For example, this morning the Canadian Federation of Municipalities indicated that it needed more time to prepare, and asked for an extension of the deadline. Two days ago the Canadian Civil Liberties Association appeared before us. It indicated that it did not have a brief because it did not have time to prepare one and that we were dealing in this resolution with a very complicated and important charter of rights for the future of the country.

Also I have before me a letter which was addressed to the Parliamentary Secretary to the President of the Treasury Board (Mr. Joyal) and the Honourable Harry Hays, the co-chairmen of the Special Joint Committee on the constitution. It was signed by Marion Dewar who wrote to the co-chairmen on behalf of a number of organizations, and in part it reads as follows:

—respectfully requests that the Special Joint Committee on the constitution extend the final date for written submissions or requests to appear before the committee from Tuesday, November 25 to Wednesday, December 31, 1980.

Our discussions with Canadians in every part of Canada and from many sectors of Canadian life convince us that more Canadians want to be heard than the current timetable of your committee allows.

She is asking for an extension of the time on behalf of the many important organizations which signed their names to this letter. I want to know whether the Deputy Prime Minister

thinks we are being mischievous when we speak on behalf of the Anglican Church of Canada. Are we being mischievous when we say that we need more time because the Anglican Church is saying that we need more time? The Canadian Conference of Catholic Bishops is indicating that we need more time. Are we being mischievous when we move a motion on their behalf saying that we need more time? The Canada West Foundation is saying that we need more time, the Coalition of Provincial Organizations of the Handicapped is saying that we need more time. Is that being mischievous, Madam Speaker.

An hon. Member: Order.

Mr. Nystrom: The National Action Committee on the Status of Women, the National Indian Brotherhood, the Presbyterian Church of Canada and the National Anti-Poverty Organization are saying that we need more time. As a result we have moved a motion in the committee asking for an extension of the deadline to February 10.

The other reason we have done it is that we believe members of the committee need more time to study the resolution section by section. We need more time to study its impact on Canadians. We need more time to consider a number of amendments, which no doubt will be coming from all parties in the House, to the various sections contained in the resolution.

I ask you, Madam Speaker, to consider whether there has been an infringement of the rules by the Deputy Prime Minister, or whether indeed he was imputing motives to members of the opposition on that committee.

In closing, I want to say that I hope members opposite will consider revising the artificial deadline of December 9 because it means rushing through a very complicated constitutional package, one that might not stand the test of time, one that may be more divisive than helpful in the country, while we should be seeking a consensus, bringing Canadians together, and healing this country from coast to coast. If we can spend months studying the Bank Act in committee, and years in Parliament, then surely to goodness we can spend at least three months in a committee on the Constitution of Canada.

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, the point of order raised by the hon. member gives me an opportunity to make a comment on a recurring feature of the House proceedings which has been a cause of concern to me for some time, namely, the recurring practice of dealing in the House of Commons with matters which are before committees.

● (1520)

It is true that in my response to the Leader of the Opposition (Mr. Clark) I did make reference to proceedings in the committee, which were introduced into the questioning by the Leader of the Opposition. Madam Speaker, both of us were out of order on that occasion. I propose at some future time to raise a point of order on this very point of order, to receive a ruling from the Chair as to whether it is appropriate for the House of Commons to deal with matters on a daily basis, which have been referred to a standing or special committee by the House of Commons. There is a clear rule and a clear practice that no references, no debates and no discussion can take place on committee proceedings until a committee has reported to the House. That is a good, reasonable, and sensible rule. I believe—and I stated this quite clearly in my response to the Leader of the Opposition—I did breach that practice, to some extent.

I would like to reply to the member who raised the point of order, which objected to the word "mischievous". I must say that is a rather mild parliamentary attack. I could not find a milder word to describe what happened in the committee this morning. I regard the activities that were taking place quite worthy of the mild description of mischievous, in light of the fact there was a readiness stated by the government House leader to undertake negotiations with a view to dealing with the question of the deadline. He has already expressed his willingness to be flexible on this point. I believe it would have been useful for all members to await the result of these negotiations before launching into a procedure that took up a good deal of the committee's time. I hope in the future I will not breach the rules by discussing the proceedings of a committee of the House.

Some hon. Members: Hear, hear!

Mr. Clark: Such effrontery!

Hon. Jake Epp (Provencher): Madam Speaker, on the same point of order, I wish to say that on behalf of my colleagues I moved that motion this morning. It was a very straightforward motion asking that the length of time available to the committee be extended to February 6. It was then amended to February 10. Additionally, it was to extend the period of time for Canadians to submit written briefs or ask to be heard before the committee from November 25, which was the second arbitrary date imposed by the Liberal majority, to December 31.

With reference to what happened in the committee today, the Deputy Prime Minister (Mr. MacEachen) says that it was a mischievous action on the part of myself, I presume, because I was the person who moved that motion. An interesting point is that the Deputy Prime Minister has just said again that the House cannot interfere with the work of a committee and that a committee is to be master of its own proceedings. The hon. gentleman has used that argument, as has the Prime Minister (Mr. Trudeau) and the government House leader. But in refuting the arguments that were made by us in the committee, the Liberal members on that committee used the same tactic. The Deputy Prime Minister wants to use a double standard. The argument which the Liberal members used was that it was not for the committee to decide, that it was to go back to the House. They cannot have it both ways.

When it is in the House they say the committee should decide, and when it is in the committee they say the House should decide. The point is that they do not want anyone to

make any changes to their arbitrary date. That is the point. They do not want to change either the November 25 date or the December 9 date.

The Leader of the Government in the House says repeatedly that he will be flexible. There has been no indication of any flexibility on their part without strong pressure from this party to bring about changes. We saw that in connection with television. It was only after extreme pressure that they changed their position on that. They have not changed their minds even on the quorum—they do not want members of the official opposition to sit on the committee when the committee sits. In fact that committee can constitute itself without any member of the opposition there—with only government members there. Only government members need be there to hear evidence or to make decisions.

Consider the matter of the polls. They were not released. That committee is studying the constitutional amendments at this point in time. We know the government has polls paid for by the public which directly affect that discussion. But are they released? No. The Canadian people are not entitled to know. Yet today in the traditional Thursday question the government House leader said that the government wants to move forward on freedom of information legislation. But ministers will not release the polls.

Madam Speaker, I have here a list of the witnesses who now want to appear before the committee. It is an extensive list. What happens in the committee, day after day, is that we get a list of witnesses who are to appear before the committee. The point that must be made is that the committee has not approved the list. Then, when we get a backlog it is we who are called mischievous. Not so. The list is in no way practical to the work of the committee. What I have asked for is not an indeterminate extension of the length of time. I asked for a two-month extension on behalf of Canadians—a two-month extension. I think that is very reasonable. It will enable not only the committee to do its work but, more important, it will enable Canadians who are asking to be heard, time to appear.

Is Mr. Borovoy of the Canadian Civil Liberties Association mischievous when he says to the committee that he needs more time? Is the Canadian Chamber of Commerce mischievous when its members say to us that they "could not prepare a brief prior to appearing here so what we are presenting to you is a policy position not directly related to the resolution?" Is the Federation of Canadian Municipalities mischievous when it asks for time to hold a board meeting in order that they might bring—

Madam Speaker: Order, please. I remind the hon. member that he should keep to the arguments which will indicate to me that he might have a question of privilege. I am afraid he is entering into debate, and that is not allowed when raising a question of privilege.

Mr. Epp: Madam Speaker, it is back to the imputation of motives. It was my motion. I was not in any way trying to be mischievous. I was trying to get the committee into a working schedule that would allow both witnesses and the committee to do the job we have been asked to do. Under present arrangements, we cannot do that job.

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, obviously the hon. member's attitude this morning in committee was perhaps honest, but it is not the most honest we have ever seen. By far it is not the most honest attitude we might have expected.

The following facts should be recalled briefly. First, the hon. member knew from the answers I gave yesterday in the House to the NDP leader and the Progressive Conservative leader that I intended to meet with the House leaders. Second, even though he knew of this ensuing discussion between House leaders on the length of the committee proceedings, he decided, purely for reasons of political expediency, to introduce a motion in committee asking for an extension of the deadline, knowing full well that the House of Commons, the Senate, the institution of Parliament gave a specific mandate to the committee to consider the matter and report back by December 9. So, when the hon. member refers to the principle that the committee is master of its own procedure only when it is convenient for us, I must respectfully tell him that he is totally wrong. Of course, the committee is master of its own procedure, but within the terms of reference it has been given by the House and, in this case, by the Senate. These terms of reference make it very clear that there is a time limit, namely, December 9. Therefore, the committee knows that its time is limited and that if the House wants to grant an extension, this decision must be made by the representatives of all parties, and it also knows that the House leaders will meet to discuss the matter and that we have already indicated our wish to be flexible, as the Prime Minister said himself last week, and as I said yesterday and again today. In spite of all this, the committee wasted two hours of its time this morning and a group of ladies were kept waiting in a shameful and unacceptable manner, and they are still waiting because the members of the committee are now in the House wasting time by raising procedural questions on this subject. In spite of all this, we heard today a motion under Standing Order 43, a procedure which is much abused, which motion was moved by my colleague, the Progressive Conservative House leader, even though he is well aware that we shall be meeting at five o'clock this afternoon to discuss this matter in good faith, and I intend to show him the type of flexibility we have been talking about. Once again, I do not bear him any grudge for this, but I would still like to note that he should know that we are going to discuss this matter this afternoon. And yet he thought it proper to use Standing Order 43 to repeat before the House the same type of question which was asked in the committee.

I wonder whether the Progressive Conservative Party really wants to take advantage of the flexibility that we are willing to show. I give them the benefit of the doubt, and the meeting at five o'clock will still be held and it may be followed by other

meetings. It will depend on the pace of the negotiations and the discussions. However, I must say that the position taken by the Progressive Conservative Party to date seems rather ambiguous to me.

Madam Speaker, the hon. member for Provencher (Mr. Epp) is also wrong when he tells us that we gave no indication of flexibility as to the date for the report of the committee. I want to state publicly that, as a matter of fact, and I say it again because I have already said it publicly, I told them in early October that this matter could be discussed. Yesterday, my colleague was going around with the minutes of the meetings we had, and I hope he will refer to them. I call upon my learned colleague, the hon. member for Winnipeg-North Centre (Mr. Knowles), to bear witness to that. However, I am convinced that the hon. member for Nepean-Carleton (Mr. Baker) is candid enough not to deny obvious facts. I also told them that the form of the debate in the third stage could be discussed, and I invited them to do this systematically. In fact, they have always refused to discuss it until now.

As recently as last week I reminded my learned colleague from Nepean-Carleton that we were prepared to reconsider the date and form of the committee report, as well as the length of the debate at the third stage. He took my request under advisement and will hold consultations, and I hope that this afternoon we shall finally be able, a month and a half after my request, to discuss the deadline openly, honestly, without any of the tactics such as the one we witnessed this morning in committee and this afternoon during proceedings under Standing Order 43.

Madam Speaker, may I refer you to paragraph 659 of Beauchesne's, at page 205, which bears out the Deputy Prime Minister regarding the procedure and says very clearly that it is irregular to comment on what is going on in the proceedings of a committee when there is no report before the House. Here is what clause (1) says:

(1) Until the report and the *Minutes of Proceedings and Evidence* have been laid upon the Table, it is irregular to refer to them in debate, or to put questions in reference to the proceedings of the committee.

(2) When the report and the *Minutes of Proceedings and Evidence* are before the House, they may be debated at length but members are not permitted to discuss the conduct or language of members of the committee, except so far as it appears on the tabled report.

(3) If alleged irregular proceedings take place in committee but are not referred to in the report that the committee presented to the House, then it is not competent for the House to go beyond that report to debate this matter.

Madam Speaker, nothing can be clearer and more precise. It is entirely irregular to ask questions and have a discussion about what happened in committee until we receive a report from that committee. And in the future, I shall respectfully point out that we on this side of the House shall insist, out of respect for this institution, on having the rules enforced.

• (1530)

[*English*]

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, I am very interested in the insistence now of the government House leader on this matter. Perhaps some intimidation of the Chair is intended, but I would hope not. As a matter of fact, if the government House leader will recall, there was a lengthy debate in the House on the question of television and the procedure in the committee. The matter was argued, and a ruling was ultimately made by Madam Speaker. Surely that is evidence of the situation.

Madam Speaker: Order, please. I do not know what the hon. member's remarks are leading to, but I do want to make a precise point, on some of the comments made by the hon. member for Provencher (Mr. Epp). When I made the ruling about what was to take place in committees and what was to take place in the House of Commons, I was speaking solely about broadcasting. Beyond that our Standing Orders apply. If there is some kind of reaction or some situation which would require a ruling, I would be disposed to make a ruling. However, in that ruling I was referring to the broadcasting of committee proceedings, and I hope that hon. members will not stretch that into other meanings.

Mr. Baker (Nepean-Carleton): Madam Speaker, I said what I said so that you would know that the debate and the discussion which took place was with respect to the order of reference of this House and how the matter would be conducted. Of course it dealt with the subject matter of television, but it was within the context of the order of reference which established this committee. I want to make sure that the Chair understands the context in which I am placing my remarks.

With respect to a number of matters which were raised by the government House leader, aside from the fact that I am becoming somewhat alarmed about the ability to carry on negotiations, if we are to have another public discussion today of what happens in House leaders' meetings, the government House leader ought to consider, from his point of view, this practice, which has developed.

Mr. Clark: And his parliamentary secretary.

Mr. Baker (Nepean-Carleton): Yes, and his parliamentary secretary as well. When we hold our meeting today, I want the government House leader to know that I intend to raise this issue. We either have House leaders' meetings which are a bridge of sanity for the debate which takes place in this House, or they are something else. If they are something else, then they begin to take on a different character.

Perhaps if the government House leader needs a mentor with respect to how these matters should be conducted, he ought to have a chat with the Hon. Mitchell Sharp, who was as experienced as he is and more so with respect to how matters should be conducted and what should happen as a result of what has gone on if it is to mean anything at all.

Mr. Pinard: There was no discussion, Walter.

Mr. Baker (Nepean-Carleton): Madam Speaker, my friend is saying there was no discussion yesterday.

Mr. Pinard: You refused to discuss it.

Mr. Baker (Nepean-Carleton): There was a discussion in the House yesterday—

Mr. Pinard: Not in the meeting.

Mr. Baker (Nepean-Carleton): —with respect to the matter as indicated at page 4873 of *Hansard*. The government House leader, followed by the House leader of the New Democratic Party, did deal with the matter and confirmed that there was a gentleman's understanding with respect to the time allotment on the Bank Act. Whatever it was that occurred, it occurred at a House leaders' meeting and the debate referred to matters at that meeting.

In the left hand column on the same page the Parliamentary Secretary to the President of the Privy Council (Mr. Collenette) made an interjection by stating something that occurred at a House leaders' meeting, and even made a statement to the press with respect to the matter. Because the government House leader and I have some responsibility with respect to the operation of the House, this situation cannot continue.

● (1540)

Let us talk about the matter, since it is going to be raised at a House leader's meeting this afternoon. Of course we are prepared to discuss the extension of time at that meeting, not for partisan advantage but for the very matters that were raised by the hon. member for Provencher (Mr. Epp) because members of the Canadian public are now saying to this Parliament that the artificial deadline established a month or so ago is wrong—is wrong in terms of the basic concept of what we are dealing with, the Constitution of Canada.

I want my friend to know that if he is talking about a limitation of time as the price for answering the request of the organizations of the people of Canada then, having had to submit to closure a little while ago, I am not disposed to submit to closure of another kind as the price for something else.

I would be a stupid man if I agreed to give this government, in advance, a blank cheque with respect to what a committee may report at some future time and with respect to what the government may do with that report at a future time. If that is what they want, they are not going to get it. It is that simple. If my friend is prepared—

Mr. Pinard: A point of order, Madam Speaker.

Mr. Baker (Nepean-Carleton): This is a point of order.

[*Translation*]

Mr. Pinard: Madam Speaker, I indicated I would be ready to discuss this with my colleague in the course of a meeting of House leaders. I would not like to take the time of the House and hold that meeting here. I never indicated I would require a specific date. I said I was ready to discuss this, to get an idea of the time-frame, and I also wanted to indicate I was ready to talk about the form of the debate at the third stage. So what my colleague is doing is setting conditions to the meeting we are going to have later. I think this is not the place for it. He referred to my having a mentor. I suggest he also see one.

[*English*]

Madam Speaker: Order, please. I recognized the hon. member on a point of order. That is what he asked me for, but he is entering into debate and I now have interrupted him. The hon. member for Nepean-Carleton (Mr. Baker).

Mr. Baker (Nepean-Carleton): Madam Speaker, we can discuss the interruption a little later on. I want to make it clear that the request for the extension of time is not to convenience Parliament, it is to convenience the general public. Thus far there is no precision as to what the government intends even after the committee reports. Since these matters have been raised publicly by the government House leader, I want him to know that it is fundamental to our position that for once he tells us what he intends us to do. He has not done that except in terms of bargaining for time. In terms of the issue, Madam Speaker, that is not flexibility, and he should understand that.

Mr. Pinard: We have a meeting at five o'clock.

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, in rising to deal with the question raised by the hon. member for Yorkton-Melville (Mr. Nystrom), I am disturbed at the impact of the ability of this House to co-operate and function on actions taken by the government House leader, and by his parliamentary secretary in deliberately making press releases that he knew not to reflect the situation—

Mr. Collenette: That is not true.

Mr. Clark: —and indeed, by the Deputy Prime Minister (Mr. MacEachen)—making statements, not a press release—and by the Deputy Prime Minister today in first of all labelling as mischievous the activity of members of Parliament designed to ensure that the people of Canada are heard on the Constitution of Canada and, secondly, in his very presumptuous behaviour in lecturing you on how you should do your job, and to lecture me as to how I should do mine.

I say to the government House leader that if he continues in this pattern it is going to be very, very difficult for them to remain in this House—

Mr. Pinard: Blackmail.

Mr. Clark: He talks about blackmail.

Mr. Nielsen: From an expert.

Mr. Clark: Earlier he talked about trickery. He said he did not intend trickery; then he practised it. I suppose he intends to say that he does not intend blackmail. There is not very much evidence to that effect in the manner in which he has

conducted himself so far. I do not want to be distracted by the government House leader's interventions however.

The point I want to make is that in this House of Commons public business can get done only when certain standards of trust are accepted and established, and the behaviour of the government on this matter very seriously jeopardizes that atmosphere of trust that is essential to this House making progress on any matter at all.

Let me deal with one or two of the matters that have been raised, Madam Speaker. First of all, I think it highly inappropriate of the Deputy Prime Minister, who has now abandoned the House—

Some hon. Members: Oh, oh!

An hon. Member: Where is he?

Mr. Clark: —the Deputy Prime Minister whose comments caused this question of privilege, who intervened and then left the House—I think it highly improper that he should suggest to you, Madam Speaker, what matters and questions you should find in order, after you have clearly found those matters and questions to be in order. It is no part of his duty to tell you how to do your job.

Second, the House will recall that the government House leader in the other place quite explicitly indicated in answers to questions in that other place that it would be within the capacity of the joint committee to make the request to both Houses to change the reporting date of the committee. That was an undertaking, a statement of the policy of the Government of Canada, made in response to a question, by a minister of the Government of Canada, the House leader of the government in the other place. That was the answer by the government spokesman in the Senate on which the hon. member for Provencher (Mr. Epp) and the hon. member for Yorkton-Melville were acting today when they sought to follow the suggestion made by a representative of the Government of Canada to seek to have the committee itself act to extend its time.

Now let me deal, if I might, with a point that was made by the Acting Prime Minister before he left the House. He suggested that the questions that were raised by myself and allowed by the Chair were out of order. My questions were designed to ask the policy of the Government of Canada on this question, and I would find it quite strange if it were improper, if it were ruled by the Chair that the fact that a particular draft resolution on the Constitution of Canada is before a joint committee of this House and the other place, that that fact alone would prevent this Parliament or, indeed, the Senate of Canada, from asking questions as to the policy of the Government of Canada with regard to the Constitution of Canada. That is the position that has been put forward by the government. It is a wholly untenable and an unacceptable position.

The reason we are asking, for the policy of the government is that it has become so clear that the Liberal members on that committee are operating clearly as agents of the government rather than simply as members of this Parliament and of the Senate of Canada. They are operating on instructions to the point that some members are even reading briefs that are prepared by consultants associated with the Minister of Justice (Mr. Chrétien)—with the minister whose name is on the bottom of the draft resolution. We have here a situation where the policy of the government must be known because the policy of the government is dictating the behaviour of the Liberal members on that committee.

What we have here—the government House leader, who has been sat down by you, Madam Speaker, for his interventions earlier, is shouting across the floor. He may have an opportunity later to speak. The very clear point with which we are dealing here is that for a series of days the Government of Canada has been seeking some soft way to impose a new kind of closure upon the debate by the Parliament of Canada—by the House of Commons and the Senate—to impose a soft kind of closure upon discussion by representatives of the people of Canada of the Constitution of Canada. He knows he was wrong in imposing closure, the formal rule of closure, on this House in a circumstance where more government members had spoken than members of the official opposition. He knows that was wrong. What he is going to do now is to seek other means—seek closure by some other name. The goal is the same—the goal of the government—and that goal is to limit debate by Canadians of their constitution. To limit that debate, wherever it occurs, whether in the committee or here, or in the public at large—that is their goal. That is why they resisted television; that is why they resisted radio. That is what their secret document said. That is why they imposed closure on this House.

● (1550)

Their goal is to try to keep the people of Canada in ignorance about the contents of the constitutional proposal. They are worried that when groups such as the Canadian Association for Adult Education, the Canadian Conference of Catholic Bishops, the Anglican Church of Canada, and Le regroupement pour les droits politiques du Québec—they are concerned that when these groups come to testify before the joint committee, Canadians will learn just how full of fault and danger this particular measure is. So they are trying to find some excuse to cut off debate. They did it with closure once in this House, and now, knowing that closure is politically unpopular, they are trying to find a softer way to limit debate.

Today, the Deputy Prime Minister referred to groups such as the Canadian Conference of Catholic Bishops, the Canada West Foundation, the National Indian Brotherhood, the Presbyterian Church of Canada and a number of others, as mischievous. I suggest that rather than insulting those groups of Canadians who want to have their views heard on the Constitution of Canada, the Government of Canada should be hearing those Canadians and should be allowing the people of Canada to hear the views expressed by their various organizations and by interested individuals in the Canadian populous rather than resorting to various techniques designed to limit debate in committee and designed to impose a quiet form of

closure upon the ability of the people of Canada to have their views heard on their constitution.

Mr. Collenette: Madam Speaker, out of courtesy I did not wish to interrupt the Leader of the Opposition (Mr. Clark) while he was making his comments. However, I shall give you notice now that I will raise a question of privilege based upon statements just made by the Leader of the Opposition.

Mr. Knowles: Madam Speaker, I wish to take only a moment or two. I do so because of one other statement made this afternoon by the Deputy Prime Minister (Mr. MacEachen). I suppose I should not say it was mischievous, except that he thought that was a proper word to apply.

First, may I say to the government House leader it is perfectly correct that for several weeks he has been offering to negotiate the length of time allowed to the committee, provided that there would be some discussion of the length of time to be spent on the resolution when it comes back to the House. I assume we will be discussing that this afternoon when we meet at five o'clock, and I hope we can have a pleasant meeting. Perhaps the government House leader, with his sometime courtesy, will have some coffee and tea available and we can have a friendly discussion.

I was disturbed when I heard the Deputy Prime Minister say this afternoon that my leader, the hon. member for Oshawa (Mr. Broadbent), yesterday asked for such negotiations, which is the very opposite of the case. My leader yesterday was asking for an extension of time for the committee on its own. I read one sentence to emphasize the point, which is found at page 4848 of yesterday's *Hansard*. The hon. member for Oshawa said:

> What I would like clear from the government House leader is that he is not considering a trade-off.

It may well be that he is, but the hon. member for Oshawa was very clear yesterday that he was asking for an extension of time because of the importance of the issue. I think it was quite unfair, and possibly mischievous, for the Deputy Prime Minister this afternoon to say that the member for Oshawa had asked for negotiations.

Mr. Nielsen: Whichever it was, it was deliberate.

Mr. Knowles: We will have those discussions this afternoon, and we will see how they unfold.

Madam Speaker: This point of order was raised on a matter protesting the fact that the hon. Deputy Prime Minister (Mr. MacEachen) was imputing bad motives by using the word "mischievous" to qualify some of the motions which have been made by some members of Parliament. That was the beginning of it. He strayed very far from the first indication of what that point of order was all about, but I will come to that later.

I have to say that I did not feel the Deputy Prime Minister was imputing bad motives in using that expression, nor was he making the kind of charge which it is customary to prohibit in this House. It is true the hon. member for Yorkton-Melville (Mr. Nystrom) did quote from Beauchesne, but as a matter of fact I think the interpretation of these conditions has to be much more generous on both sides.

The hon. member for Yorkton-Melville has explained the kind of "mischief", if I may use that word because I do not dare use another word, to describe what he was up to in the committee. I suppose the House is better for having been more informed about what took place. I gave the hon. member for Yorkton-Melville quite a lot of latitude to expose his point of order. I suppose that disposes of this grievance, because that is what it is; it is not a question of privilege.

My main concern though is a number of references which have been made to committee proceedings. This whole thing was prompted by a question from the Right Hon. Leader of the Opposition (Mr. Clark). He has explained that he was inquiring about a matter of policy, and he was not referring directly to the actual proceedings of the committee. I must say that I nearly jumped to my feet when I heard him formulate his question, and then decided against doing that, probably because I was sure the Right Hon. Leader of the Opposition would never want to do anything against the rules of this House; and I do not think that he has. But then in the response made by the Deputy Prime Minister there was a reference made to committee proceedings. The Deputy Prime Minister himself agreed that he had perhaps breached the rules by making that kind of reference.

I think the rule has been breached quite a number of times subsequently during the course of the debate this afternoon. I will have all of these interventions examined so as to determine the number of times when I feel members have come very close to debating proceedings of committees.

The hon. President of the Privy Council (Mr. Pinard) quoted the rule, which is quite clear, so I will not repeat it. But it is right here in Erskine May where it is very clear that this House should not be referring to proceedings of committees.

I have just one more point. I want to remind hon. members that they should not refer to committees, even obliquely, in the House. I will read all of the speeches that have been made this afternoon in order to make it somewhat easier for me to spot circumstances when members are really referring to proceedings of committees. The Chair has some difficulty, because one has to listen to the end of one sentence and then to a second sentence to know whether it is really a breach of the rule. That is why sometimes I have to be a bit lenient about that.

I just want to remind the hon. Leader of the Opposition that when members raise points of order or try to help me to interpret the rules of this House, I am grateful for that kind of contribution, and I do not consider that I am being lectured when members do that, no matter on which side of the House a member sits. It is helpful to the Chair when members try to concentrate on the point of procedure being raised. It is helpful if they bring forward arguments to enlighten the Chair and so help the Chair to make a ruling. Therefore I do not consider that I am being lectured to when that happens. As a matter of fact, I welcome it. I think it would be wise to put an end to this debate this afternoon. The exchange that has taken place will,

I understand, continue at a subsequent meeting which is of no concern to the Chair.

* * *

● (1600)

PRIVILEGE

MR. COLLENETTE—STATEMENTS MADE BY MR. CLARK

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, I rise on a question of privilege. I wish to refer to comments I made a few moments ago. I had intended to develop a case of privilege at this time. I understand that representatives from the postal unions are in the gallery and there is a disposition on all sides to let the postal Crown corporation bill go through today.

Some hon. Members: Oh, oh!

Mr. Collenette: I will therefore not impede the debate.

Mr. Stevens: Who said that?

Mr. Collenette: I understand that is the general disposition. However, that may not be. It may be an understanding, it may be an agreement. I don't know.

Mr. Baker (Nepean-Carleton): Stop that right now.

Mr. Collenette: We have to clarify these terms. What I wish to raise, if I may have the floor, is the fact that the Leader of the Opposition (Mr. Clark) did make the statement, and attributed it to me, "made statements to the press he knew not to be true". I wish to check the blues—

Mr. Nielsen: That's slimy.

Mr. Collenette: In the interests of time this afternoon, I will not bring this up. However, I will reserve the right to do so tomorrow. It is obviously contrary to citation 320 in Beauchesne's.

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, I am in some doubt as to exactly what the parliamentary secretary has been saying. I understand what his tone has done. His tone, as usual, has made it even more difficult for this House to proceed in any way in which agreements can be made or words can be respected. He has a gift for snideness which is unfortunately corrosive of the atmosphere necessary for co-operation in this House. That is to the side. The government will have to live with that. The rest of us will try to live with it, if we can.

The point I want to make is that I am not clear whether the parliamentary secretary is declining to raise what he claims to be a question of privilege because he has not had the opportunity to read the "blues", in which case he would be seeking the opportunity to raise that tomorrow, or if he is declining to raise it because he wants to get on with other business, in which case he would forfeit his right to raise the question of privilege. I am quite prepared to deal with the question of privilege, but I want to know on what ground the parliamentary secretary is backing away from raising it at this point.

Madam Speaker: It is of interest to the Chair that the parliamentary secretary has decided not to raise a question at this time. That's sufficient for me.

Hon. Sinclair Stevens (York-Peel): Madam Speaker, I want it to be abundantly clear, and I hope it is clear, that, certainly to my knowledge, there is no agreement that the postal bill will necessarily be passed today. I have been sitting in this House waiting for an opportunity to speak. If I am denied that opportunity of speaking, I would like to know now when was the agreement made which the parliamentary secretary has indicated, because that was not an agreement as far as I have been given to understand.

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, I rise on the same question of privilege. If it is not already clear to the parliamentary secretary, it had better be clear that if agreements are made in this House, agreements which are intended to be honoured as agreements, they are made between House leaders.

An hon. Member: They are made between men.

Mr. Baker (Nepean-Carleton): There has been no agreement between House leaders that that will go through today. I said something a few moments ago about the importance of the relationship that has to exist among House leaders. In view of the kind of behaviour which the parliamentary secretary exhibited today—

An hon. Member: Stupid.

Mr. Baker (Nepean-Carleton): —the House leader would be doing himself a great service if he got the services of another member of his party.

Some hon. Members: Hear, hear!

Mr. Baker (Nepean-Carleton): I say that directly to him as a friend because this kind of thing is not helpful. It is important to the order of this House.

There was a press report, giving a statement to the press which was attributed to the parliamentary secretary to the government House leader.

Mr. Clark: Speaking in his capacity.

Mr. Baker (Nepean-Carleton): That is correct, speaking in his capacity. In it he said there had been an agreement between us with respect to the passage of the Bank Act. That was not so, and the record was made clear yesterday. Now again he does the same thing. It is in poor taste, to put it at its kindest, and malicious, to put it at its worst, and unproductive in respect to the relationships that ought to exist. I think he owes all of us an apology. He particularly owes me an apology.

Mr. Collenette: Madam Speaker, I regret to rise again on what really is a fresh matter arising out of my comments. The hon. member for Nepean-Carleton (Mr. Baker) is correct about some statements which appeared in the press. I discussed it briefly with him privately. He brought this up last night. I understand this matter will be aired fully in the calmness of the House leaders' meeting later on, and I say that sincerely.

I have great respect for him as House leader. He is an excellent parliamentarian. I would not want my behaviour in this House, construed as officially speaking for the government, to reflect in any way on his character as an individual. There obviously has been a misunderstanding about the terms used regarding House business. I certainly did not intend to slight the hon. member for Nepean-Carleton a few moments ago.

Hopefully we will come to grips with the terms "understanding" and "agreement", because there was a disagreement yesterday on the floor of the House as to what these terms actually mean. I will come before you, Madam Speaker, and members of this House and sincerely apologize if I misled this House in any way. I do not intend to operate in that way. It is not in the best interests of the better workings of this House if the relationship between those responsible for conducting House business deteriorates as it perhaps appears to be deteriorating at this point.

I hope we can settle this matter privately, but I would reiterate what I just said publicly, that I in no way wish to slight my friend from Nepean-Carleton about statements yesterday. If he wants to pursue this discussion at a later date after our private discussions, I would certainly be prepared to do so, if Your Honour permits. I thought I should rise at this moment and clarify that, in my comments a few moments ago, I was talking about what I understand to be a general disposition among members.

Some hon. Members: Oh, oh!

Mr. Collenette: If I used the word agreement, I am quite prepared to stand here and correct myself. I am not that immodest that I would not admit error. I understand it is the general disposition to try to get the post office Crown corporation bill through second reading and into committee. I will not raise the question at this time for the other reason, and also the reason that I have not had an opportunity to check the "blues". I cannot make a definitive statement unless I have seen the "blues", in fairness to the Leader of the Opposition, because I wrote the statement down very quickly.

I hope that satisfies my friend from Nepean-Carleton. Quite frankly, I do not think this should go any further. I am prepared to go more than half way in trying to rectify the relationship which appears to have been damaged over the last couple of days. I will leave it at that.

Privilege—Mr. M. A. Dionne

MR. DIONNE (NORTHUMBERLAND-MIRAMICHI)—STATEMENTS MADE BY MR. NIELSEN

Mr. Maurice A. Dionne (Northumberland-Miramichi): Madam Speaker, my question of privilege arises out of remarks made by the hon. member for Yukon (Mr. Nielsen) in raising a question of privilege yesterday dealing with the proceedings of the Standing Committee on Transport and Communications. While I will not deal with the proceedings, I want to deal with some of the remarks he made. In his question of privilege he stated, as reported at page 4855 of *Hansard*:

—there is a growing practice of refusing members of Parliament, who are not specifically named on the lists of members forming standing committees, participation in the deliberations of the committees.

● (1610)

He went on to say that that had happened to the hon. member for Peterborough (Mr. Domm) on Tuesday last, and that he was accommodated by the chief government whip who put him on the committee in his place. He indicated that—

Mr. Baker (Nepean-Carleton): Madam Speaker, I rise on a point of order. I am sorry that I missed the beginning of my hon. friend's statement, and I apologize to him for interrupting him. I really do. However, I have been specifically asked by the hon. member for Peterborough (Mr. Domm) if the hon. member might hold this in abeyance until the hon. member for Peterborough can be here. He cannot be here today because of other public business he is involved in, and if the hon. member would be agreeable I think it might be better that we deal with this all at once. I apologize to my friend for interrupting him.

Mr. Dionne (Northumberland-Miramichi): Madam Speaker, I have no objection to delaying the question of privilege, but my question of privilege really has nothing to do with the hon. member for Peterborough but only with the remarks made by the hon. member for Yukon, so I am quite prepared to make my intervention today and leave the ruling with you, Madam Speaker.

Madam Speaker: The hon. member has the floor.

Mr. Dionne (Northumberland-Miramichi): I hope that is agreeable to the House leader of the official opposition and to the hon. member for Yukon.

Mr. Nielsen: Madam Speaker, I am just trying to expedite things. I have no problem with that. However, the reply might be required to be deferred if something comes up which affects the hon. member for Peterborough (Mr. Domm).

Mr. Dionne (Northumberland-Miramichi): He stated further, and I quote:

—the committee chairman and clerk seemed to be of the view that members who are not specifically named on the roster of members forming that standing committee were not entitled to participate in the deliberations of that standing committee.

Those statements are false. I had considered the word "mischievous," but since it caused so much trouble today, I

will omit that word. I will simply say that those statements are false.

Both the clerk and I are well aware of Standing Order 65(9). We have a well-informed clerk who should not be maligned by any member, and especially by one who was not at the committee and therefore does not know what he is talking about.

Further, the hon. member for Peterborough was substituted for the hon. member for Dartmouth-Halifax East (Mr. Forrestall)—not for the chief government whip—following my suggestion that his chances of being heard would be better if his name were on the roster of committee members, and he was heard.

Our committee has very good attendance, and naturally members of the committee have precedence over non-members in being recognized by the Chair. That is the procedure agreed to by the committee itself, and it is precisely the procedure the hon. member for Yukon suggested in his last remarks on page 4855. That is exactly the procedure we followed.

Our committee is working very well, and I resent the hon. member's intervention, as I am sure all members of the committee will. In short, I would have to say that the hon. member's comments contained more hot air than cold logic.

Hon. Erik Nielsen (Yukon): Madam Speaker, I do not think it is necessary to defer a reply to such a picayune intervention by the hon. member. My point has been emphasized by him, and I am quite happy with the exposure it has received.

ROUTINE PROCEEDINGS

[*English*]

YEAR OF THE CHILD

REFERENCE OF INTERNATIONAL COMMISSION REPORT TO STANDING COMMITTEE

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, I understand that there has been an agreement to refer a report from the International Commission for the Year of the Child to the Standing Committee on Health, Welfare and Social Affairs, and if I have the unanimous consent of the House I will propose a motion to that effect.

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, with respect to that matter, I wish to confirm that there has been agreement.

Hon. Stanley Knowles (Winnipeg North Centre): Yes, Madam Speaker, there has been both an understanding and an agreement.

Madam Speaker: Then has the parliamentary secretary the unanimous consent of the House to propose his motion?

Some hon. Members: Agreed.

[*Translation*]

Mr. Collenette moved:

That the report of the Canadian Commission for the International Year of the Child, entitled "For Canada's Children", tabled Friday, May 30, 1980 (Sessional Paper No. 321-4/12), be referred to the Standing Committee on Health, Welfare and Social Affairs.

Motion agreed to.

* * *

[*English*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 908, 940, 1,519 and 1,540.

[*Text*]

NATIVE COUNCIL OF CANADA

Question No. 908—**Mr. Blenkarn:**

1. Which department funds the Native Council of Canada?

2. What was the total amount supplied to the council in (a) 1975 (b) 1976 (c) 1977 (d) 1978 (e) 1979, and what is the proposed funding for 1980?

3. Does the council purport to represent status Indians or Indians with whom the government has any treaty arrangement and, if not, for what reason does the government fund the council?

4. What are the government's criteria as to the membership and the right to membership in the council?

5. What are the government's criteria as to what organization and what person or persons form the executive of the council?

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): I am informed by the Secretary of State as follows: 1. The Secretary of State, through the Core Funding Program, funds the Native Council of Canada.

2. Secretary of State core funding:

1975-76	$ 450,247
1976-77	450,247
1977-78	477,262
1978-79	508,709
1979-80	519,889
1980-81	544,942
	$2,951,296

3. The native council does not represent status and/or treaty Indians. Its representation is based solely on Métis and non-status Indians. Funds are provided to native organizations at the national and provincial levels so as to create strong ongoing organizational structures which would help Canada's native people in defining and achieving their place within Canadian society.

4. One major objective of the Core Funding Program which is reflected in the contribution agreements is to "provide the opportunity for native people at the community level to participate democratically in the association".

5. The constitution of the Native Council of Canada provides the basis of eligibility for membership, the structure and procedures for election of the executive of the council.

I am informed by the Department of Indian Affairs and Northern Development as follows:

1. The Department of Indian Affairs and Northern Development does not have statutory authority or responsibilities for Métis and non-status Indians, and therefore does not fund the Native Council of Canada on a regular basis. However, funding was provided by the department to the council over a three-year period for the purpose of land claims research. This funding terminated in April, 1980.

2. Total amount supplied by DIAND to the council was:

Fiscal Year	Amount
1975-76	0
1976-77	0
1977-78	$177,753
1978-79	$212,207
1979-80	$214,350
1980-81	no funding anticipated

3. The department was responsible for the administration of funds referred to under 2 for the purpose of claims research by Métis and non-status groups.

4 and 5. See Secretary of State's reply.

STATISTICS CANADA—IMPORT SYSTEMS

Question No. 940—**Mr. MacKay:**

Does Statistics Canada plan to redesign its import statistics data capture and verification systems in such a way that the corrections would be done prior to the release of the preliminary statistics and, if so, when will the implementation of an interactive computer system similar to the one presently in use for the capture of export statistics be complete?

Hon. J.-J. Blais (Minister of Supply and Services): Statistics Canada Reports: The external trade division of Statistics Canada is now redesigning the import system. This new system will permit the corrections of most of the errors prior to the release of the preliminary statistics. This interactive computer system will be operationally phased-in starting January, 1981. By July, 1981, the implementation phase will be completed.

CANADIAN ARCTIC RESOURCES COMMITTEE

Question No. 1,519—**Mr. Blenkarn:**

1. Were government grants or loans made to the Canadian Arctic Resources Committee, 46 Elgin Street, Room 11, Ottawa, Ontario and, if so, by which departments?

2. What was the amount of grants or loans made during (a) 1977 (b) 1978 (c) 1979 (d) 1980?

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): In so far as the Department of Indian Affairs and Northern Development is concerned, the answer is:

1. Yes, the following grants were made by Indian Affairs and Northern Development.

2. (a) 1977-78: None
(b) 1978-79: $50,000.00
(c) 1979-80: $50,000.00
(d) 1980-81: $50,000.00

Total: $150,000.00

SUNNYBROOK HOSPITAL—TORONTO

Question No. 1,540—**Mr. McKenzie:**

1. How many veterans are in domiciliary or chronic care at the Sunnybrook Hospital, Toronto?

2. How many are on the waiting list for domiciliary or chronic care?

3. How many beds are set aside for domiciliary or chronic care?

Hon. J. Gilles Lamontagne (Acting Minister of Veterans Affairs):

1. 122 domiciliary care.
388 chronic care.

2. NIL domiciliary.
33 chronic.*

3. 125 domiciliary care beds.
401 chronic care beds.

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*The figures in this category reflect the number of veterans awaiting a bed for the appropriate service of the hospital, (medical, surgical, domiciliary care, etc.)

* * *

[*English*]

QUESTION PASSED AS ORDER FOR RETURN

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, if question No. 1,025 could be made an order for return, this return would be tabled immediately.

[*Text*]

CANADIAN BROADCASTING CORPORATION

Question No. 1,025—**Mr. Friesen:**

1. How many individuals are employed by the Canadian Broadcasting Corporation in the (a) English (i) television (ii) radio (b) French (i) television (ii) radio networks?

2. For each network, what are the job classification titles under which an individual would be employed?

3. For each network, how many individuals were employed in (a) 1979 (b) 1980 to date and by job classification, how many received incomes per annum (i) of more than $60,000 (ii) between $50,000 and $60,000 (iii) between $40,000 and $50,000 (iv) between $30,000 and $40,000 (v) between $20,000 and $30,000 (vi) between $10,000 and $20,000 (vii) less than $10,000?

4. How many individuals were employed by the CBC on a contract basis in (a) 1979 (b) 1980 to date in the (i) English television (ii) French television (iii) English radio (iv) French radio networks and, what was the total amount paid for such services?

5. What was the total amount of gross revenues the CBC received from sources outside the government in the (a) English (i) television (ii) radio (b) French (i) television (ii) radio networks?

Return tabled.

[*English*]

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

Madam Speaker: Shall the remaining questions stand?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

CANADA POST CORPORATION ACT

MEASURE TO ESTABLISH CROWN CORPORATION

The House resumed, from Tuesday, October 28, consideration of the motion of Mr. Ouellet (for the Prime Minister) that Bill C-42, to establish the Canada Post Corporation, to repeal the Post Office Act and other related acts and to make related amendments to other acts, be read the second time and referred to the Standing Committee on Miscellaneous Estimates.

Mr. Jim Hawkes (Calgary West): Madam Speaker, in the context of the preceding hour and a quarter I think I have to deal with some of that as part of my remaining 16 minutes. However, I was interested that the parliamentary secretary mentioned that there were members of the postal union in our gallery today. I too welcome them on behalf of the members of this party.

I would like to point out to the members of the union who sit in the gallery that I have been waiting anxiously for over three weeks to finish the speech I started. I would like to point out to members of this House that it is the government which controls the order of business. It is the government which has decided not to debate the postal bill for the last three weeks. It was in fact the government which decided not to bring this bill forward in May, and it is the government which will probably leave this chamber, talk to the news media and accuse us of breaking agreements and talking out bills. That was my experience when I began this speech three weeks ago.

The tone of the press articles related to my attempt to deal with the postal bill had two misinterpretations of what I was attempting to do in this chamber. The first was that I was using the time of the House to deal with the issue of closure, and I was not. I made no deliberate attempt to talk out the bill. I, like any member of this chamber, am entitled to speak about the legislation which the government places before us. I, and other members of this chamber, have an obligation to study that legislation and to think it through, and if we feel we have a contribution to make to the development of that legislation, we have an obligation to attempt to speak in this chamber.

I did use analogies to the constitutional debate. In the three weeks which have intervened, the positive side of that constitutional debate is the fact that members of the Conservative party of Canada in this House, because of the public exposure of this House, have been able to marshall public opinion to the point where the Canadian public now has an opportunity to view on television and to listen by way of radio to how a committee of Parliament functions.

● (1620)

It should be clear to the Canadian public, after the last few days of broadcasting of that committee, that it is in fact the members of the Liberal party, the government party, who control the debate in committees. It should be much more clear to the Canadian public that the rules of this House provide for standing committees to be dominated in their voting strength by members on the government side. It should be clear to members of the House and to Canadians generally that in such a situation it is possible for prime ministers and cabinet ministers to put considerable pressure on members of standing committees to use up the time in asking non-incisive questions and voting as instructed.

Once this House completes second reading of the postal bill, the bill moves to committee where there will be no television, no broadcasting, and no opportunity for members of the opposition to bring to the attention of the Canadian public what may be wrong with the bill. In the House we have a simple tool, that is, television in the House and the potential for radio broadcasting, which gives us as the representatives of the people the opportunity to make Canadians aware of what we perceive to be the positive as well as the negative features of legislation. It is in that context that I wish to continue my remarks for the ten minutes that I have left. We do not seek to delay, we take our responsibility seriously and we seek to improve legislation so as to create a better world for Canadians within the context of pieces of legislation.

Since I began working on this speech three weeks ago I have learned a lot. I am a relatively new member of this House and I have the opportunity of watching how this government functions. Today we have had closure imposed on the constitutional committee; we were denied the opportunity to call witnesses and to continue discussions in committee beyond December 9, in spite of the fact that all the witnesses who have appeared before that committee indicated extreme dissatisfaction with the bill. When the postal bill moves to committee, will we face the same kind of closure? If the government is consistent, which I believe it is, then we will face that kind of closure. Ministers will use their majority to decide what amendments to accept, what amendments to reject and what witnesses to hear, and we will end up, as a consequence of a

process of that kind, with legislation which is not as good as it could be and should be.

I said to the Minister of Justice (Mr. Chrétien) the other evening that a government which deals with a free people, when it seeks to govern without the support, without the help of those who are to be governed, invites revolution and imperils the will of the people affected to work together and, in the case of the constitution, perhaps even the will to survive as a nation. The protection that free people have is a free forum, a Parliament to which people elect their representatives and where the procedures are such that those who are elected are entitled to speak out on behalf of those whom they represent.

It is in that context that the Postmaster General (Mr. Ouellet) began his remarks on this bill. I want to remind everyone that he began those remarks by telling us that some ten years ago a Liberal government brought changes to the Post Office without adequate discussion and consultation. The consequence of that action was a postal service which Canadians have judged not to have been satisfactory in this decade.

As we look at the constitutional bill and as we look at the budget we see the mistakes of ten years ago being repeated, namely, lack of consultation, lack of common sense, lack of respect for the process of discussion and dialogue. Not only does this imperil the postal delivery service but, in my view, it imperils a nation in political terms and in economic terms. The government may seek to blame the opposition for delaying this bill and they will succeed in the short term, but those who work in the Post Office and those who represent them here today in our galleries might be wise to listen to the debate and to decide for themselves whether the points which we raise in the process of the debate should be listened to. I would feel somewhat better had the Postmaster General been present to hear any part of my remarks. I hope a person on his staff will at least read them to him.

In the postal bill before us, at page 4 in clause 5(2), we have a provision which looks innocuous. This reminds me of the charter of rights. When Canadians first saw it, it looked good, it looked innocuous. As we hear testimony in the constitutional committee, we find it to be dangerous, badly worded, and likely to change the very nature of this country in some unpleasant ways. That is what we find when we examine it word by word.

If we look at just the four simple objectives of this new Crown corporation, what do we find? Clause 5(2)(*a*) reads:

the desirability of improving and extending its products and services in the light of developments in the field of communications;

That sounds as if we wanted a better Post Office, and who could object to that? But that objective for the Crown corporation, coupled with what we find in later clauses—the regulatory powers which I am sure the hon. member for Wellington-Dufferin-Simcoe (Mr. Beatty) will address more articulately than I can—will result in the creation of a new Crown corporation to run our Post Office, a Crown corporation with the power of massive intrusion into the private sector in this country. I ask the Postmaster General: is he handing the board of directors and the president the tools to throw every courier service in this country out of business? The minister may say he does not intend to do that, but I ask him whether or not these words will allow him to do that, because, if they do, they must be changed.

Canadians do not want the Post Office running more of our economy. They want a Post Office running an efficient mail service, a Post Office which is humane to its employees, a Post Office which brings work satisfaction and which helps the economy of this nation by providing an efficient service. Why does the minister seek, in the objectives of this corporation, greater intrusion into our lives, an intrusion which is not sanctioned by Parliament on a piece by piece basis but which will be sanctioned by a president and a small board of directors?

● (1630)

What does clause 5(2)(*b*) indicate to us? It indicates:

—the need to conduct its operations on a self-sustaining financial basis while providing a standard of service that will meet the needs of the people of Canada;

We would like a post office which provides a good and efficient service and pays for itself. We must be very careful of words drafted by the government opposite, because it also hands that small group of people, that small board of directors appointed by the government, the power to tax Canadians. If it is to be self-sustaining, they get to levy the charge; no one is allowed to intrude on their area of jurisdiction and Parliament has no control over it.

On October 28 we sat in the House of Commons and listened to the Minister of Finance (Mr. MacEachen) take another Crown corporation called Petro-Canada and give its board of directors the power to tax Canadians without representation. That is what he did with that Crown corporation, that is what he wants to do with the postal bill. That gradual, creeping tendency to hand over taxation powers to appointed people runs counter to our principle that people should be elected and accountable to the voters of this country when they have the right to tax those voters.

The third objective contained in clause 5(2) reads as follows:

(c) the desirability of utilizing the human resources of the corporation in a manner that will both attain the objects of the corporation and ensure the commitment and dedication of its employees to the attainment of those objects—

Surely that is a motherhood clause which we hope any business enterprise would hold dear. But do they couple it anywhere in this legislation with the requirement for a comprehensive audit which will make it clear to government and to Canadians that in fact that is occurring? I suggest that they do not. They state it as a goal, but the machinery to protect the employees of the Post Office is lacking.

Now I come to the last objective which is a strange one in the context of the preceding three. It reads:

(d) the need to maintain a corporate identity program approved by the governor in council that reflects the role of the corporation as an institution of the Government of Canada.

In light of the PetroCan experience, I cannot help wondering whether that corporate identity will be invented in New York City rather than in Canada.

The Acting Speaker (Mr. Ethier): Order, please. I regret to interrupt the hon. member but his allotted time has expired. In order for him to continue he requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Hawkes: Thank you, Mr. Speaker. I will try to wind up my comments rather quickly. I cannot help wondering whether that logo will be invented in New York City rather than in Canada. I cannot help wondering how much it will look like the Liberal campaign symbol, because historically that has been the experience with the government.

I should like to conclude with one last comment. The reasons for alienation of employees in an organization, or people in a country, are usually found in the little things. The fact that today in the province of Alberta there is a shortage of 150 letter carriers does not do the cause of national unity any good in the present climate. I urge the minister to start correcting some of the little aggravations, and we will help him design a good Crown corporation to do the job. It will take time, but in the meantime the minister should not let his department go; he should do something about improving the mail service in Canada today.

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Mr. Speaker, every Thursday for the past three weeks I have risen in my place, at the beginning of orders of the day, to make a request of the government House leader regarding House business. In each instance I have referred him to the report of the Standing Joint Committee of the Senate and the House of Commons on Regulations and Other Statutory Instruments. The fourth report of the committee was tabled by me in the House of Commons last July. It is before the House at the present time for study by hon. members and by the Canadian people.

The request I made of the government House leader related to Bill C-42 to create a Crown corporation for the Canada Post Office. I asked him whether he would accede to the request made unanimously by the members of the standing joint committee, of which I am one of the joint chairmen, that the government send the regulation-making powers contained in Bill C-42 to our committee for study after second reading. At the present time the government's intention is to send the whole bill to the Standing Committee on Miscellaneous Estimates for study.

My request to the minister was that those portions dealing with regulation-making authority, which would give the government incredibly broad power to make regulations in the dark of night, without consultation with Parliament, should be sent to our committee for scrutiny, for amendment if necessary, and for recommendations to the House of Commons as to whether or not they should be restricted in some way.

An hour ago the government House leader refused that request. He said that he was not prepared to accede to the request of the standing joint committee. Instead he offered that the Postmaster General (Mr. Ouellet) would appear as a matter of courtesy before the committee, but that the whole of the substance of the bill would go to the Standing Committee on Miscellaneous Estimates. That statement is unacceptable to me, and I believe it would be unacceptable to the members of the standing committee who have asked me to make this request of the government.

Earlier this afternoon the Parliamentary Secretary to the President of the Privy Council (Mr. Collenette) indicated that he felt there was an agreement or a disposition on the part of members of Parliament to put this legislation through today. I should like to indicate, as forcefully as I can, that, as the parliamentary secretary later recognized, there is no undertaking on the part of my party that this bill should be put through this afternoon. If the government is not prepared to come to its senses and to allow expert scrutiny of those regulation-making powers, then there are very dangerous powers in the bill which must be debated on the floor of the House of Commons.

I want to make an offer right now—and I will put it as directly as I can to the Postmaster General and the government House leader—if they want this bill through today, they will get it through today if they accede to the request I made earlier this afternoon on behalf of the standing joint committee. If they agree to send those regulation-making powers to our committee, then the members of the official opposition are prepared to accept the bill and allow it through today. But we would ask that all regulation-making authority, including the ability to set postal rates by the Post Office, be sent to the standing joint committee and that that committee have the power refused it earlier today by the government House leader to make amendments to those provisions, if necessary.

Why is it necessary? Why are the members of the standing joint committee concerned about this? Why do they feel that it is a matter of some urgency? I should like to refer the House to paragraph 67 of the committee report which deals with some of the threats that are created when the government asks for a broad regulation-making power which gives it the authority to make regulations in the dark of night without having to come back to Parliament. The paragraph reads as follows:

> Far too many statutes contain little or no indication of legislative policy and are neutral documents the object of which is merely to confer powers on the executive to act in certain vaguely defined fields. Moreover, these powers are granted in very broad terms so that little or no detail is given as to the content or type of delegated legislation that can be made. It is too easy to dismiss this type of statute as "skeletal"; the problem is more serious than that. Even a skeletal statute can be fairly specific about the powers it grants and what can be done under them. To many Canadian statutes are not specific in that way.

● (1640)

Further, in paragraph 69, the committee goes on to say:

> Your committee is convinced that the so-called principles used by the Department of Justice to justify the inordinate breadth with which powers are invested after passage are simply rationalizations for practices of great convenience to administrators but subversive of parliamentary supremacy over the law. The true practice and principle is simply this: the intentions of Parliament in delegating powers and the scope of the delegation should be beyond all doubt and clearly limited.

Paragraph 70 reads as follows:

Insufficient attention is paid to enabling clauses in bills before Parliament. They should be the subject of searching scrutiny during the committee stage. The Regulatory Review Committee—

That is the change in name we are asking be given to our committee.

—is well placed to undertake such scrutiny as it sees week by week the consequences of the powers so readily granted by Parliament in the past. Your committee, therefore, further recommends that the Regulatory Review Committee be charged with the duty and responsibility of examining and reporting upon all powers in bills to make subordinate law or to issue, make or establish other instruments. Its reports should be made to the appropriate standing committees of the Houses having the committee stages of the bills.

What could be a more reasonable request on behalf of the standing committee? That is the request that the members on this side of the House are making to the government today. We would expect some indication from the government as to whether it is willing to accede to that request.

Mr. Speaker, what is there in the bill itself that would give Canadians concern about the regulation-making authority? Members on this side of the House have indicated on numerous occasions in the past that we support the concept of a Crown corporation. We want to see measures taken which will improve the efficiency of the Post Office and make it so that Canadians have a guarantee that when they put a letter in the mail it will be delivered promptly and efficiently. We are convinced the organizational structure of a Crown corporation is one that could go some way toward making improvements, but there are serious flaws in this bill which give inordinate power to the government to operate by regulation.

What am I referring to, Mr. Speaker? I would bring to the attention of the House the regulation-making powers in the bill which make it clear that the Post Office will have the right and the responsibility to make regulations, including about 14 or 15 different regulation-making powers mentioned in here. It includes giving it the power to define, for the purposes of the act, what constitutes a letter. Why is that significant? If you look under the definition section on page two of the bill the government defines the phrase "mail conveyance" as follows:

"mail conveyance" means any physical, electronic, optical or other means used to transmit mail;

And the bill defines "transmit" as follows:

"transmit" means to send from one place to another by any physical, electronic, optical or other means;

The government then is giving the Post Office, by regulation, the right to define what constitutes a letter, including electronic mail, messages sent electronically or optically, not just in the way in which we have conventionally seen mail in the past—something that is physical which you can hold in your hand. When you couple that power to make regulations to sweep in the telecommunications industry of Canada under the ambit of the Post Office, and you couple that with the power of the Post Office, which is included in this bill, to declare a monopoly over the delivery of all mail in Canada, you can see that the government, by regulation, could be giving the Post Office the right to put the telecommunications industry in Canada out of business. This will happen unless it is prepared to go along with conditions set by the Post Office, as one of the interested players. That would be bad enough if it were simply in the private sector, if it were in areas currently regulated by federal statute. But when you take a look at provisions in this bill you discover that this bill extends the power of the government beyond what it has ever been in the past.

Section 3 of the bill, under Application, reads:

This act is binding on Her Majesty in Right of Canada or a province and on any agent thereof.

What does this mean? It means that telephone companies owned by provincial governments are suddenly to be swept under the regulation-making power of the Post Office and of the ability of the Post Office, by regulation, to define their right to have a monopoly in this area. It may seem absurd for us to think that the Post Office would seriously want, in the dark of the night, to exercise this authority. It may be that members of the House would feel that it is simply an oversight on the part of the government that this was included in here.

I would refer members to the Clyne commission report, which was produced last year. It is entitled "Communications in Canada" and it looked at the predecessor bill, C-27. It reads as follows:

The federal government should consider the introduction of amendments to Bill C-27 (for the creation of a Post Office corporation) with a view to clarifying the role of the corporation in the telecommunications structure as a whole, which must continue to include the private telecommunications carriers.

It points out precisely the concerns which I have raised this afternoon. These were concerns which existed in the predecessor bill. It was not just a case of sloppiness, that the drafters of the bill were not aware of the scope of the regulation-making power being given to the government in this bill. The Clyne commission pointed this out a year ago and asked that those provisions be redrafted in a very specific way to ensure that monopoly power could not be extended over telecommunications. Yet Bill C-42, before the House today, has not been changed to correspond with what the Clyne commission report recommended.

Members of the government may say it is silly to suggest they would even want to sweep these people in under their monopoly. And maybe they do not want that. We do not know; there has been no discussion in the House so far.

It is worth while to look at a document put out by the Post Office. We ask ourselves what is the effect of competition on the Post Office. Is the Post Office interested in getting into the electronic mail field? I should make it clear that we on this side of the House do not have objections to the Post Office getting into the field of electronic mail, as a competitor, but we object to them sweeping their monopoly powers over the whole of the industry to put their competitors out of business. Is that something which we should be concerned about?

Mr. Speaker, if we look at a document entitled "Considerations which affect the choice or organization structure for the Canada Post Office", which was produced by the previous Postmaster General in August, 1978, we find appendix C of the report entitled "Impact of Alternative Communications

Methods and Systems". It deals with potential competition to the Post Office under the titles of telephone, data transmission, couriers, facsimile, word processing, and funds transfer. In the summary it points out:

> The information funds transfer market—excluding mail and telephone—could be handling the following millions of letter equivalents by 1995:

It breaks it down to a grand total of 7,980 million letter equivalents. What this means is that the Post Office is projecting itself that by 1995 the telecommunications industry of Canada will be moving the equivalent of almost eight billion one-page letters. Those pressures will indeed be there upon the Post Office to extend its monopoly powers, and I think that Canadians have a right to be concerned. We should ask ourselves: would this also include companies like Bell Telephone? Could they be put out of business by what the Post Office is doing? On a cursory reading of the legislation before the House today, the answer is that probably they could. The Post Office, through its regulation-making authority, its power to define what constitutes a letter, could even define telephone conversations as letters. That power is totally unrestricted in the bill. If the minister wants to say that is not what they intend to do, then my response to him is: let us straighten up the language in this bill to make sure that it cannot be done.

The minister should be aware of the fact that the telephone system in Canada is digitizing and packetizing—if you will pardon the jargon—telephone conversations. What this means is that bits of information are turned into digital forms of communication similar to what is used for computers. They are moved into the packet-switching networks which cross this country, and they are moved along with electronic mail with computer communications in exactly the same way as electronic mail and other forms of electronic telecommunication exchanges. Oral communications over the telephone and electronic mail conveyed through packet-switching networks are virtually indistinguishable. There is no doubt in my mind that this bill would give the authority to the Post Office to sweep even provincially-owned telephone companies under the powers of its monopoly.

The issue is that if what the government is saying is that this is not its intention, and ministers have never said what their intention is in the field of electronic mail, to get involved in electronic mail except as a competitor, then let us word the bill so that they do not have the power, by regulation, without coming back to Parliament, to extend the monopoly powers of the Post Office in the telecommunications field.

● (1650)

If the government is saying that it wants to extend the powers of telecommunications so that there is a monopoly in the field, then it has the responsibility to come to Parliament and ask for that particular authority up front, as opposed to doing it by dark of night, by regulation. We are talking about a multibillion dollar industry upon which thousands of jobs in Canada rely, and about communications between individual Canadians and between businesses in this country. Surely Canadians and surely this Parliament have a right to expect that legislation put before Parliament should be worded in such a way that the intentions of the Post Office are made clear and that the Post Office is not asking for a blank cheque to extend its monopoly to whatever area it chooses.

This issue is vital to Canadians. I cannot think of a single bill before Parliament at this time in which the government is asking for broader more unfettered regulation-making authority than in the case of this bill.

It is essential that the government agree with the proposition which I proposed in the course of my remarks. If it is prepared to reverse what the government House leader said earlier, and send those regulation-making powers, including the power to set rates—which would be done by regulation with only the right of appeal to the Canadian Transport Commission—to the standing joint committee, then the members on this side would be prepared to let the bill go through tonight. But if the government continues to ask for carte blanche authority and refuses the unanimous request of the standing joint committee that this sort of action should be taken, then we would have the obligation to continue to raise these matters on the floor of the House.

I have some other concerns with regard to this bill which I would like to touch upon very briefly in the time that is still available to me. One thought which members of Parliament should have when looking at this whole issue of a Crown corporation is what is the government doing in terms of the powers it is giving to the Postmaster General and the governor in council.

Hon. members should also think about how the government's plans correspond with the stated policy of the government with regard to Crown corporations. Hon. members will remember that in the last Parliament our government tabled a Crown corporation bill which dealt with a number of these areas. That bill would have given the government the power to issue directives in the national interest to Crown corporations, but those directives would be public and would be tabled in the House of Commons within 15 days of their being issued.

This bill, however, gives that power to an individual minister or to the governor in council to be used either openly or secretly. This bill gives the Postmaster General the power to give directives secretly to the Post Office. In our Crown corporations legislation we said that it was essential that the boards of Crown corporations operating on a commercial basis be given the authority to do their jobs. If there are good boards, then let them run their corporations.

Unlike the Crown corporation legislation which may be brought forward in the course of the next two weeks by this government, and the Prime Minister has claimed parentage of that bill—I am glad to give him that parentage as long as I am at least called an uncle when the legislation comes back before the House—we believe it is essential that the board of directors of Crown corporations be given the authority to appoint vice-presidents. This legislation says that any appointments of vice-presidents must be confirmed by the governor in council. One can think of the opportunities of patronage which are available in such a bill.

Such appointments would also allow the government to monkey around with the day to day affairs of a corporation just as secret directive powers would give it the same authority. This bill also says that the governor in council, not the board of the new Crown corporation, will have the authority to set the salary scales for vice-presidents of the Crown corporation. Here again is another instance of where there is a collision between these two principles and where the government wants to have political hands on the functioning of the Post Office. I believe that should be changed.

There is another matter which should be of concern to Canadians. I do not know whether the Postmaster General has had an opportunity to see the article which appeared in Monday's edition of the "Trudeau Star", an authoritative source for the Liberal party. The lead editorial on Monday evening dealt with the issue of Bill C-42. It expressed alarm that if this bill goes through with its present wording, there could be a threat to privacy. The headline of the editorial is "A Threat to Mail Privacy", and it reads in part:

> The new act would make the prosecution of those who illegally open private letters more difficult, and it would lessen the penalties that may apply to those found guilty of the offence.

Members of Parliament should be aware of this provision, study it closely, and ensure that the sanctity of the mail remains intact and that the privacy of Canadians is not threatened by the proposals in this legislation.

In summing up, Mr. Speaker, I want to indicate to the minister that we are glad that he is coming before the standing joint committee. However, we hope that it is not a matter of courtesy to the committee, but a matter that the government has accepted the principle that the committee was correct when it asked that the regulation-making authority contained in the bill be sent to it for expert scrutiny and that this committee should have the right to make amendments to the regulations if necessary.

I would point out to the minister the concerns which I have about the relationship between this legislation, the Crown corporation bill which we tabled last year, and the bill which may come down later this session. I would also express on behalf of hon. members of my side concern about the question of the privacy of mail in Canada. That privacy must remain inviolable and the government should not be trying to sneak in through the back door reductions to the privacy of mail for Canadians under the guise of creating a Post Office Crown corporation.

If the government can meet these objections, I think it would be possible for Parliament to move on this legislation and to create a structure for Crown corporations which will allow employees of the Post Office to continue with the pride which has existed historically in the Post Office and which will allow Canadians the assurance that the mail will go through efficiently and on time.

Mr. Ouellet: Would the hon. member accept a question?

Mr. Beatty: Gladly.

Mr. Ouellet: Why is the hon. member discriminating against the Post Office Act? His request would be more natural if it were related to the Crown corporation omnibus bill to which he has referred and which he thinks will be before the House in the near future. Then his committee would be dealing with all the Crown corporations, not just the Post Office Crown corporation. Secondly, why is the hon. member making his request at this time when the report of the committee to which he has referred has not yet been approved by Parliament and when there is no precedent for what he is asking?

Mr. Beatty: Mr. Speaker, I am delighted to respond to the minister's questions. We are not discriminating against the Post Office bill.

Mr. Ouellet: You are.

Mr. Beatty: What we are asking for in the report, if the minister would read it—and I would be glad to send him my copy—is that the regulation-making authority in all new bills coming before Parliament after second reading be sent to our committee. The single most dangerous regulation-making authority which sits before the House today on second reading is Bill C-42. This is the broadest grant of authority by regulations being asked for by the government in any bill before Parliament today.

Earlier today when I asked the government House leader whether or not he was prepared to agree with this principle, he said "No", that he would take no action on the matter because he was waiting at least until he had a chance to decide whether or not he wanted to agree with the other task force report to be completed some months from now. I have received instructions unanimously from my committee, the Standing Joint Committee on Regulations and Other Statutory Instruments, to come before the House and request that this bill be sent to that committee.

Also if the government will accede to the request, we would be delighted to receive the Crown corporation legislation and, as we have requested, the regulation-making authority in any other bills which come before Parliament after second reading. That is my offer to the minister and we are asking in good faith. We are saying to the minister that he can get the bill through tonight if that is what he wants. We do not want any more press releases on the part of members opposite, or any claims of broken deals. The offer is being made openly. It is up to the minister.

Canadian Merchant Service Guild

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Ethier): Order, please. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Halifax West (Mr. Crosby)—Northern pipelines—Extension of natural gas pipeline to maritimes; the hon. member for Mississauga South (Mr. Blenkarn)—Finance—Canada Savings Bonds—Inquiry whether interest rate will be increased; the hon. member for Regina East (Mr. de Jong)—Environmental affairs—Chemical testing—Availability of studies.

[*Translation*]

It being five o'clock, the House will now proceed to the consideration of private members' business as listed on today's order paper, namely, private bills, notices of motions and public bills.

PRIVATE BILLS

[*Translation*]

CANADIAN MERCHANT SERVICE GUILD

Mr. Pierre Deniger (Parliamentary Secretary to Minister of State (Multiculturalism)) moved: That Bill S-12 respecting the Canadian Merchant Service Guild be read the second time and referred to the Standing Committee on Miscellanous Private Bills and Standing Orders.

● (1700)

[*English*]

He said: Mr. Speaker, it is with great pleasure that I introduce Bill S-12, respecting the Canadian Merchant Service Guild which has been petitioned by Mr. Cook and Mr. Sjoquist, President and Secretary Treasurer of the Canadian Merchant Service Guild. This bill has two purposes. First, it is to ensure the Canadian Merchant Service Guild exists legally. Second, it is to tailor the act to the current needs of the 1980s. I have discussed this bill with members opposite and I sense a willingness to proceed with the bill without debate. Therefore, I commend this bill for favourable consideration on second reading so that it may be referred to the appropriate committee for detailed study and analysis.

Mr. John McDermid (Brampton-Georgetown): Mr. Speaker, I rise on behalf of the official opposition. We have had discussions with the parliamentary secretary. We, too, would like to see Bill S-12 concerning the Canadian Merchant Service Guild move into committee.

Hon. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, that is our position, too.

[*Translation*]

Motion agreed to, bill read the second time and referred to the Standing Committee on Miscellaneous Private Bills and Standing Orders.

* * *

MONTILAC LTD. AND SOCAM LTD.

Mr. Claude-André Lachance (Parliamentary Secretary to Minister of State, Trade), moved that Bill S-13, to revive Montilac Ltd. and Socam Ltd., be read the second time and referred to the Standing Committee on Miscellaneous Private Bills and Standing Orders.

He said: Mr. Speaker, we are dealing with Bill S-13, an act to revive a company dissolved some time ago under section 133(1) of the Canada Corporations Act. I have had the pleasure of discussing this bill with representatives of the parties here in this House, and I feel the House is willing to refer this bill to the Standing Committee on Miscellaneous Private Bills and Standing Orders for discussion. I thank the House for its kind co-operation.

[*English*]

Hon. Sinclair Stevens (York-Peel): Mr. Speaker, it is true that we have no general observations to make at this time with respect to this bill. However, I did indicate to the parliamentary secretary that there were certain matters we hoped he would comment on, namely, have these companies been able to file with the Quebec authorities? What is the position of the creditors that may be involved with respect to these companies? Finally, what is their standing with respect to Revenue Canada? Have these companies maintained income tax filings, presumably paying whatever taxes that may have been owing?

[*Translation*]

Mr. Lachance: Yes, Mr. Speaker, I gave the hon. member my word that I would get the information he has requested, and when the petitioner, Mr. Gagnon, and his counsel appear before the committee we will have the opportunity to discuss these matters until he is satisfied with the information he is seeking.

[*English*]

Hon. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, we believe the place to discuss this bill is in committee.

[*Translation*]

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

Some hon. Members: Agreed.

Motion agreed to, bill read the second time and referred to the Standing Committee on Miscellaneous Private Bills and Standing Orders.

* * *

TREMUS INDUSTRIES LIMITED

Mr. Claude-André Lachance (Parliamentary Secretary to Minister of State, Trade) moved that Bill S-14, to revive Tremus Industries Limited, be now read the second time and referred to the Standing Committee on Miscellaneous Private Bills and Standing Orders.

He said: Mr. Speaker, as in the previous case, this bill seeks to revive a corporation which was dissolved under section 133 (1) of the Canada Corporations Act. As I indicated to the hon. member for York-Peel (Mr. Stevens), I intend to ask the petitioner and his counsel for the information he is requesting so that we may in committee deal with all matters relevant to this bill. Once again I thank the House and all hon. members for their courtesy in agreeing to refer this bill to the Standing Committee on Miscellaneous Private Bills and Standing Orders.

[*English*]

Hon. Sinclair Stevens (York-Peel): Mr. Speaker, on the basis of the statement just made by the parliamentary secretary, we have no objection to second reading being given to this bill.

Hon. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, agreed.

[*Translation*]

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

Some hon. Members: Agreed.

Motion agreed to, bill read the second time and referred to the Standing Committee on Miscellaneous Private Bills and Standing Orders.

[*English*]

The Acting Speaker (Mr. Ethier): Shall all notices of motions stand?

Some hon. Members: Stand.

Native Rights

PRIVATE MEMBERS' PUBLIC BILLS

[*English*]

BRITISH NORTH AMERICA ACT, 1867

MEASURE TO AMEND

Hon. Warren Allmand (Notre-Dame-de-Grâce) moved that Bill C-212, to amend the British North America Act, 1867, (native status, treaties and aboriginal rights) be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

He said: Mr. Speaker, the purpose of this bill is to entrench in the Canadian Constitution those rights belonging to our aboriginal peoples, the Indian, status and non-status; the Inuit and the Metis. Among those rights are their rights to land, their aboriginal rights, their rights to resources, their rights to govern themselves as they see fit, their treaty rights, and so on. I will describe these in greater detail later.

The purpose for wanting to entrench these rights is that they have been continually eroded over the last 100 years by the legislative assemblies of the provinces and by the federal government. By entrenching these rights in the constitution, we would hope to put them beyond the ordinary legislative processes of the federal and provincial governments so that they could not be touched in any other way except by constitutional amendment. I say that their rights have been abrogated, rescinded and reduced over the years. This is true with respect to Indian reserve lands, their fishing rights, their hunting rights, and with respect to their rights to govern themselves as they did before the Europeans came.

The ideas in this bill are not completely my own. These are ideas I have heard over the years from attending Indian conferences and Inuit conferences. They are ideas formulated by examining resolutions adopted at those conferences and by sitting and listening to aboriginal peoples all over Canada. What I have tried to do is put in a form of a bill what I perceive their wishes to be, and with which I agreed.

I must say that I drafted this bill last spring. When I drafted it and presented it to the House of Commons for inclusion in the list of bills, I realized it was not the best possible bill, that it was subject to some defects and could be much better. Over the months which passed since last spring, better ideas on the subject have been presented. In the speech the hon. member for Nunatsiaq (Mr. Ittinuar) made on the constitution a few weeks ago, he presented some ideas with respect to these matters which are an improvement on my own. He brought these forward from the ITC and other Inuit organizations.

● (1710)

As well, the National Indian Brotherhood has been working on this matter in recent months. They recently came up with what I believe to be a much better draft for these rights than my bill. That having been said, the principles in my bill are fairly close to the principles in both the Inuit and NIB

proposals which have been distributed to members of Parliament in recent weeks.

In discussing the constitutional proposals presently before Parliament and now being discussed in committee in Room 200 of these Parliament Buildings, the government said they want to protect native rights in Canada. Consequently, they have put in the proposed resolution for a joint address to Her Majesty regarding the Constitution of Canada, article 24, which they say will protect and guarantee those rights for the time being.

I completely disagree with that suggestion. I want to explain that in this House. I attempted to do it in the very short period of time given to me the other day in committee when I discussed this matter with the Minister of Justice (Mr. Chrétien). I hope I made a few points with him, but one is limited to five or seven minutes in that committee. I did not have much time to develop an argument. Article 24 presently reads:

> The guarantee in this charter of certain rights and freedoms shall not be construed as denying the existence of any other rights or freedoms that exist in Canada, including any rights or freedoms that pertain to the native peoples of Canada.

Any person who can read and reads this section slowly will conclude that little is protected when it says "the guarantee in this charter shall not be construed as denying the existence of any other rights or freedoms that pertain to the native peoples of Canada." In other words, it is only what is in this charter which will not deny any rights to native people. The article does not say that the rights of native people cannot be revised, abrogated or rescinded by other laws of federal or provincial governments, which is the real basis of my disagreement.

Even if you pass article 24 as it is, the Parliament of Canada could introduce a bill next week expropriating Indian land. The legislative assembly of a province could introduce a bill taking away hunting and fishing rights belonging to Indians. This could go on all over the country. All this article says is that there is nothing in the charter that will reduce Indian or native rights. It does not say that native rights cannot be reduced by any other bill or legislative measure. It is extremely defective in protecting native rights. That is not much better than nothing at all.

What could be done, and I hope the government will consider this seriously, is to amend the constitutional proposals to adopt some of the suggestions in my bill. Better still, it could use the proposals published by the National Indian Brotherhood which will be discussed before the standing committee, hopefully within a couple a weeks. Either they should completely revise article 24 with a series of other articles which will really protect Indian and native rights, or take some measures to make article 24 effective. That could be done very easily.

Some people ask why must these rights be entrenched in the constitution. I will deal with the different ones and go through them, starting with the easiest ones first. First, there is the matter of treaty rights. The Crown on behalf of Canada and the British Crown concluded treaties with many of the Indian groups in Canada when they came in the eighteenth and nineteenth centuries because they were taking lands which belonged to these people, as well as their resources. They were overrunning territories these people had occupied for thousands of years when they were sovereign nations. They formed treaties with these people saying that in exchange for certain recognition, they would guarantee their rights.

Over the years the legislative bodies of this country, the Parliament of Canada and the legislative assemblies of the provinces, passed laws which took away those rights which were granted to the Indians in these treaties. I say it is wrong, and over the years the Indian people have said it is wrong. The government of the United States recognizes the treaties which they signed with native people prevail over ordinary legislation. They look on these treaties as international treaties. They have a special status. What the Indian people are asking, and what I am asking in my bill, is that treaty rights be entrenched in the constitution so they cannot be rescinded by ordinary legislation of the provinces or federal government. That is number one.

Second are the rights which were set out for the native people in this country, and that applies to the Indians, the Inuit and the Métis, in the royal proclamation of 1763. In that royal proclamation there are several sections guaranteeing the rights of Her Majesty's Indian, Inuit and so on. That document, which is supposed to be a constitutional document and in a sense should be entrenched, was never entrenched.

The legislative assemblies of the provinces and the Parliament of Canada have taken away some of those rights. They have not respected the rights set out in the royal proclamation of 1763. The courts have not respected them. They looked on that royal proclamation as something less than an entrenched constitutional document. The second thing I ask in my bill and the native people ask in their document is that all the rights in the royal proclamation of 1763 be entrenched in the constitution so they will be protected from the ordinary legislative processes.

The third, aboriginal rights, is more difficult. Some members of Parliament ask what they are. They say because we do not know what they are, we cannot entrench them. In a nutshell, aboriginal rights are all those rights which the Indian nations and Inuit nations possessed in this country before the coming of the Europeans. I must say that I am incensed every time I hear my colleagues talk about the two founding peoples of this country as being the English and the French. They speak as though they were the first to come here, as though no civilization existed here before that. They say that as though the people who were here before were not people at all. However, they were people. They had civilization, societies, laws, languages, cultures and economies. Consequently they had rights, and these are their aboriginal rights.

When the Europeans came here, the French, English and Spanish, in most cases they did not get contracts with the aboriginal peoples. They did not make contracts by which these people gave up their rights legally in accordance with the European legal system. In most cases they took them by force of numbers, arms and, in some cases, advanced technology. They just overran these people.

● (1720)

Consequently, in accordance with our own principles of justice, if you have a right and you have never given it up, you still have it. That is what we mean by aboriginal rights. These people had rights then. They have never given them up. They never agreed to the BNA Act of 1867. They were not even asked for their agreement. They never gave up many of their lands. Some of them gave up some of their lands in treaties, but treaties only cover a small part of this country where native people have lived. Aboriginal rights existed, and they still exist.

A few years ago the Government of Canada agreed to negotiate the exact terms of those aboriginal rights with the original people of this country—the Indians, the Inuit and the Metis—and it is in the process of negotiating those rights. In its policies the government agreed that they exist, but now it is just a question of defining them in particular, and I am saying that that policy the government has adopted that there are aboriginal rights, even though we do not know what they are in detail, should be put in the constitution so that those aboriginal rights will not continually be eroded by the Parliament of Canada and by the legislatures of the provinces.

That is taking place, even while the negotiations are going on. Lands which are claimed by different bands across the country and lands which are being claimed by Inuit communities are being sold to non-native peoples. Mineral rights are being granted in perpetuity to large multinational corporations. By the time agreements are reached, we will be in a situation in which it will be very difficult to return those lands to the peoples who really have rights to them.

When we have put questions to the Prime Minister (Mr. Trudeau), the Minister of Justice, and the Minister of Indian Affairs and Northern Development (Mr. Munro) with respect to the negotiation of these matters and their entrenchment in the present constitutional document which is before Parliament, they have answered time and again that they are interested in the subject but that they will do it after patriation and that it will be a matter of high priority once the constitution is brought to the country. I have said before, and I will say again, that that is not acceptable, because once the constitution is patriated we will have to go through that very difficult amending formula which is in the constitutional proposal.

Some hon. Members: Hear, hear!

Mr. Allmand: If the government has seen fit to proceed unilaterally on the rights of Anglophone minorities, Francophone minorities, mobility rights, the rights of women and the rights of the aged, which I approve, surely it should protect the rights of the original people of this country who number no more than perhaps 1,050,000 people. The government should certainly entrench those rights as well. It could easily be done. Different formula are already available. My bill is available. The NIB proposals are available. The Inuit Tapirisat proposals are available. It could be done even within the short deadline set by the government.

I maintain that justice demands that we do this in this country. Until this matter is settled it will continue to be a black mark against the majority peoples of this country, and if we think that the protests up to date have been sometimes stormy, as they were in about 1975 when Indians from all over the country marched on Parliament Hill and camped on Parliament Hill, they are going to be stormier still. The native people of this country will not rest until these things are entrenched. Sure they are going to Britain and to the United Nations, and they will go to other international bodies because they are not being listened to in this country.

It is a sad thing that they have to go abroad to get public attention with regard to their rights. In principle we do not like that, but when you have been denied so many times, you will use whatever means at your disposal, and that is what they are doing. I say that justice demands that we correct this. I see two eminent parliamentary secretaries here, the Parliamentary Secretary to the Minister of Indian Affairs and Northern Development (Mr. Chénier), and the Parliamentary Secretary to the Minister of Justice (Mr. Irwin). I hope they will not give me the same answer they gave me on the adjournment debate a few weeks ago. I hope they will be able to tell this House that the government recognizes that article 24 of the constitutional proposal is really not adequate and that the government intends to amend that section to protect treaty rights, the rights in the Royal Proclamation of 1763, and aboriginal rights, and that they will be protected in a positive way in the proposal. As I said, they can borrow from my bill or from any other documents. I hope they will say that this will be done now and not after patriation.

Furthermore, I would be extremely pleased if they would do with my bill as has been done with other bills from time to time, that is, agree to refer the subject matter to the Special Joint Committee on the Constitution so that the joint committee can consider the proposals in my bill. In that way they will not be talked out or killed tonight as private members' proposals usually are.

I conclude by saying that I personally am committed to this cause. I think it is just. For me, not to do it is one of the most glaring injustices in this country, and I will continue to do everything in my power to work for the entrenchment of those rights. I ask the representatives of the government who are here this evening to agree to protect those rights in the way they should be protected.

Mr. Lorne Greenaway (Cariboo-Chilcotin): Mr. Speaker, I welcome the opportunity this bill gives me to speak on the subject of the constitution, and I am particularly pleased to speak about this specific area which greatly concerns me.

I must congratulate the hon. member for Notre-Dame-de-Grâce (Mr. Allmand) on the timing of his bill, which appears before the House at a time when the very treaties and special rights of our aboriginal people are threatened. I do not think I have ever heard this subject spoken about more succinctly and strongly. What the hon. member just said to us is right to the point. I agree with him 100 per cent.

Obviously, the hon. member must have strongly suspected, or even knew, that the issue of native rights would be left out of the constitutional resolution, and it grieves me that a previous minister and former minister of Indian affairs was not listened to by his caucus and by the Liberal government.

Native people are threatened today by a government which is determined to alter the structure of Canada according to an artificial timetable. The bill which my colleague has presented to the House goes a long way toward reducing that threat.

The importance of this bill cannot be overestimated. It is of vital importance to the native people of our land, and it is of vital importance to all Canadians who wish to see simple justice prevail. If we believe in justice, for heaven's sake we must believe in what this bill is trying to tell the people of Canada.

The Minister of Justice (Mr. Chrétien) has said that he would study and consider any written proposals on the constitution presented to him. This bill gives the minister an opportunity not only to study and consider this written proposal, but he can also demonstrate his good faith by supporting this bill. In addition to that, the minister would be recognizing the basic justice contained in this bill. The minister must recognize the basic justice in Bill C-212 because his party acknowledged the legitimacy of the native argument in a recently leaked document. This document is just another in a long line from the government. This time it is from the federal-provincial relations office, and it is entitled "Briefing material on Canada's native peoples and the constitution". What the document does is lay out the game plan of the government vis-à-vis how to handle the problem which will arise with respect to native people. It appears to have been written in the last two or three weeks.

I would like to quote from this brief which has emanated from this increasingly leaky ship of state. On page one it states, and I quote:

> Native leaders would like to achieve goals in the patriation process which are remarkably similar to those of the federal government vis-à-vis the Canadian people as a whole.

If native goals are remarkably similar to the goals of the federal government on the constitutional resolution, one would assume that the federal government's sense of urgency with respect to native aspirations would be remarkably similar to that which it is expressing concerning the Canadian people as a whole. If the government denies the urgency or the legitimacy of the goals of the native people, then obviously it must be denying the legitimacy of its own goals concerning the constitution. The government can recognize both the legitimacy and urgency of the aboriginal goals by urging its supporters to vote in favour of Bill C-212. The two issues are not separate, but are remarkably similar.

● (1730)

Bill C-212 recognizes this relationship, and is designed to attack the injustice of trying to treat the native issue separately. The treaties and rights of the aboriginal people of Canada are a type of constitution for our first citizens. When the patriation and amendment of our constitution is considered, we cannot separate this process from the constitution of the native people. Change in one automatically causes change in the other. Bill C-212 merely acts as the change in the native constitution to compensate for the change in the Canadian constitution.

The sad thing is that the Prime Minister (Mr. Trudeau) recognizes this relationship, but refuses to acknowledge it. This can be seen most vividly by a comparison of two documents written a matter of days apart. The first document is the one to which I have been referring—the briefing material on Canada's native peoples and the constitution. The second is a letter sent to the native leaders by the Prime Minister, dated October 30, 1980.

In the five-page letter to the native leaders, the Prime Minister said, and I quote:

> In short, I believe that constitutional change after patriation will become easier, rather than harder—

In the brief, on the other hand, we are informed that:

> —entrenching their rights will be enormously difficult after patriation, especially since a majority of the provinces would have to agree to changes which might benefit native peoples at the expense of provincial power.

Obviously, there is some difference between these two statements. The difference seems to be between public government policy and actual government policy. As usual, the native people are being subjected to double talk, half truths, and false promises.

The Prime Minister has told the leaders of the aboriginal people that they have nothing to worry about; that entrenchment will be easier after patriation. However, when he told the leadership this, he knew that, in truth, entrenchment would be more difficult after patriation. How can the aboriginal people be expected to trust the government to protect their rights after patriation of the constitution, when he misleads them on that very issue before patriation?

There is another area of conflict between these two documents, the public voice of the government and the private voice of the government. The private voice of the government says:

> The status of Indian treaties and of existing and future native land claims is not clarified by the proposals of section 24.

The public voice of the government, The Prime Minister, says:

> Let me respond to your worries by saying that I am personally convinced that your people will lose nothing in this act of patriation.

I say, balderdash! The native people will lose something for certain; they will lose the opportunity to entrench their rights and treaties. Clause 24 works against the entrenchment of rights and treaties. By failing to entrench clause 24, the government leaves the question of native rights at the mercy of the provinces, which it acknowledges, will not likely agree on this issue. Bill C-212 removes any doubt on this matter. Bill C-212 would guarantee the rights and treaties of the aboriginal peoples. The government has before it today an opportunity to rectify this glaring deficiency.

Bill C-212 has another characteristic which should appeal to the government. It would be quick. Speed appears to be an

overriding consideration in this brief on native people and the constitution. Let me quote once more from this informative document. It reads:

Given the need to act, therefore, and the government's timetable, entrenchment of native rights before patriation is not possible.

Later, on that same page, the brief goes on to say:

The native leaders argue that the possibility of federal unilateral action on the constitution under present conditions includes an opportunity for the federal government to unilaterally entrench native rights. This opportunity would be lost after patriation. The answer here again is that the government has decided to move quickly.

The government does not deny the truth in the native leaders' argument. It argues that the artificial timetable imposed on Parliament is the only real time constraint. If the government is determined to ram through patriation within such an unrealistic time-frame, the very least it could do would be to ensure that the rights and treaties of the aboriginal people are protected. Bill C-212 performs this function.

The government has stated that it does not feel the native people have anything to fear from the patriation of the constitution—that it will act to protect those aboriginal rights and treaties to the maximum. A fine illustration of this commitment was recently given by the Parliamentary Secretary to the Minister of the Environment (Mr. Simmons). Last month the acid-tongued member for Burin-St. George's stated in a speech to the Canadian Institute of Forestry in Ottawa:

The federal government itself owns or controls about 18 per cent of Canada's forest land. While it is true that most of this land is in the north, there are over one million hectares of forest land in Indian reservations within provincial boundaries.

This unilateral patriation of Indian land should come as a surprise to all the native people of Canada. Until the speech was made, they were under the impression that forest land on their reservations was in fact their own property. I am sure the parliamentary secretary was looking to the future when the constitution has been patriated and he can more easily accomplish this land grab. I would be very pleased if we could surprise the Parliamentary Secretary to the Minister of the Environment today by robbing him of that opportunity. We could do this by simply passing Bill C-212. The bill before us would protect the aboriginal people from this sort of high-handed approach to their treaties, rights and heritage.

Finally, Mr. Speaker, I would like to thank the hon. member for Notre-Dame-de-Grâce (Mr. Allmand) for giving me this opportunity to support his bill. It is an expression of his real concern for the aboriginal people of Canada that this vital piece of legislation is before us today. I can only hope that his colleagues will take up the challenge which he has presented to them and vote in favour of this amendment to the British North America Act.

Mr. Peter Ittinuar (Nunatsiaq): Mr. Speaker, I want to applaud the hon. member for Cariboo-Chilcotin (Mr. Greenaway) and to congratulate the hon. member for Notre-Dame-de-Grâce (Mr. Allmand) for putting forward a bill which recognizes the aboriginal people of Canada. I am delighted and charmed that members of the other two parties would feel so strongly about concerns for which my people and the Indians have been fighting for many years.

This bill contains two parts, one on Indians and one on Inuit. It is with reference to the Inuit that I should like to speak, albeit briefly. The underlying point is, I think, to advocate official recognition of the aboriginal rights of Inuit in the Canadian constitution as well as establishing mechanisms for acquiring some economic and political control over the structures which rule us in the north.

The government would have us believe that Clause 24, of the charter of rights—in my view, the latest insult to the natives of Canada—is adequate as it protects existing rights and freedoms. These so-called existing rights are contained in the Indian Act which is nothing but an administrative statute which can be overridden by Parliament at any time.

The BNA Act when drafted did not even mention Inuit. It merely gave the federal government power over "Indians and land reserved for Indians." Although the 1924 amendment to the Indian Act placed Eskimos under the Superintendent General of Indian Affairs, it did not mention property or any application of the Indian Act to Eskimos. In fact, former prime minister Arthur Meighen said:

The best policy we can adopt toward Eskimos is to leave them alone.

• (1740)

Such is not the case today. Their lands and their rights are being encroached upon in many ways which are detrimental to their livelihood. The section on Eskimo affairs was repealed in 1930. As far as Inuit are concerned, the Indian Act still does not apply to us; and we certainly do not mean any reflection upon the Indian people of this country. So much for protecting Inuit rights.

In the past the protection of our rights as Inuit was not as pressing as it is today. The past three decades have seen many changes take place in the north. Government activities prior to 1950 were minimal. Economic livelihood was largely land and sea based, and the fur trade provided the main source of contact between Inuit and southern society. Increased government presence in the north created a situation whereby Inuit were compelled to learn about southern-styled or world-styled politics, largely out of necessity rather than genuine or spontaneous interest. I am here in Ottawa out of spontaneous interest rather than genuine interest, and I say this in all truth. I do not have any heart to be here, but I must be here because of the encroachment on my people about which I spoke.

This holds true today. The Government of Canada has proposed the patriation of the Constitution of Canada. The constitutional resolution of the Prime Minister (Mr. Trudeau) does not recognize the collective aboriginal rights of Inuit. This may not have been important to us 30 years ago, but the implications today are somewhat frightening.

Especially after the sell-out to the United States every year, the north is now viewed as Canada's and North America's resource warehouse to be developed as needed. The 1980 national energy program indicated that the need for Arctic gas in Canadian markets may not arise for many years, yet we

should press ahead with exploration so that Canadians may have a secure source of oil and gas available as a safety net for the future. In the face of large-scale resource development, the traditional economy and lifestyles of Inuit, not to mention rights, are subject to constant strain.

We are talking here about very major social and economic changes. Some have occurred already, but more are on the horizon. The constitutional guarantees which Inuit seek will be proposed to the Joint House of Commons and Senate Committee on the Constitution when the Inuit committee on national issues appear before it. Constitutional recognition of the aboriginal rights and freedoms of Inuit will not solve all our present or future problems, but it will provide us with a base from which we can work toward solutions.

I am sure this was the intention of Bill C-212 and I heartily support it. While I agree with the hon. member for Notre-Dame-de-Grâce that the wording of the bill is not as exact as we would like it, we heartily support the principle and spirit of it.

Some hon. Members: Hear, hear!

Mr. Ray Chénier (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Mr. Speaker, it is certainly an honour to take part in the debate this afternoon with members such as the hon. member for Notre-Dame-de-Grâce (Mr. Allmand) and the hon. member for Nunatsiaq (Mr. Ittinuar). And I am very happy to see that the hon. member for Cariboo-Chilcotin (Mr. Greenaway), almost in opposition to the rest of his party, seems ready to propose some amendments to the constitution.

The subject matter of Bill C-212 concerns matters of fundamental importance to native people in this country—their treaty and aboriginal rights, their lands and their jurisdictional powers to control matters which affect their communities. These are matters which the federal government also views as matters of prime importance.

Mr. Kilgour: When?

Mr. Chénier: However, the government differs with respect to the process the bill sets out for entrenching and protecting such rights as may be determined to exist in these areas.

Mr. Kilgour: Big deal.

Mr. Chénier: The government is committed to a joint rather than unilateral approach toward constitutional change as it relates to native rights in Canada.

Mr. Kilgour: How soon?

Mr. Chénier: The Prime Minister (Mr. Trudeau) clearly set out the government's position in this regard in his letter of October 30, 1980, to the three presidents of the major native organizations. He made the following points: he is personally committed to ensuring that the voices of native peoples are heard in the process of framing a new constitution and that the government remains committed to working with them toward this end; that patriation of the constitution will not reduce or derogate from native rights in Canada; that the government remains committed to discussing with native peoples such matters as aboriginal and treaty rights, internal native self-government, native representation in political institutions such as Parliament, and the responsibilities of the federal and provincial governments for the provision of services to native peoples. He indicated that other items as well could be introduced in the course of the discussions. Finally, the Prime Minister said that he would seek to place the subject of native rights on the agenda of the next meeting of the first ministers on the constitution.

Mr. Kilgour: In 1987?

Mr. Ittinuar: Do you really believe that?

Mr. Chénier: The member on the other side seems to have a lot to say now, but when his party was in government it certainly did not do anything.

An hon. Member: In only eight months?

Mr. Chénier: In particular, at this time I would seek to allay two specific concerns raised by Indian people about the process of patriation of the constitution. First, patriation will not affect in any way the legal status of Indian treaties in the country, nor reduce the commitment of the federal government to honour them in their spirit and in their terms.

Mr. Kilgour: When?

Mr. Chénier: Moreover, as I have already mentioned, the Prime Minister may make a commitment that in future constitutional discussions with Indian people the federal government is prepared to look at treaty rights and examine, with the Indian people, the possibility of constitutional entrenchment of some or all of these rights as may be appropriate. Needless to say, on a number of issues surrounding native rights the process of discussion will both allow and require the participation of the provinces.

Second, I should like to allay a fear which has been expressed by some status Indian people concerning the federal government's use of the term "native" in section 24 of the patriation resolution. The term "native" has been used advisedly by the federal government. It is clear that it includes status Indians and Inuit. However, it also allows for future discussions of what rights may pertain to non-status Indians and Metis.

I should like to reiterate that the federal government is committed to a process of working jointly and co-operatively with native people toward constitutional change.

Mr. Kilgour: Why don't you do something about it?

Mr. Chénier: Section 24 of the patriation resolution is meant to safeguard special rights of native peoples by not prejudging or predetermining them.

Mr. Kilgour: Oh, come on!

Mr. Chénier: It leaves open the possibility of future entrenchment of such rights in the constitution, but only after a process in which native people have been able to contribute to their identification and clarification.

Mr. Ittinuar: You cannot believe that.

Mr. Chénier: Mr. Speaker, I could not be more honest because it is the truth. The steps being taken will not reduce the current status of native peoples in Canada. Section 91(4) of the BNA Act, which gives responsibility over Indians to the federal government, will be unchanged. The status of treaties will be unchanged. The Indian Act continues to be in force. The resource transfer agreements embodied in the British North America Act will continue to limit the application of provincial game laws in Alberta, Saskatchewan and Manitoba with respect to the right of Indians to hunt, trap and fish for food. In addition, the government remains committed to the process of dealing with the claims of native groups.

• (1750)

Section 24 of the constitution continues the existing protection of the native people's way of life by assuring that any rights or freedoms that pertain to the native peoples of Canada shall not be abrogated by the introduction of a guarantee in the Charter of Rights and Freedoms of certain rights and freedoms for all Canadians. This section is purposefully open-ended. There is, as I have said before, the possibility of future entrenchment of additional rights in the constitution such as those demanded by native peoples.

[*Translation*]

In short, I can only congratulate my colleague the hon. Warren Allmand for his interest in the rights and interests of the native peoples, Bill C-212 being an obvious proof of that. However, while I agree on the objectives, I must indicate that I do not share his view on the means to protect their rights and to entrench them in the constitution. The government's position, as stated in the resolution on the constitution and in the various speeches made by the Prime Minister (Mr. Trudeau) dealing with the participation of the native peoples in the constitutional review process, is based on consultation and co-operation with them and, when necessary, with the provinces.

[*English*]

We believe that a matter as important as the identification and entrenchment of native rights must take this approach if it is to succeed in the long run.

Mr. David Kilgour (Edmonton-Strathcona): Mr. Speaker, with respect to what the hon. member has just said I would profoundly disagree with virtually all of it. I do not think it is unparliamentary to say it represents nothing but hypocricy from the first word he said to the last. As the Civil Liberties Association pointed out in the committee hearings, what the so-called rights in this charter of rights represent is a diminution in the rights of Canadians. For instance, the first section says:

> —subject only to such reasonable limits as are generally accepted in a free and democratic society with a parliamentary system of government.

As you will be aware, Mr. Speaker, the Civil Liberties Association and a number of other groups have indicated, these words give the government the right to use the War Measures Act and provide other ways in it they can encroach on the freedom of Canadians and say there is a constitutional right to use such measures. Looking through these so-called rights and freedoms I suggest we will hear from all of the thoughtful people appearing before the committee that they represent a reduction rather than an entrenchment of any rights for Canadians. The section with respect to native rights is, perhaps, as hypocritical as any other in the charter. I will read it:

> The guarantee in this charter of certain rights and freedoms shall not be construed as denying the existence of any other rights or freedoms that exist in Canada, including any rights or freedoms that pertain to the native peoples of Canada.

I suggest that "native peoples of Canada" is an afterthought. I ask the hon. member on the government side who just spoke: what single native person, native group or association has spoken in favour of section 24? I submit there is not a single native person in Canada who agrees with what I call the nonsense we have just heard from the parliamentary secretary. That ought to be a pretty good test of whether the native people in Canada have any conviction that the government is trying to protect their rights. One could give a litany of what members opposite have done over many years to try to reduce the rights of native people, rights under their treaties and under the Indian Act. Incidentally, I would agree with everything that has been said by the hon. member for Notre-Dame-de-Grâce (Mr. Allmand). I think he expressed sentiments, as did the hon. member from the eastern Arctic, which the vast majority of members in my party agree with.

The point government members do not understand is that many natives in this country believe they have a special relationship with the monarch, that is, the monarch of Great Britain. This was better said by the hon. member for Notre-Dame-de-Grâce than I have said it. The native people feel that this relationship is severed by this charter of rights and that they would be losing something. This has been made clear to every member in this House. The special relationship they value has been referred to many times; they talk about the honour of the Queen and say it should not be jeopardized by violating their treaty rights and other of their accumulated rights.

The subject of aboriginal title has been mentioned as well. I do not think the parliamentary secretary appreciates that the concept of aboriginal title has been recognized in civilized countries, including the United States, where aboriginal title has been bought out or terminated at a cost in compensation of some $4 billion. Members opposite do not even recognize aboriginal title despite their charter on the subject. I think it is time that members like the member for Notre-Dame-de-Grâce spoke individually to members of the Liberal caucus about this.

In conclusion, I add my support to the other members in this House who have spoken in favour of the principle of the bill. Since it is just before six o'clock I move:

That the question now be put.

The Acting Speaker (Mr. Ethier): Order, please. There is a motion before us that the question now be put. But such a motion is also debatable.

The parliamentary secretary to the Minister of Justice.

Mr. Ron Irwin (Parliamentary Secretary to the Minister of Justice and Minister of State for Social Development): Mr. Speaker, I have come to appreciate the deep concern felt by the native people of Canada, a concern which the hon. member for Notre-Dame-de-Grâce (Mr. Allmand) has expressed. Time after time he has prodded the conscience of the government—

Mr. Kilgour: What conscience?

Mr. Irwin: We do have a conscience.

Mr. Kilgour: Show it to us.

Mr. Irwin: I suppose the hon. member opposite would work a lot harder for the Indians if they owned multinational oil companies.

Mr. Ittinuar: Is that why you work so hard for them?

Mr. Irwin: The proposed Bill C-212 was first read on May 2, 1980. It is a very broad bill and perhaps in its broadness, as has been mentioned by the hon. member for Notre-Dame-de-Grâce, stands its very weakness. For instance, section 133(c) of the proposed bill deals with a staggering number of rights such as aboriginal rights from time immemorial, rights by royal proclamation of 1763, treaty rights and aboriginal rights. Section 133(e) sets out the right to levy taxes. Sections 133(j) and 133(k) are almost as broad. Section 133(d) sets out that there shall be no expropriation without the express consent of the Indian people. This has been the recent policy of the government, a policy applauded by the Minister of Justice (Mr. Chrétien). But I think much more dialogue is needed before this right relating to expropriation is enshrined in the constitution.

Sections 133(*h*) and 133(p) of the proposed bill state that the Indian people and the Inuit people shall have all the rights of Canadian citizens. It is my feeling that if they do not have these rights—

The Acting Speaker (Mr. Ethier): Order, please. The hour set aside for consideration of private members' business having expired, I do now leave the chair until eight o'clock.

At 6 p.m. the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

CANADA POST CORPORATION ACT

MEASURE TO ESTABLISH CROWN CORPORATION

The House resumed consideration of the motion of Mr. Ouellet (for the Prime Minister) that Bill C-42, an act to establish the Canada Post Corporation, to repeal the Post Office Act and other related acts and to make related amendments to other acts, be read the second time and referred to the Standing Committee on Miscellenaous Estimates.

The Acting Speaker (Mr. Blaker): Order, please. When debate was interrupted at five o'clock this afternoon, the hon. member for Wellington-Dufferin-Simcoe (Mr. Beatty) had the floor. One would think that he has concluded his remarks in view of his absence at the moment. The Chair will recognize the hon. member for York-Peel (Mr. Stevens).

Mr. Robinson (Burnaby): Just a brief point of order, Mr. Speaker. In view of the fact that we are continuing discussion of the Post Office bill, I appeal to my friends in the Conservative party to consider permitting a very quick end to this debate so that we might get on with the freedom of information bill which, I understand, is next on the list. I wonder whether my Conservative colleagues would consider that proposal in the next few minutes, in which case perhaps we could proceed to a very important piece of legislation which is long overdue.

Hon. Sinclair Stevens (York-Peel): Mr. Speaker, on behalf of the official opposition, perhaps I could respond to the comments of the hon. member for Burnaby (Mr. Robinson) who has perhaps overlooked the fact that we are not the government today. Unfortunately it is the Liberal party which forms the government and it is their decision as to what order of business will be called at any particular time. I can assure the hon. member, however, that the freedom of information legislation is legislation of which my party has been a proponent for some time, and far be it from us to delay deliberations in this House if there is any possibility that we could be making progress with respect to that bill.

The fact is, the coalition has decided that the first bill they would like to have us consider today is Bill C-42, the Post Office bill. I have never understood why they cannot get their act together because here we have a backbencher of the NDP who does not seem to realize the coalition has agreed that Bill C-42 will be considered today. And that is what we are considering. Accordingly, we in the official opposition are speaking on the Post Office bill.

As my hon. friend indicated earlier today, we believe there are certain provisions in this bill which deserve very acute consideration before second reading is given. We have indicated, though, that if the government would take out the clauses

which touch on the regulatory aspects contemplated for the new Crown corporation, we are willing to pass the bill tonight.

We do not feel, however, that we should be called upon to give approval in principle to Bill C-42, so long as those offensive provisions are to be left intact especially when the measure is to be referred to the Standing Committee on Miscellaneous Estimates as opposed to the Joint Committee on Regulations and Other Statutory Instruments. I have had words with certain officials on the government side, and I hope that in the coming minutes, if not in the coming hours, consideration will be given to implementing our suggestion so that the bill can proceed tonight on the understanding that the questions on the economics, the form and the general character of this bill should go to the miscellaneous estimates committee and the sections which touch on regulatory matters to the standing joint committee.

Having said that, it is important that members give consideration to the question of what we are dealing with tonight because in many ways the deficit of the Post Office developed during the reign of the present emperor who is now over in Saudi Arabia or some place. I do not know where he is doing his dance tonight, but presumably he is doing it in one of those Arabian countries.

● (2010)

Mr. Knowles: It is tomorrow morning over there.

Mr. Stevens: My colleague from Winnipeg North Centre knows about the night life.

Mr. Knowles: I know the time of day, which is more than some of my Tory friends know.

Mr. Stevens: The hon. member for Winnipeg North Centre (Mr. Knowles) is drawing my attention to the fact that there is a time difference between Canada and where the Prime Minister (Mr. Trudeau) is now being entertained.

Bill C-42 has been a necessity because of the mess which has been made of our postal system by successive Liberal administrations. Slow mail delivery has become a common joke as most of us know. The postal service is used as a synonym for government inefficiency. In many ways I would suggest we see in the post office a small example, or a microcosm of how this government over the years under the present Prime Minister has mismanaged the economy in Canada generally. The inefficiency and inadequacy of the government is reflected first in the Post Office, the subject that we are considering tonight and, second, on a much larger scale, throughout our entire economic fibre.

We have before us tonight the subject of the Post Office and the question whether it should be turned into a Crown corporation. If so, what powers should the Crown corporation possess? It is very strange that we should have this matter before us at a time when the post office is running a deficit of $400 million to $500 million. The "blue book" forecast the deficit for 1980-1981 at $425 million. Yet a member to our left, from the NDP caucus—some say the far left, but these lefties all look the same to me—has the audacity to stand up in this House and say, "cut off the debate, I have other matters I want to get to". Mr. Speaker, here is something which is draining the public purse to the tune of over $400 million and our socialist friends, in their eagerness to support this Liberal government, are saying, "let us not discuss it too long. Let us get on to other matters".

Mr. Knowles: Your anger does not become you.

An hon. Member: What is the matter with that?

Mr. Stevens: I hear another socialist asking, "What is the matter with that?" The saying used to be, "What's a million?" Now they are saying, "What's $400 million?" That, in part, is what I want to deal with tonight.

Let us not forget that when the emperor took power in this country total revenues and expenditures with respect to the post office were approximately $300 million. Now we find that expenditures have gone up to $1,762 million. Revenues, as I have just indicated, are far, far behind that figure.

The significant thing, and I want to put this on the record very early, is the extent to which this government has mismanaged the Post Office. In the fiscal year 1967 to 1968—I hope hon. members will make a note of these figures—the total mail volume by number of pieces was 4.9 billion. In the 1979-1980 fiscal year the total number of handled items in the Post Office was 6.4 billion. In short, there was a 30 per cent increase. Normally, with the tremendous degree of automation we have paid for in the Post Office one would expect there would be a saving on costs, meaning less revenue would be needed, and that the deficit, if anything, would contract, not expand. One would expect that the number of workers in the Post Office today would be fewer rather than more. If there has been a 30 per cent increase in the number of items handled, then presumably, with today's automation—the sorting machines and all of the advanced technology—fewer people would be needed to handle what the Post Office is doing.

Let me put some more figures on the record. As I have said, the number of pieces handled by the Post Office has gone up 30 per cent. The total number of people working for the Post Office, based on the estimates for the years 1967-1968 compared to the estimates for the year 1979-1980 has gone up 64 per cent. In short, in that period while the emperor has been in power, notwithstanding that activity in the Post Office has gone up only 30 per cent, the number of employees has risen by 64 per cent. That figure has risen from 36,875 workers in the fiscal year 1968 to the current 60,317 workers in 1979-1980.

In spite of what our socialist friends may want to say, surely the nation would want us to ask why has the number of employees in the Post Office increased at a rate more than double the rise in the actual number of items being handled by the Post Office?

That is only part of the story, Mr. Speaker. If you like, maybe I can put that into more meaningful language and point out that in 1968 every worker in the Post Office from the top down handled 132,000 items. Today each worker handles

106,000 items. What has gone wrong? With the massive amount of money we have spent building new terminals, new facilities and new mail-handling equipment? Why are fewer items being handled per worker today compared to about ten years ago? Surely the emperor has to accept some responsibility for what has happened in this Crown corporation under his jurisdiction.

Again, that is only part of the story. As I have indicated, the amount of mail volume went up 30 per cent in those years I have referred to. I am pleased you are seated, Mr. Speaker, because when I give you the next group of figures, I know you will find it hard to stand. During that period, costs in the Post Office have gone up at a rate tenfold compared to the mail volume increase. Costs have gone up from $404 million to $1,762 million, or 336 per cent with the result the deficit we are left with has also gone up 316 per cent from $67 million to $279 million.

Surely with such a shameful record, bearing in mind that letter rates in the same period have climbed from five cents in 1968 to 17 cents at the present time, we should be able to turn to the government and ask what it plans to do now. In the coming years how does the government plan to correct this huge deficit it has allowed to run up?

As we know, in the budget which was delivered in this House on October 28, the Minister of Finance (Mr. MacEachen) stated:

> —I have, therefore, assumed that postal revenues will rise until they equal postal expenditures.

He said this after he mentioned that the new Crown corporation will be expected to cover its costs, the new Crown corporation being the Post Office Crown corporation which we are now considering. Here is the most serious thing to reveal to the Canadian public. How does he intend to make the post office break even? The fact is he intends to disguise the true picture in the post office by simply increasing revenues in the post office to offset the rising expenditures. He is proposing, through postal rate increases that will not pass through future budgets, to net out the high cost of running the Post Office against those revenues in order to take the deficit off the books. It will still be the Canadian public which has to pay the shot for this government's inadequacies.

● (2020)

They can fudge the books, but they cannot fudge the fact that Canadian postal rates will go up substantially if this government has its way. As opposed to running the Post Office efficiently, effectively and adequately, they are proposing to pass those added costs on to the Canadian public through postal rate increases. In short, it is not beyond the realm of possibility that postal rates, which have climbed from five cents in 1968 to 17 cents at the present time, will double before this government is through its mandate.

This brings me back to the question of what has happened. I know it is hoped—and we on this side believe there is a good chance this will happen—that by giving Crown corporation status to the Post Office, somehow there will be less friction in future as opposed to past years with respect to labour negotiations in the Post Office. Here again it is wise to remind the members of this House that this friction in the post office is not traditional. For example, in the first 100 years there were only three strikes in the entire history of the Post Office in Canada. There was one in 1918, one in 1924 and one in 1965—that was a one-week strike in July over wages and it was by inside workers and letter carriers. Those were all the labour disruptions we had in our Post Office up until the time the emperor took power in this country.

An hon. Member: The sheik.

Mr. Stevens: The emperor or the sheik, whichever is senior. Here is the record of strikes since 1968. In July and August there was a three-week postal strike over wages. In February-March, 1970, there was a dispute in Montreal involving truck drivers represented by the CNTU over contracting of mail transport and job security. In May to September of that year there was a series of rotating strikes over wages and job security.

In October-November, 1971, there were several wildcat strikes in southwestern Ontario and the maritimes over the use of casual labour. In January, 1973, there were wildcat strikes after breakdowns in negotiations over wages and job classification. In April, 1974, there were sporadic local labour disruptions by inside postal workers culminating in a three-day nationwide strike. In February-March, 1975, there were five weeks of nationwide rotating strikes by maintenance workers. Truck drivers refused to cross picket lines. The dispute was characterized by lay-offs, walkouts and so-called "sick-outs".

From October to December of that year there was a seven-week strike by CUPW over contract demands. In October, 1976, there were four days of rotating strikes by CUPW over technological change. In September, 1978, there was a three-day strike by letter carriers over contract demands. In October, 1978, there was a strike by inside workers. Workers were ordered back to work by Parliament on that occasion.

The most recent position with respect to the postal workers is known to all of us. The fact that there were disruptions during the clerk's strike is well known. In short, I am trying to put on record that while in the first 101 years after confederation there was relative tranquility within the Post Office, under this government there has been a steady disruptive force at work as far as negotiations between the Post Office and the unions are concerned.

We must bear in mind what actually transpired during the period. In 1980 the average clerk working for the government earned $12,800 compared to an average postal salary of about $18,000. If we add the overtime the postal workers pick up on average, their salary is closer to $20,000. Currently, and certainly before the last settlement with the clerks, the clerks were getting about $12,800 compared to $18,000, possibly $20,000, for the postal workers.

In 1970, the average clerk earned $5,964 compared to a maximum Post Office salary of $6,450. In 1965 the clerk earned an average $4,600 a year compared to a 1966 max-

imum Post Office salary of $4,905. Therefore, there is no question that the gap has been widening. To put this widening gap in further perspective, 1965 was the year of the first postal strike since the twenties, while collective bargaining was introduced into the public service in 1967.

I put this on record because it might be suggested by some when I read the list of strikes and disturbances that perhaps, somehow, government has been keeping a tight fist and running things in a very cautious, severe manner. I suggest that when you review those figures, comparing them as I have with clerical salaries, it becomes clear that the postal workers have not done badly. There is now a substantial gap between their wage level and that of the clerks.

This is particularly important when you bear in mind what happened with the most recent settlement with the CUPW union. The present Postmaster General (Mr. Ouellet) virtually set aside the President of the Treasury Board (Mr. Johnston), and awarded one of the most lavish, rich settlements we have seen in government settlements, if not in history, certainly in recent times. This in turn triggers more aggressive demands from others, not only in government circles, but in the private sector. We then find the government turning around and saying, as the Department of Finance said only last week, that unless workers are willing to begin accepting less in real wages, they are not going to get a handle on inflation.

• (2030)

Let me make two points about that. First, surely it is the government which has to be the pacesetter as far as the wage settlement pattern is concerned. Second, the government has to accept the responsibility for inflation in this country. Through its big spending, big deficits, printing of excess money and extensive borrowing the government is ensuring that inflation continues at the levels we are now experiencing. In short, the government puts us into a "Catch-22" position, in effect it triggers the inflation we experience and then blames others and asks them to accept sacrifice in order to get control of the very inflation it caused.

I know most of us have very little time to speak about this bill, but let me touch on a few other questions. Clause 17 of this bill is the clause which, hon. members will recall, deals with the tremendous regulatory powers of the Post Office. Granted, the present act gives it similar powers, but I think we must bear in mind that what we are now considering is the establishment of a Crown corporation which to some extent will be an entity unto itself. It will certainly be removed from this Parliament and, in turn, if we give the Post Office the same powers to make regulations and to make decisions as are now contained in the Post Office legislation and as are set out in clause 17 of the bill before us, I think we do this country a great disservice. I say this because when we start weighing the implications of where these regulations can lead the Post Office it becomes evident that it is a very dangerous monster we are letting loose if we do not put more restrictions in its way than are presently contemplated.

There is the whole question of competition. I know most of us have heard of various courier services which are indicating that they may be impeded in their activities if the Post Office is allowed to get almost unfettered control over who can carry various objects such as small parcels and so on, but most of us are perhaps not aware of how actively the Post Office has been trying to kill competition in those fields.

Let me simply refer to two examples. One is the United Parcel Service Canada Limited case, and the other is the Federal Express Corporation case. The first case involved an application to the Ontario Highway Transport Board for an extra-provincial operating licence and expanded service rights by United Parcel Service Canada Limited, commonly known as UPS.

Mr. Knowles: Canada?

Mr. Stevens: The Postmaster General of Canada was one of the many who intervened in this case opposing the issuance of a certificate. Application had been made for a certificate to be issued by the Ontario Highway Transport Board, and I will be referring to Ontario Highway Transport Board Decision No. 28655 of October 17, 1980.

Is it not interesting that when we start pointing out some of the repercussions of what the socialists are wanting to put in place they immediately become hysterical, we hear catcalls and there is disruption of the whole parliamentary procedure?

Mr. Knowles: We would just like you to tell us that United Parcel is not Canadian.

Mr. Stevens: The fact is that those who take the time—and I invite my colleagues to my left to check this—will find that after that tribunal reviewed the facts, it said "no" to the Postmaster General. The board made interesting observations. For example, it said:

> The Post Office tendered evidence that in essence addressed the many-faceted national responsibilities with which it is seized. That the Post Office has played and continues to play a significant role in the national 'smalls'—

Apparently that is jargon in the trade meaning, I take it, small packages.

> —transportation field is not in question here, and it is evident from the evidence tendered on its behalf that, for many, the service offered is satisfactory. It is also apparent from the growth of the alternative services in the 'smalls' field that the demands of the marketplace have changed and the Post Office service is not satisfactory to a growing section of the marketplace.

I emphasize that this was an independent tribunal which was asked to consider an application for a courier-type service. This tribunal heard out the Post Office and said "no" to its objection with respect to the granting of that licence. The board went on to say:

> However, notwithstanding the growth of the latter market, the evidence indicates an over-all increase in the number of pieces being handled by Canada Post, attesting to the use of the mail by a large section of the public. The challenge to the Post Office with respect to retaining their share of this market relates not only to delivery times but to a pick-up service, improved proof of delivery, insurance, and claims settlement. Reference is also made to an earlier statement with respect to a pick-up service being generally available. The evidence presented fails to establish that this service had been made available with anything close to the alacrity promised. Granted, changes on the positive side, as

noted, the board is of the opinion that given the continued growth evidenced by the Post Office figures, the Post Office should be able to retain a significant share of the market without detriment to the varied services supplied to the public.

My time is running out, but I could go on and give hon. members the verdict with respect to the Federal Express Corporation case. This, interestingly enough, was a case considered on August 18, 1977, by the Air Transport Committee of the Canadian Transport Commission.

The committee rendered its judgment granting an application by Federal Express Corporation to operate a commercial air service to transport goods between Toronto, Montreal, Winnipeg and certain designated American cities. In short, the committee's judgment, which was subsequently asked to be appealed by the minister, was again that the Post Office should not be granted its objection. The Post Office should, in effect, be asked to compete with this type of service as opposed to relying on regulation to snuff out competition. I think this is one of the reasons we have to be very careful about the wording of Bill C-42. If we allow the Crown corporation to go ahead and get powers to regulate to the extent of actually snuffing out competition where it sees fit, it will be the Canadian consumer who will pay the penalty and be the big loser.

In light of the general information available about Crown corporations and in light of the Post Office's own record of performance—and I have referred only to two cases—it is disturbing to note that Bill C-42 could give the Post Office a virtual monopoly over the delivery of mail and parcel service.

As indicated earlier, we are generally concerned about the regulatory powers we would be giving to the Post Office in this bill. Besides limiting our freedoms, the Post Office could also pose a serious threat to our right to privacy. Clause 17(f) would give the Post Office the authority to make regulations allowing the opening of mail in order to determine whether it is undeliverable. At the same time the Post Office would be given the authority to define what is undeliverable. Clause 17 (1)(a) is to that effect. The total effect of clause 17, if put into law, would be to give the Post Office carte blanche, for example, to open mail.

Let me elaborate a little further on this point. It is not being argued that there is no need for government intervention in the economy. Rather, it is being said that government intervention should be kept to a minimum. That is our point. The present government is becoming increasingly interventionist, and I suggest that this bill will not only give the government the power to be interventionist but also that a Crown corporation responding to the government will also have such interventionist powers.

Milton Friedman, one of the most eminent economists of today, has stated, and I quote:

Economic freedom is an essential requisite for political freedom. By enabling people to co-operate with one another without coercion or central direction, it reduces the area over which political power is exercised. In addition, by dispersing power, the free market provides an offset to whatever concentration of political power may arise. The combination of economic and political power in the same hands is a sure recipe for tyranny—

● (2040)

I mention that because I believe that when we see a chance for such powers to be put not only into the hands of the government but also into the hands of a Crown corporation responding to that government, it is time that we in this House stood up and asked that a halt be put to such a proposal.

Let the position of the official opposition be clear. We believe that the Crown corporation proposal should proceed. We should like to see it put in place as quickly as possible. But we have requested most sincerely that those provisions in the act which touch on the regulatory side should be referred to the appropriate joint committee of this House and the other place to enable that committee to deal specifically with the regulations and bring its supervision and suggestions to bear on the bill before it is passed by the Standing Committee on Miscellaneous Estimates.

If the government would accept the suggestion that the subject matter of clauses 2, 3 and 17 of Bill C-42, the measure now before us, be referred to the Standing Joint Committee on Regulations and Other Statutory Instruments and that a message be sent to the Senate to acquaint their Honours of our proposal, we would pass this bill before the evening runs out.

Mr. Pinard: Why clauses 2 and 3?

Mr. Stevens: The draftsmen tell us that, for reasons of clarity, clauses 2 and 3 should be included in the reference to the committee as opposed to referring just clause 17. But if the hon. member will read it, I do not think he will find those clauses to be offensive.

That is our position in short. In no way do we feel that the bill should be delayed simply for the sake of delaying the bill or of delaying the government in its legislative program. We believe we are dealing with something unique here. The Standing Joint Committee on Regulations and Other Statutory Instruments has a report before the House at present in which it asks that any legislation being considered which may in future have regulatory relevance be referred to the committee for consideration before being passed. We are simply saying: here is our first bill, let us do it tonight, let us make sure that the committee has a say, that it can review it, that it can see the subject matter. If this could be agreed upon, I think we could get on with passing this bill as has been indicated.

Mr. Ouellet: Mr. Speaker, I rise on a point of order. I wish to respond to the comments of the hon. member by indicating that I would be quite willing to appear before the Standing Joint Committee on Regulations and Other Statutory Instruments to discuss the subject matter of clauses 2, 3 and 17 of Bill C-42. I understand that the committee basically wishes to look at the regulatory powers which are contained in the long clause 17 on regulations.

Indeed, the remarks and suggestions of that joint committee would be helpful. The idea behind referring the other two clauses, as I understand it, is that they have to do with the

definitions and will possibly mean a reduction in the regulations. Therefore, more precise definitions will have to be incorporated in the bill and perhaps more power given directly to the corporation.

With this understanding, I would have no objection to the proposal put forward as it is quite clear that the bill will be going to the appropriate committee in its entirety to be dealt with there and, if necessary, amended in various clauses.

I wish to say that I am responding in a spirit of co-operation on the understanding that second reading will be given to the bill before us at the end of the debate tonight at ten o'clock. If that is the case, I can speak on behalf of the government and say that at the appropriate time, after the bill is passed on second reading, we will support the motion or the order of the House as proposed.

Mr. Fraser: Mr. Speaker, I rise on the same point of order. It is with some pleasure that I respond to the Postmaster General (Mr. Ouellet). The understanding is that the government will do what is necessary to ensure that the subject matter of clauses 2, 3 and 17 is referred to the appropriate committee, and we in turn are prepared to undertake that before ten o'clock tonight our last speaker will close off the debate in time to allow this bill to go to committee tonight.

Mr. Stevens: On the same point of order, Mr. Speaker, I am certainly pleased that the minister has indicated his willingness to accommodate the motion I suggested. He has the draft motion which I showed to him earlier. On the assumption that that motion is acceptable, I understand it should be moved only after we have given second reading to Bill C-42. I certainly agree with my colleague that we are making progress and I am very pleased that the government has decided to take this attitude.

Mr. Knowles: Mr. Speaker, on the same point of order, may I indicate that what has just been discussed seems acceptable. I was a little concerned when I heard that the hon. member was going to try to achieve his purpose by moving an amendment at second reading, which struck me as not being in order. But as I see it, the resolution that has been made is in order. In other words, Bill C-42 will be given second reading tonight in its entirety and will go to the committee to which it is assigned, but we understand that the government, some time in the next little while, will bring before the House a special order referring these three clauses to the committee. My friend, the government House leader is shaking his head—

Mr. Pinard: The subject matter of the clauses.

Mr. Knowles: He is right. The government will bring before the House a special order referring the subject matter of clauses 2, 3 and 17 to the Standing Joint Committee on Regulations and Other Statutory Instruments. To me that is a reasonable and happy resolution of the situation.

Mr. Pinard: Mr. Speaker, that is right. What will happen effectively is that as soon as second reading is given by the House, we will move tonight the motion suggested by the hon. member. I understand that there will be no debate and clauses 2, 3 and 17 will be referred to the joint committee.

The Acting Speaker (Mr. Blaker): I do not think it is necessary for the Chair to add anything except that it would be helpful if the wording of the proposed motion or order were to be brought to the Chair in due course.

Mr. Knowles: It would not only be helpful, it is required.

• (2050)

The Acting Speaker (Mr. Blaker): Otherwise it is understood that there will be an agreement to the effect described later this evening.

Mr. John Kushner (Calgary East): Mr. Speaker, it is a pleasure to participate in the debate this evening. I have been connected with the labour movement for some time. I should like to refer to the post office which is located in my constituency. What has happend to the post office we knew at one time? Not long ago, approximately six or seven years ago, one could mail a letter in Calgary destined for Edmonton. If it was mailed early in the morning, it would be received in the afternoon of the same day. Today the Post Office cannot deliver. Perhaps it will take a week, two weeks or even a month. Yesterday I received a telephone call from one of my constituents who had received a parcel in Calgary. It was mailed in Ontario, and it took 1.5 years for it to be delivered. I cannot believe the service has deteriorated from bad to worse. It is not only a concern of the average citizen who sends mail to a friend or relative. The service has absolutely failed the business community because of a lack of leadership in government. I readily understand why. It is because the head of the government is a philosopher who does not give any practical leadership.

Not only has morale in the Post Office deteriorated; employees of the Department of Employment and Immigration, to give one example, are frustrated, disappointed and disenchanted. It is very difficult to believe the type of situation which exists in the government. As a member of Parliament who has been here for only a short while I am beginning to understand the type of democracy which exists here. It is more of a dictatorial system than a democratic one. I did not experience such a system when I was a member of the legislative assembly of Alberta, and it disappointed me when I became a federal member of Parliament.

I remember that at one point the problem in Calgary was blamed on the lack of a new facility. After the new facility was built, approximately one or two years later, it was indicated that the equipment was very sophisticated and it would take the employees some time to learn how to operate it. Since that point the situation has worsened. Approximately a year ago there were 32 to 34 semi-trucks loaded with mail. They were backed up because they could not handle the situation. I can understand this problem to some degree because the Calgary sorting station sorts mail for the entire province of Alberta and part of the province of British Columbia.

Management is indicating that it is faced with obstruction from the bureaucracy in the government, and it blames the unions for its problems. I have met with labour and union people, and they blame management. Also it should be said that there are labour problems within the Post Office unions. I hope it is possible to correct them.

I am not too sure that the establishment of a Crown corporation will be the answer. Hopefully it will improve the situation, and I am prepared to go in that direction. But we must remember that the record of Crown corporations is not very good. As a matter of fact, the efficiency of Crown corporations under the Liberal government is very, very bad. I think that is a matter of record.

I should like to deal with the question of hiring people, an area in which I have had some experience. A few people have aproached me asking how to apply for jobs in the Post Office. I have outlined the procedure, they have made applications, and some of them never even came close. On one occasion I had opportunity to review the procedure to which a person is subjected in order to qualify for a job, and I was told by a top person in the Post Office that he questioned whether even he would qualify. Certainly the test that is given is not a practical one. One might think it was designed not to attract people who would be interested in the job or people who would have pride and respect in the job. Some to whom I spoke were concerned and interested, and I asked them why they would work for the Post Office, especially when I knew many employees who were ashamed to admit that they worked for the Post Office because of its record of lousy service. One person likened it to wanting to be a policeman or fireman; he wanted to work for the Post Office. That particular person had a good education, his attitude was good, but he did not even come close to passing the test he was given in order to qualify. There is something radically wrong.

I wish I could be fully convinced that the establishment of a Crown corporation was the answer, that it would eliminate some of the bureaucracy. But as some parts of the bureaucracy are eliminated, others are created. I know the situation is worsening and possibly the establishment of a Crown corporation is the answer. Perhaps it will result in management and labour trying to work together for the first time.

I cannot blame the trade union movement or even the workers. I blame management. Management has done a lousy job in the Post Office. Certainly we cannot compliment it. I think some surgical operation is necessary in the management area to correct the problem, and I am not fully convinced that it is the establishment of a Crown corporation.

It seems to me the service presently provided is directed more toward the delivery of junk mail. If people feel they have important mail, they send it by courier or find some other means of delivery. The private sector has reached the conclusion that it must find other ways and means of sending mail. In fact, technology has been developed in the area of electronics and telecommunications for sending mail. This will eliminate to some degree the Post Office service. If the Crown corporation comes into being, if we are really rubber-stamping it, I should like an assurance from the minister at this time that it will expand into some other mechanical area such as data processing or whatever. I would like some assurance from the minister that it will remain as it is today under the same act. It will probably sharpen up the management. I would like to have those assurances from the minister but I see he is not in his place. As a matter of fact, I only see one minister sitting in the House right now listening to the discussion of this very important issue. That is most disappointing and discouraging.

● (2100)

What is the forum by which this Parliament processes its orders and legislation? I wonder if the minister will at one time or another give us an assurance that a Crown corporation will offer some improvement over the service we receive at the present time. I wonder if he will give us his assurance that there will be some co-operation between labour and management, at least much better than it is today when we have seen it at its worst. I hope that before we vote on this issue the ministers' will respond to some of these questions. I see only that the philosophy will not change under this government.

It is clear that few of the ministers—and I don't want to criticize them unduly—have experience in the areas for which they are responsible. I could pick out the Minister of Labour (Mr. Regan) and the Minister of Employment and Immigration (Mr. Axworthy), neither of whom have had too much experience in the fields in which they are asked to perform. I realize that they do not have to know a great deal as long as they can be properly informed by their officials. I know that there are more capable people in the caucus of the Liberal party, although somehow it appears there is a kind of clique. Speaking of that clique, I know that as far as the constitution is concerned the whole Liberal caucus does not support the method the government is using to rush the constitution through. More time has been given to the Bank Act and to other issues of relatively minor importance than to the constitution, which is being railroaded.

To conclude, Mr. Speaker, I sincerely hope the minister will answer some of my questions.

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, this is a bill to repeal the Post Office Act and to create the Canada Post Corporation.

The Post Office is probably the most visible government service we have. Every day on most of our streets some person representing the Government of Canada goes from door to door. So, to a large extent, the federal government's reputation with ordinary people is determined by the effectiveness of the Post Office. That effectiveness has not been demonstrated and to a large extent the people of Canada mistrust the federal government because of the inept management of the Post Office.

The story going around my riding, where the Gateway is located, is that it costs 17 cents for the stamp—10 cents for storage and 7 cents for delivery. It is the biggest storage warehouse in the country.

I would like to go through some of the clauses of the bill. One of the most disappointing is clause 5(2) which reads:

(2) While maintaining basic customary postal service, the corporation, in carrying out its objects, shall have regard to—

The clause continues in paragraph (d) "the need to maintain a corporate identity . . ." among other things. My hon. friend from Calgary (Mr. Kushner) spoke of a parcel that took a year and a half to be delivered. I received a parcel myself in Mississauga South from the riding of the hon. member for Etobicoke North (Mr. MacLaren) sent by the Dictaphone Company in Etobicoke. It was mailed on January 17, 1971, and it arrived at my law office on August 29, 1980.

It would be unfair of me, with respect to a bill such as this, if I did not read into the record just two pieces of correspondence which I received as a member of Parliament. The first is from Mumby and Associates, a small business. It reads in part as follows:

Many of my business associates cannot understand why I do not use couriers, at least for my salesmen across Canada. The fact remains that I cannot afford this. Even if I considered using couriers, the most that this would accomplish would be to improve the orders written by my salesmen. It would not improve the orders sent directly by my customers. I am losing customers at an astounding rate, simply due to the existing postal service.

The other letter is from Gladys Hudspeth, a pensioner from England. She wrote:

My husband and I are awaiting his veterans cheque from England. It is two weeks overdue,—now this happened also in July, at which time we cabled Britain and also made a long distance call. Reply was, cheque mailed as usual, hold-up must be your end. Well, when we emigrated to Canada in 1954, we could be sure of airmail letters arriving either point, in the space of three or four days. However, computers and the postal code came along, to speed up delivery. Local mail also takes ten days—

Mr. Speaker, it is not just "the customary service" that we have been receiving. It is a disgrace that this bill should refer to "customary service" because the customary service we have been receiving is just awful—inexcusable. More important, sir, is clause (2)(*c*) which says:

(*c*) the desirability of utilizing the human resources of the corporation in a manner that will both attain the objects of the corporation and ensure the commitment and dedication of its employees to the attainment of those objects;

The Gateway Post Office is in my city. If the minister were here I would remind him of a question I asked when I was in this House is 1973. At that time I asked him about a special delivery letter from Regina to Mississauga. There is air service between those two cities and the minister said:

Mr. Speaker, we are building one of the most modern mail handling centres in the hon. member's constituency; as soon as this is done, I am sure the service will be excellent in that region.

This is the same minister who said that to me on December 6, 1973, in this House. Well, what has happened? How do we use the human resources?

Let me read into the record another letter, from James Dickson, 2395 Homelands Drive, in the City of Mississauga. He writes:

As you know, every year, the Post Office calls Manpower to send them some Christmas help. I responded and began work Nov. 22, 1979, at a rate of $4.10 per hour on a 7½-hour day. When I signed up, a paper I signed at that time indicated that I would be receiving a pay cheque on Dec. 21, a little late but in time for Christmas. A week before this time, I was talking with Tom Mansfield, a clerk where I worked at the Annex at 1400 Lakeshore Road East, Mississauga, and he said that we probably wouldn't be getting our money in time as they had been mailed from Ottawa and couldn't be found.

● (2110)

Later, I called the pay department at Gateway and was told that I should not expect anything until mid-January.

I will not read the whole letter but let me go through the figures.

My cheque was for $429.21. This was for a pay period in which I had worked 165 hours which would gross at $676.50, a difference of $247.29. As no statement of deductions was included, this can only be for taxes. At this pay scale, they took $100 too much.

The man received his cheque in January. That is the kind of promise which is made to people working at the Post Office, the kind of performance taking place and the way in which many people are handled.

On Saturday, I had a long chat with a Barry Dann, 1015 Roosevelt Avenue in Mississauga. He has been with the Post Office for four years, but not as a permanent employee because there are ways of getting around union organization problems and that is to hire people on consecutive six-month terms. No wonder there are problems. This man has had eight consecutive six-month terms but because he opened his mouth and began to talk to people like members of Parliament, he will not have another six-month term.

Let us put on the record of this House what really happened. This man has been working as a cleaner. His job is to work under a machine which is called the bulk mail handling machine at Gateway. The bulk mail at Gateway is handled by a supervisor who is 26 years old, who has no university education or real academic training whatsoever. It is believed by the union people that he was put there merely because he knew someone. In any event, the major problem in this enterprise is that there is a machine which is supposed to handle bulk mail.

Earlier in this session I spoke of a machine called an elephant which is located at Gateway. Apparently this machine, which is used for sorting, destroys almost as many packages as it sorts on some days. This man's job is to sweep under the elephant. Most of the material from the elephant goes to a place called the UMO, the undeliverable mail office. In many cases the mail is so smashed up and so undeliverable that when people ask the Post Office what happened to their parcel rather than declare how badly it was smashed up by the machinery, they say that it must have been stolen and that they will pay for it.

I am told that there is nothing like the theft which is supposed to take place in the Post Office. In fact, a great deal of the material which is destroyed or lost is destroyed by the machinery and by the system, and that is part of the problem. There is in Mississauga an annex down at 1400 Blakeshore Road, as I have already mentioned. That little annex used to be Canadian Arsenals, but now it is used to sort bulk mail. There are 200 people at the Canadian Arsenal annex who sort

50 per cent of the mail, that is sorted by 2,000 employees at the bulk mail centre at Gateway.

Those are just some of the management situations and problems in the Post Office. When we hear about honest, working people going on strike, walking off the job or filing grievances, the truth of the matter is that these people are not rebels or rabble rousers. They are hard-working people who want to do a day's work for a day's pay, but who want to be treated as people. They do not want to be pushed around or put on ten consecutive day shifts. I cannot imagine working ten days straight and then having four days off. It could just as easily be a five-day shift with two days off but that is impossible for this organization.

This organization makes its own rules. They merely forget the contract and make their own rules to the point at which even junior management people are filing grievances. The situation is unbelievable. Surely if we are to have a Crown corporation bill we had better do something to improve the customary services, particularly in the area of human resources.

It has been suggested that making the Post Office a Crown corporation will simplify matters. At the present time the Department of Supply and Services must supply the materials for the Post Office, the Department of Public Works must look after the buildings and the Treasury Board looks after wages and terms of employment. It does not need to be that way. There is no reason in the world why the Post Office Act could not be changed to operate the Post Office as a department of government with the specific right to do its own contacting, pay its own people and buy its own supplies.

There is nothing magic about having to refer all the buildings to the Public Works, all the supplies to Supply and Services and all the pay scales to Treasury Board. There is no need for this diversity, but it has to be the condition and the excuse for turning the Post Office into a Crown corporation. Perhaps it is nothing but an excuse to get the Post Office out of the limelight of public opinion and away from the scrutiny of the House of Commons. Perhaps it is just an excuse to get the terrible situation which exists in the Post Office one step removed from the political process.

If there is no possibility of public scrutiny, people will be deprived of any easy method to make complaints through their members of Parliament. I am glad the minister is present now because I would like to go over the record since this government took office. Its first Postmaster General was the Hon. Eric Kierans who ran the deficit from $68 million to $100 million. The next Postmaster General, the Hon. Pierre Coté, was much better because he only had $77 million deficit. Then the minister here pushed it up to $177.2 million. The hon. Bryce Mackasey was really good because he banged it up to $546 million. However, he was not the expert. It is the Minister of Supply and Services (Mr. Blais) who achieved the top record of $578.8 million.

Mr. Parker: You did not mention John Fraser.

Mr. Blenkarn: I am about to mention the hon. member for Vancouver South (Mr. Fraser). During his year it was only $279 million.

Mr. Breau: You mean six months.

Mr. Blenkarn: I mean for the whole fiscal year from March, when he was not responsible, right through to March 31 this year.

The present Postmaster General (Mr. Ouellet) is projecting a deficit of over $400 million, and we will give him credit for March through to March. One begins to wonder why, all of a sudden, one minister is able to keep the deficit down to $279 million while ministers of the Liberal party get it into the real big figures.

Mr. Skelly: Are you saying the Liberals screwed up the Post Office?

Mr. Blenkarn: The hon. member for Comox-Powell River (Mr. Skelly) has said that the Liberals have screwed up the Post Office, and the Canadian public knows that. The real question is, "will this Crown corporation improve things?" Perhaps if there is no postmaster general things will improve.

This bill will go to committee and I am pleased the minister has agreed to refer clauses 2, 3 and 17 to the standing joint committee; we will certainly give him time before ten o'clock to make the necessary motions. I would like to explain to the minister the reason clause 2 must be referred to that committee. It is because it is the section which defines such terms as "mail" as being "mailable matter" from the time it is deposited at a post office to the time it is delivered. However, it goes on to say, "mail conveyance means any physical, electronic, optical or other means used to transmit mail". The definition of transmit is, "transmit" means to send from one place to another place by any physical, electronic, optical or other means."

• (2120)

When you define that the post office has the right to declare what a letter is by clause 17, and declare what constitutes mail, then you find that the post office, with this regulatory power, has the right to determine that every transmission, whether oral or written or transmitted, may well be a letter and therefore mailable matter and within the exclusive jurisdiction of the Post Office. That is why all those clauses should be referred. We are going to demand some good explanations for the regulatory powers which the bill appropriates to this corporation.

I always wonder why any organization should have a monopoly. One of the advantages of a system is to have competing services. In a sense, competition for the post office at the present time is the courier service. Indeed, as you know, Mr. Speaker, even ministers of the Crown have used courier service and I would not be surprised if the Postmaster General uses a courier. What about the telegraph and telephone system? It is unfair that we should have one organization with a monopoly. As long as we have competition, we have some-

thing by which to judge a service. It is important, in my view, that clause 14 dealing with a monopoly situation should be very seriously curtailed. Surely private individuals should be able to set up a service. Unless the postal service is so disgraceful, any private organization cannot conceivably make a profit. But if they can make a profit, it demonstrates how disgraceful the service is. Competition would give us something by which we can judge services and something by which we can determine whether or not we have a proper post office.

Another of my hon. friend's wishes to speak tonight for a few moments, but I have one more clause I want to refer to the minister. It concerns the penal sections in clauses 40 to 53. I particularly want to refer the minister to clause 43. Under clause 43, if a person delivers a letter bomb, it is just an offence under the Post Office Act. It is not an offence under the Criminal Code. I submit that an offence under clause 43 should at least be made a Criminal Code offence so that anyone who commits it by mailing any explosive, dangerous or destructive substance, or anything likely to injure or damage property or persons should be guilty of an indictable offence under the Criminal Code, not just under the regulatory effects of the Post Office.

I wonder why under those criminal sections it is illegal for you or me to sell somebody postage stamps, Mr. Speaker. Surely we are entitled to sell one another postage stamps, but that is an offence under this act. It strikes me there are a number of similar provisions under the act where it is really difficult to determine why certain actions should be made offences and subject to penalty.

Mr. Howard Crosby (Halifax West): Mr. Speaker, let me begin by considering the major thrust of Bill C-42, which would create a Crown corporation to be called the Canada Post Corporation.

In my other emanations, prior to my election to Parliament, I was for several years counsel to government. While I held that role, many people would come to me from the public service and suggest that their governmental activity, be it a department, a commission or a board, ought to be continued and carried on as a Crown corporation. Apparently there the myth had developed that government activities, if carried on by a Crown corporation, would automatically become effective, efficient and more mindful of the costs and expenses involved in the administration. That is a myth which might well be perpetuated in this bill. The postal service in Canada is not going to change for the better by merely enacting a piece of legislation which characterizes the postal services as a Crown corporation rather than a department of the Government of Canada. It is only the people who are concerned and involved in the provision of that service who can change its nature and develop a more efficient and effective postal service for Canada.

We do not want to be fooled by the myth of a Crown corporation. We must keep in mind the people who will be operating the postal service, whether they act through the medium of a Crown corporation, a commission or any other form of government organization. Let us think about those people for a moment. There are 66,000 people, as I understand it, who are now involved in the postal service in Canada. This is a force not much smaller than the Canadian Armed Forces, which number approximately 75,000 to 80,000 people. So we have a vast number of people involved in this transfer. It is on their shoulders that we have to rest the responsibility for the improvement in the postal service which we hope will be brought about by the bill before us.

We have all heard in this debate about the problems which have arisen as a result of the poor labour relations which have existed in the Post Office. I am not one who would deny to any working Canadian the right to a living wage. Indeed, the postal workers for many years were in exactly that position. They did not receive, through their employment, a living wage. I would like to think, and I believe it is the case, that that problem has to a great extent been overcome. Postal employees now receive what by Canadian standards ought to be and can be regarded as a living wage. That is not to say they ought not to be protected from inflation and other cost factors which affect their ability to provide a living for themselves and their families. But we must put labour relations within the post office—be it a Crown corporation or a government department—on a sound basis. In other words, it must be put on a basis which is sensible and in accord with Canadian traditions applicable to labour-management relations.

What does this new bill do to establish that kind of relationship between the employees of the Post Office and the management of the post office? I have to answer that question by saying it does nothing. It contains only minor technical, mechanical provisions providing for the transfer of employment rights and benefits. What it may give, and what we all hope it will give, is new life to the postal service. In other words, a chance to start again, to get on a new road which will lead to a more effective labour-management relationship and one which will avoid the strikes which have partly wrecked our economy in some areas in the past. So what we look for in a new bill is a new life for the post office.

Let me deal briefly with some other aspects of this transfer to a Crown corporation. I do not want anyone in Canada to be fooled by this device. We think of the business of government as being similar to the business of industry. But it is not, Mr. Speaker. The two are entirely different. The obligation of the Government of Canada is to provide the services which are required to enable this nation to reach its goals and carry on to benefit all Canadians. Under this bill we are asking the new corporation to take over an organization which in 1978-1979 had a deficit of a half a billion dollars. Its revenues of $1.1 billion were that much less than its expenses of $1.5 billion. You have to ask yourself, how can a new business start out with that kind of deficit. The answer comes back immediately. It must seek new revenues or increase its current revenues. There is only one way the Post Office can overcome the deficit with which it is now faced. That is to raise the rates of ordinary mail. By that I mean the letter rate.

• (2130)

My hon. friend from Parry Sound-Muskoka (Mr. Darling) is somewhat of an authority on this. He tells me that in the ten-year period between 1968 and 1979, the letter rate tripled from six cents to 17 cents. It is his belief it will increase dramatically over the next few months. When we look at these facts and figures, we find very quickly that we must agree with him. Canadians ought to be warned that they look forward to a letter rate very substantially higher than the present 17-cent ordinary letter rate. Canadians ought to be warned by this if they want a corporation whose goal and aim is to improve the postal service. If it is indeed the wish of Canadians and parliamentarians to put the postal service on a more sound financial basis, we have to pay the price. That price will be an increased letter rate.

Many people across this country who operate small businesses are very much dependent on the postal service. I often find myself in that position. During periods of postal strikes, cutbacks and delays in service, it is very difficult to operate a small business which depends on service to customers and utilization of the postal service. In that connection, we are very mindful of the monopoly that will be continued by the Canada Post Corporation under this new legislation. That monopoly prevents Canadians who have to depend upon the postal service from having any real alternative.

Notwithstanding this, there has grown up in most parts of Canada courier services and similar types of arrangements whereby mail material can be delivered through means other than the post office. Anyone who has operated a small business in this country during a period in which postal services have been withdrawn appreciates the existence of this courier service. I hope this new legislation and the monopoly which has been given to the postal service will not result in the persecution and prosecution of the courier services which have grown up around the country and which have been so effective in emergency situations when postal services were withdrawn.

I am sure all hon. members are aware that we need a proper balance between private sector courier services and the postal service of the Government of Canada. We cannot expect our public postal service to bear all the costs of postal service from which no profit can be received and allow private industry access to the profitable services. We always face the problem of balancing rates between government and the private sector. I hope the minister and those charged with the administration of this bill will keep this in mind.

I wish to speak briefly about what I consider the real pith and substance of the issue before us which is the service to the customers, to all who must use the postal service. During the course of this debate, other members have mentioned some of the horror stories relating to the postal service in the past. I could do so as well. However, I will cite just one instance in my constituency in the area known as the Kearney Lake Road. Within the space of a few hundred feet on one public highway, there are three levels of postal service. A few of the residents have access to regular city service. One hundred feet down the road the residents are serviced by the rural system which allows the rural mail carrier to deliver mail to their boxes. Across the road, the residents must receive their mail through the box system.

One would think a matter like that could be easily cleared up. I have drawn it to the attention of the officials. However, that has not been the case. The situation has continued over the two or three years I have been making inquiries. I hope that with the new life this bill will breathe into the postal service by establishing the Canada Post Corporation, situations and difficulties of this kind will be remedied and that managers of our postal service will not feel they are bound by arrangements which have their base in historic facts no longer relevant to the current situation.

I mentioned the rural mail service. I want to speak briefly about the plight of our rural mail carriers. I said earlier, I respect the right of labour to organize and bargain collectively. I am mindful that there are 25,000 members represented by the Canadian Union of Postal Workers and 20,000 letter carriers represented by the Letter Carriers Union of Canada. I realize friction can develop between those groups and the rural mail carriers who do not have that kind of labour organization, although I understand they do have an association. However, they have in common the fact that they are all human beings, citizens of Canada who must earn their way.

The rural mail carriers, as most of us know, were placed in a very onerous position. When their contract expired and they wanted to renew it, they had to bid for the contract in common with everyone else who sought to supply the same service. This applied to contracts over $10,000—in this day and age, considering they have to supply a vehicle in all cases, that is not very much money. The result was that many rural mail carriers had to underbid in order to keep the service they were providing and which was their method of earning a livelihood. In many cases they suffered extreme financial losses.

This is a situation which should not have gone uncorrected for as long as it did. I understand that under the new legislation, it will not exist. I hope the step the government is proposing will result in more reasonable and rational treatment for our rural mail carriers.

In many rural parts of this country—I am sure my colleague for Parry Sound-Muskoka will verify this—residents are almost totally dependent on the mail service as their method of communication with friends and associates across this country and in other parts of the world. Because of the continuation, I hope, of six-day-a-week service, they are able to receive their daily newspapers and other periodicals. It is very important to their ability to communicate with their fellow Canadians and others across the world. We who serve rural constituencies are very much aware of the importance of this service. We hope it will be improved under this new bill. We certainly hope that some of the problems which existed in the past will be resolved.

There are one or two matters I would like to mention, but I am mindful of the clock, Mr. Speaker. I understand the minister will close the debate in a few minutes. I will just carry

on until the clock reaches the point at which the minister ought to have that opportunity. In the meantime I would like to mention a matter which is of serious and grave interest to many members, and of particular interest to myself. That is the provision in the bill—I believe it is clause 17—for the making of regulations. I sat for some days over the past months with a special committee on regulatory reform. Time and again business interests and labour interests—virtually the whole private sector—came before it to complain that the Government of Canada and in some cases provincial governments were abusing the power to make regulations. Statutes of the Parliament of Canada and of some of the provincial legislatures gave broad general powers to make regulations, so organizations and people in the private sector who were faced with the burden of those regulations simply did not know what the course and result of a particular statute would be.

● (2140)

We are disappointed to see that that kind of legislation has continued in Bill C-42 which, in clause 17, gives a very broad and extensive power to make regulations. I understand the minister has addressed himself to that point and will later on in this debate or at some appropriate time indicate the kinds of regulations which are likely to be enacted under that general authority. However, this should serve as a reminder to all of us who are concerned with regulatory reform and have an interest in removing or minimizing the burden on the private sector resulting from government regulation which in the end acts to the detriment of all Canadians and particularly consumers. Those of us who have an interest in that area would like to see a more general policy applied by the government in all legislation so that we could eliminate this abuse of the regulatory process. I am anxious to hear what the minister has to offer us in that connection so that the private sector can be assured that it will not suffer harm through the exercise of the regulatory authority granted by this bill.

By way of conclusion, let me say that the real purpose and hopefully the goal of this legislation is to improve postal service to customers, those who use the service—and in the circumstances this really amounts to all the people of Canada. If the postal service is not improved and if the charges applied to the services provided by the Post Office are not kept within reasonable limits, this whole exercise will have failed. The Crown corporation concept will have offered nothing in the way of improvement to postal service.

Let us remember—and I hope the minister is mindful of this—that all the utilization of the concept of a Crown corporation does, is give the postal service a new start. That new start has to involve better labour-management relations and the implementation and provision of a more effective postal service so that all Canadians will receive the benefits.

Mr. Ouellet: Mr. Speaker—

Mr. Fraser: Mr. Speaker—

The Acting Speaker (Mr. Blaker): Is the hon. Postmaster General seeking to close the debate?

Mr. Ouellet: Yes, Mr. Speaker.

Mr. Fraser: Mr. Speaker, I will be very brief.

The Acting Speaker (Mr. Blaker): I have an indication that the hon. member for Vancouver South (Mr. Fraser) rises to speak.

Hon. John A. Fraser (Vancouver South): Mr. Speaker, I would be delighted to see the Postmaster General (Mr. Ouellet) close the debate, and I will take only a moment or two.

This debate closes after—I was going to say many months, but many years—many years of a concerted effort by many people to try to work toward a solution to the Post Office problems. This is perhaps a significant moment in that long process.

It was my hope while I had the privilege of serving as postmaster general to bring in legislation similar to this. I think I can say—and I know my friend, the present Postmaster General, will accept this in the gentle way it is intended—that the former government intended to have this brought into the House many months ago and passed. Events made that impossible, but I want to assure the Postmaster General and the people who make up the Post Office family that the principle involved in this bill is extremely important to my party. We are very happy to see this debate close at this time, and we are happy to see the bill put into committee where some of its complexities will be discussed.

The Post Office is a great Canadian institution. Sixty thousand people work in the Post Office, and they are doing their very best to provide service to their fellow Canadians. If, as a result of our deliberations, we as parliamentarians can make that task easier for them, it will do two things. It will increase the level of morale and the spirit of the people in the Post Office, who are our fellow citizens, and it will increase the efficiency of the Post Office, the consequences of which will redound to the benefit of the taxpayers of Canada.

I want also to say to the Postmaster General that the accommodation he has graciously, but very sensibly, given to us this night has made it possible to end debate at second reading and move the bill into committee. Of course, it will not just be considered in the miscellaneous estimates committee; as well, the subject of certain clauses which are very important to the democratic function will be discussed in another committee, a joint House of Commons and Senate committee which has been established to consider those very matters.

On behalf of my party I want to say that this is indeed a significant event tonight. I want to repeat to my friends in the Post Office that I am happy to be able to say that progress is being made. Perhaps it is not being made as rapidly as we all would wish, but progress is being made. Again, I want to thank the Postmaster General for the accommodations he gave to my party this evening.

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs and Postmaster General): Mr. Speaker, I am rising to bring the debate to a close.

[*English*]

The Acting Speaker (Mr. Blaker): Order, please. I regret to interrupt the Postmaster General (Mr. Ouellet), but I am advised that it is a courtesy to the House to warn the House that the Postmaster General will now close the debate.

[*Translation*]

Mr. Ouellet: Mr. Speaker, I am pleased to rise and put an end to the debate on second reading of this bill. I think that many members of the large Post Office family will go to bed happy tonight realizing that an important stage in the life of the Post Office Department is under way or will end in a certain way.

This bill which will change the department into a Crown corporation is eagerly awaited, need I say it again, not only by the officials of the Post Office Department but also by the representatives of the postal unions and their leaders. I firmly believe that the bill will considerably improve not only the postal administration but also the service and labour relations at the Post Office.

I thank hon. members on both sides of the House who took part in the debate and most of all were willing to co-operate so that the bill will be given second reading tonight.

I listened carefully when my predecessor, the former Postmaster General, the hon. member for Vancouver South (Mr. Fraser), stated that as Postmaster General he would have liked to pilot this bill and have it passed by Parliament.

This is only the beginning. Today is November 20. I am aware that the postal unions would like this bill to be passed before the end of the year. I hope I can expect the same support from hon. members from both the Official Opposition and the New Democratic Party, so that we can work together within the committee and arrive at the necessary amendments quickly. I say here and now that some of these amendments have been suggested by hon. members from the Progressive Conservative Party as well as the New Democratic Party, and it is with this attitude of openmindedness and co-operation that I will get down to work with the Standing Committee on Miscellaneous Estimates, chaired by the hon. member for Ottawa-Vanier (Mr. Gauthier), which will have to scrutinize every section of the bill and, should the need arise, approve the necessary amendments.

The committee, I know, is to get to work as early as next week. I hope it can report back before the middle of December, let us say, one month from now, so that this bill may come for third reading before Parliament. I do not want to exert any pressure on my hon. colleagues, make it an obligation for them or anything, but I should like this bill to be studied, reported on and passed on third reading before Christmas.

In closing, I echo the comments made tonight by the hon. member for York-Peel (Mr. Stevens) on the advisability of submitting some of the provisions of this bill to a joint committee of the House and the Senate with a view to their looking into certains aspects of the bill, especially the regulations. Naturally, after the bill is passed, I shall be pleased to put to the House the appropriate motion to refer parts of the bill to another parliamentary committee. That committee shall not, of course, be authorized to amend the act. The only committee that can do so is the Standing Committee on Miscellaneous Estimates but I feel that the discussions, recommendations and suggestions of the joint committee of the House and the Senate, the Standing Committee on Regulations and other Statutory Instruments, can certainly be useful. In that spirit of co-operation, I thank all hon. members, not only on my own behalf, but also on behalf of all the Post Office employees who, I trust, are about to make up one of the nice corporations of Canada.

• (2150)

[*English*]

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

Some hon. Members: Question!

The Acting Speaker (Mr. Blaker): May I just draw it to the attention of those hon. members for whom this is appropriate that the Chair will now put the question with respect to the second reading, but is not yet equipped with the motion which will deal with the reference to the committee.

Is it the pleasure of the House to adopt the motion?

Some hon. Members: Agreed.

Motion agreed to, bill read the second time and referred to the Standing Committee on Miscellaneous Estimates.

Hon. André Ouellet (Minister of Consumer and Corporate Affairs and Postmaster General): Mr. Speaker, I should like to move the following order of the House:

That the subject matter of clauses 2, 3 and 17 of Bill C-42, an act to establish the Canada Post Corporation to repeal the Post Office Act and other related acts and to make related amendments to other acts, be referred to the Standing Joint Committee on Regulations and Other Statutory Instruments, and that a message be sent to the Senate to acquaint their Honours thereof.

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

Some hon. Members: Agreed.

Motion agreed to.

An hon. Member: Ten o'clock!

The Acting Speaker (Mr. Blaker): With the consent of the House, I shall call it ten o'clock.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 40 deemed to have been made.

NORTHERN PIPELINES—EXTENSION OF NATURAL GAS PIPELINE TO MARITIMES

Mr. Howard Crosby (Halifax West): Mr. Speaker, on October 29, 1980, I asked the Minister of Energy, Mines and Resources (Mr. Lalonde) in the House whether he can ensure that the government will be taking the necessary steps to provide for the extension of the natural gas pipeline eastward to Nova Scotia.

The minister, in response to my question, assured members of the House that the government would indeed take the necessary steps to ensure the construction of a pipeline to the east coast and to Nova Scotia. I had reason to question the minister and the Government of Canada on this matter because in January of 1980 the man who is now the Prime Minister of Canada (Mr. Trudeau) appeared in Nova Scotia, in fact in my constituency, and stated in very clear terms that if he were elected, his Liberal government would take immediate action to ensure the full co-operation of all parties in the construction of a natural gas pipeline to Quebec City and the maritimes. That was not the Prime Minister's final word on the subject. In the Speech from the Throne the promise was repeated, and again in the budget speech of the Minister of Finance (Mr. MacEachen) on October 28 we heard the same promise.

We in Nova Scotia were well aware that the National Energy Board of Canada had denied the applicant permission to construct a gas pipeline to the east coast. The applicant in that case was Q & M Pipeline Limited which was later joined by TransCanada Pipelines Limited in the joint venture for the construction of the pipeline. The province of Nova Scotia appealed the decision of the National Energy Board to deny Q & M permission to construct the pipeline, and on the very day the Minister of Energy, Mines and Resources (Mr. Lalonde) had confirmed the government's intention to construct the pipeline, the National Energy Board dismissed the appeal.

So I ask the minister how he can guarantee to residents of the east coast that the National Energy Board will now, following the statement of government intention, approve the construction of a gas pipeline to the east coast.

Let me review briefly what is involved in obtaining the permission of the National Energy Board to construct a gas pipeline in Canada. An applicant must apply to the board for a certificate of public convenience. The procedure by which an applicant seeks such a certificate is very time consuming. Indeed, in many cases in the past it has taken not a matter of months, but years. I am told that an application of the kind required for the construction of a pipeline extension to the east coast could not even be under way until January, 1981, and even then it could take several months more before the National Energy Board could render its decision.

• (2200)

This does not appear to be consistent with another of the pronouncements of the Minister of Energy, Mines and Resources which was that a gas pipeline would be in place by 1983. It is difficult for some of us to understand how the minister could make such an undertaking when he could not even assure this House, or anyone else in any other forum, that an application would be under way before 1981 and speedily dealt with so as to allow construction to start in 1981. Most people familiar with pipeline construction could not imagine the construction work could be completed in less than two or three years. So we in the east are very suspicious that the minister is not telling us the entire facts and truth when he undertakes to have the pipeline in place by 1983.

This link from the east coast to the western gas supplies is vital to the future of Nova Scotia and the other maritime provinces which are now totally dependent upon foreign oil for much of their electrical generation and for the heating of their homes, not to mention transportation fuels which are absolutely essential to their economy. Not only is the pipeline linked to our energy supply, but it is an important factor in the development of a liquid natural gas terminal which we hope will be located in Nova Scotia on the Strait of Canso. In fact, proponents of that scheme, which include Petro-Canada, indicated that unless the pipeline is assured to the east coast, the liquid natural gas terminal, which would be part of the Arctic pilot project, would be located on the St. Lawrence River at Gros Cacouna. So, we see competition arising for the construction and location of the liquid natural gas terminal, and if the Strait of Canso is not in the running for that mammoth facility it will be because the National Energy Board failed to give permission to construct the gas pipeline extension.

On bringing these matters to the attention of the House and by raising the question with the minister, I received his firm undertaking that the government would indeed proceed with the construction of the natural gas pipeline extension. In fact, the minister indicated that if the National Energy Board did not provide speedy permission and grant a certificate as required under the legislation, he would present the House of Commons with a bill to implement construction.

I have before me the famous bill of 1956 which was an act to establish the Northern Ontario Pipeline Crown Corporation which, as all members know, caused a tremendous controversy. I hope the minister will not create a similar situation so that we will again be dependent upon the action of the government in bringing a bill before the House to implement the construction of the pipeline extension. I hope the minister will urge the National Energy Board to take speedy action and grant a certificate so that the pipeline can be completed on schedule in 1983.

Adjournment Debate

Mr. Roy MacLaren (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, in response to the question raised by the hon. member for Halifax West (Mr. Crosby) on October 29 concerning the extension of the gas pipeline to the maritimes, I am pleased to remind the House of the assurance given by the Minister of Energy, Mines and Resources (Mr. Lalonde) that this project is one of national priority. It is a matter to which the government attaches the highest importance.

• (2205)

In the Speech from the Throne in April of this year it was clearly stated that the federal government favours the earliest possible construction of a natural gas pipeline to Quebec City and the Maritimes. The National Energy Board approved the extension to Quebec City. Although the board denied the application for the extension of the pipeline to the maritimes pending clarification of environmental specifications and east coast offshore gas development scheduling, the minister assured the House that the board would deal expeditiously with a new application. He gave a further undertaking that as a matter of national policy, the pipeline would be extended without delay, to be completed by 1983.

The National Energy Program, tabled on October 28, gives additional assurances. In the program, the federal government clearly stated that it supports construction of a gas pipeline to the maritimes. To ensure its financial feasibility, the government has initiated the following measures:

1. The city-gate price of natural gas in maritime communities will be the same as Toronto.

2. A contingency fund of up to $500 million will be available to assist in financing the pipeline if it is necessary.

3. Grants of up to $800 will be available to consumers converting from oil heating to gas heating.

4. Grants will be available to distribution companies to assist them to develop gas markets.

The National Energy Board has stated its willingness to deal expeditiously with a new application from the Trans Quebec and Maritime Pipeline sponsors. In turn, the company has indicated to the board that it is prepared to renew its application. A decision during the spring of 1981 would mean the pipeline could be delivering gas to Halifax by late 1983 and to Cape Breton by 1984.

In summary, Mr. Speaker, it is quite clear from the statement made in the Speech from the Throne last April regarding the extension of the natural gas pipeline to the maritimes, from the specific provisions relative to this project in the National Energy Program, and from the assurance given by the Minister of Energy, Mines and Resources (Mr. Lalonde) in the House on October 29, that natural gas services will be extended to the maritimes by 1983.

FINANCE—CANADA SAVINGS BONDS—INQUIRY WHETHER INTEREST RATE WILL BE INCREASED

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, on November 3 I asked the Minister of Finance (Mr. MacEachen) if he was considering an increase in the Canada Savings Bonds rate. At that time the Canada Savings Bonds program contemplated a rate of 10½ per cent. I suggested 11½ per cent. Later that day—though the minister did not give me a commitment in this House that he would do it—he increased the rate on Canada Savings Bonds for this year to 11½ per cent.

This is not the first time that a government faced with massive redemptions and unsaleable Canada Savings Bonds in a sales program because of rapid changing interest factors has been forced to change the interest rate for one or two years or for the duration of a bond issue. The Hon. John Turner had to do it. My hon. friend from St. John's West (Mr. Crosbie) had to do it. This minister has had to do it. It has happened many times before.

Canada Savings Bonds represent a very large demand on the debt structure of the country, although certainly not the demand they once did.

I remind the House that there were outstanding as of November 12, 1980, $15,681 billion of Canada Savings Bonds. At that time the program for the sale of these bonds was still under way for the current sale period.

I also remind the House that the redemption rate has been enormous. In times when interest rates rise very rapidly there is a tendency by people holding Canada Savings Bonds to cash their bonds and put their money into some better investment, some higher paying investment. So in a sense the government is blackmailed into a position where it must increase the interest payable on all its bond in order to slow down redemptions.

On a number of occasions in committee we have asked the government about the cost of the Canada Savings Bonds program. This program costs the Government of Canada about 1.25 per cent to sell the bonds.

I might point out these bonds are cashable on demand at any time. They are probably, in one sense of the word, one of the safest cash investments which a person could ever hope to acquire. However, with the problem of continual redemption, the cost of placing the bonds presents an enormous burden to the treasury. Guaranteed investment certificates are sold with a commission rate of one-fifth of 1 per cent, so that a trust company when borrowing on a five-year certificate, closed for five years, can borrow its money with a 1 per cent commission.

• (2210)

Yet, the government cost on commissions alone is 1 per cent, and with the other costs it comes to about 1.25 per cent. So the government is in a situation where the cost of borrowing money through Canada Saving Bonds is really not cheap. What it must do, therefore, is come up with another method of selling its Canada Savings Bonds.

I would like to offer a couple of suggestions. First, it might contemplate selling a 2 per cent bond plus inflation. Throughout the last century the British government financed itself on what were called British consuls. People received only 2 per

cent on the bonds because there was no inflation. People were happy with that rate of interest, which over time has been the safe rate of return which investors want on their money. The reason investors want 12 per cent, 13 per cent, or 14 per cent today is because of our rate of inflation. Investors want 2 per cent plus the rate of inflation.

Perhaps the government would find it much more attractive to sell an inflation-proof bond. By financing in this way, it would save itself a great deal of money on redemptions.

The second thing which the government might consider is a bond which has a flat rate of interest, say, 8 per cent, plus an adjusting rate of interest which floats up or down based on the average half-yearly rate on 90-day treasury bills.

I say this seriously to the government because unless it comes up with another program I shall be raising these points in the House during question period, perhaps next week, because, as we learned earlier, the 90-day rate on treasury bills at the option this afternoon was 13.06 per cent. The rate on the 180-day bills was another 30 basis points higher. Interest rates have risen virtually one full per cent since I raised this question with the minister on November 3. What will happen is the same thing as has happened before and it happens again and again. We will see a run on Canada Savings Bonds. People will cash their bonds and buy a better, higher-paying investment because they want a better return for their money.

If interest rates continue to rise, the minister will have to pay that extra point and make the return on the bond 12 per cent or 12.5 per cent. This is a continuous problem, and if the minister does not raise the return, then there will be redemptions and if there are redemptions, the minister will have to pay to the big boys—the banks and people dealing in treasury bills and bonds—the 13 per cent, 13.5 per cent or 14 per cent that will be required by the marketplace.

The ministry must come up with another system because people in Canada, strangely enough, want to lend money to the government. But they still want a fair return on their savings. Canadians do not want to wind up in the situation where they are receiving perceptively less than market rates for their money. The government must come up with a proposition which gives people a rate of return on their savings bonds that is related to the treasury bill rate or, if you like, to the Bank of Canada rate. Even if it is .5 per cent less than the Bank of Canada rate, then that would be fair, something which would be acceptable and which would save the government a great deal of money.

● (2215)

Mr. Roy MacLaren (Parliamentary Secretary to the Minister of Energy, Mines and Resources): Mr. Speaker, I am pleased to reply to the question asked of the Minister of Finance on November 3 by the hon. member in which he suggested the CSB rate be reviewed at an early date. In fact, the minister announced at the same time that the rate of interest on the 1980-81 series for the year beginning November 1, 1980, would be raised to 11.5 per cent from 10.5 per cent. Further, the rate for the 1980-1981 year on all outstanding issues was increased by a full one percentage point to 11.5 per cent. This enhancement to the yield on CSBs largely offsets the increases in the rates which have taken place on short-term savings instruments since the terms of the new series were announced on September 12. The rates of return now payable on all outstanding issues of CSBs and the new series are attractive relative to competing savings instruments, given the other attractive features of the Canada Savings Bonds.

The 11.5 per cent first year CSB rate and 10.5 per cent rate payable in the remaining six years are somewhat lower than the current interest rates on other forms of government debt. For example, treasury bills for 91 and 182-day terms as at November 13 were yielding 12.42 per cent and 12.79 per cent respectively. Short, mid and long-term Canada bonds are presently yielding about 13 per cent. However, it is not unusual for CSBs to have a slightly lower rate of return than other forms of government debt. CSBs compete in a different market than this form of debt. The CSB rate is guaranteed for a full seven-year term on the new issue whereas treasury bill rates, while attractive at this moment, may well move down sharply when these short-term instruments mature. Government of Canada marketable bonds pay a higher rate of interest relative to CSBs due to the market risks associated with such instruments. If interest rates move to higher levels, investors will suffer a capital loss when selling Canada marketable bonds, whereas CSBs can always be redeemed at full face value. Another reason CSBs have a lower yield is that they are a more expensive form of financing relative to treasury bills and marketable bonds due to the issuing fees and commission structure. It is generally more expensive for the government to issue its debt in small denominations to a widely dispersed market, and these cost considerations are given careful consideration when determining the CSB rate. Consequently, the rate is set with a view to being as generous as possible for investors while at the same time minimizing as far as possible the public debt charges.

It has been suggested that the CSB rate should be equal to, or better than, the rate of inflation. The new 11.5 per cent first year CSB rate is higher than the inflation rate projection mentioned in the budget. I cannot say that the CSB rate will always be higher than the inflation rate at any point in time. In the past, it has not been unusual to experience periods when the rate of interest on most types of savings instruments has been below the rate of inflation. Such a phenomenon reflects investor expectations of lower inflation rates in the future. In the case of CSBs, investors over the past several years have generally enjoyed rates of return higher than the inflation rate. More important, the CSB rates, which have been increased periodically, have been quite attractive relative to rates of interest on short-term competing savings instruments.

ENVIRONMENTAL AFFAIRS—CHEMICAL TESTING—AVAILABILITY OF STUDIES

Mr. Simon de Jong (Regina East): Mr. Speaker, I wish to address myself to the question I asked the Minister of National Health and Welfare (Miss Bégin) on November 4 concern-

ing tests of chemicals by a laboratory called IBT in the United States that were shown to be invalid. I was most surprised at the minister's response because the minister has a reputation of being one of the most progressive members of Cabinet and a person who is relatively sensitive to human and ecological issues. Her response seemed to indicate to me that we were touching on a very raw nerve.

I asked questions concerning chemicals, the IBT affair and the number of pesticides which are loose on the market today. Hundreds of millions of gallons of these products are used over a very large area yet we have found there exist no valid studies which tell us that the extended use of these products will not be harmful to human health, will not cause cancer or damage the reproductive process.

● (2220)

There are hundreds of new chemicals entering the human environment every year. The human chemical environment or world chemical environment has been greatly changed in the last decade or so, but unfortunately we find that the government has an attitude more appropriate to two decades ago. It certainly does not have the tools to deal adequately with this new phenomenon, this radical change in the environment. What we have found in the IBT case is that 99 per cent of the long-term studies were flawed. They were not accurate.

There is a fungicide called Captan. Thirteen of the 14 tests on that are invalid. We understand there are no other studies in existence to show that the fungicide Captan is not dangerous to human health. This product is used in very large quantities in the agricultural sector of this country, yet there are no studies which allow us to believe it is not harmful to human health.

In the past we have experienced some major crises. We all remember the case of thalidomide and the very unfortunate effects of that. There is no assurance that Captan is not like thalidomide, only stretched over a larger space of time. There are no valid studies. Captan is not the only one. IBT has done hundreds of studies. The American Environmental Protection Agency is now telling us that most of those studies were flawed. This is the type of information we have been trying to get from the government. I am not the only one. When the minister tells the House she has been most open with the public and her colleagues in the provinces, the record shows that this is not so. I wish to quote from the August 28, 1980, *Leader-Post*. It quotes the environment minister Ted Bowerman. I quote:

"Continued use of the chemicals in question with no public statement as to the particular flaws in the testing is an unsatisfactory position," Bowerman said.

"I am anxious to learn of plans for improving the federal registration procedure and the development of a Canadian capability for conducting tests."

Mr. Bowerman has been asking questions of the department as to how many and what chemicals are involved. He has been asking for details of the chemicals with regard to which studies have been flawed, and for descriptions of the chemicals which were subject to valid studies. The government has consistently refused to let this information be made public. We have to go to the United States to get the answer. I challenge the government to change its attitude where it relates to chemicals and the testing of chemicals, and to be open with the public.

Mr. Doug Frith (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, I would like to respond to some of the allegations made by the hon. member for Regina East (Mr. de Jong). In a few moments I will provide him with a very technical answer. However, I wish to reply to some of the remarks he made with regard to the minister's involvement and the answers she gave in this House.

Over a period of time the hon. member for Regina East has been making these allegations in the House. The minister, to the best of her ability, has been giving the responses she is capable of giving at the present time. We in the department have made several attempts and have had individual meetings with the member involved to explain this to him.

● (2225)

I understand that the head of our health protection branch had a three-hour meeting with the hon. member to explain to him some of the data which is available to the department and the difficulties which arise from some of the data which have come from IBT, but to suggest that the health protection branch is not at least aware of the problem and doing the best it can with respect to the protection of health and the environment in Canada is a stretch of the imagination.

Approximately three years ago it was discovered that there were irregularities in certain animal studies conducted by IBT, a U.S. firm which conducts safety evaluations on behalf of pesticide manufacturers for submissin to U.S. and Canadian regulatory agencies. I think it is a fact well known to the hon. member for Regina East (Mr. de Jong) that once such data was made available with that kind of irregularity a moratorium was placed on any product on which studies were done by IBT. Since that time we no longer accept the results of studies submitted by IBT to the U.S. Environmental Protection Agency as well as to our health protection branch. We no longer accept those results from that particular laboratory. This has forced the manufacturers in those cases where it was found that the tests were invalid to go back, at their own cost, to re-do the studies. I think it is well known that such a process takes considerable time.

Officers of the health protection branch working co-operatively with their counterparts in the U.S. Environmental Protection Agency have determined that the status of approximately 100 pesticides depends on the validity of critical studies required to ensure that any potential human health risk is minimal. Additional IBT studies which were not pivotal to the original regulatory decision are also being reassessed, as time permits, in order to detect any undisclosed adverse effects. This reassessment may identify other chemicals of concern to those responsible for the safety of spray operators, wildlife, the environment, forest spraying, etc. The current list issued by the Environmental Protection Agency contains approximately twice as many pesticides as the Canadian list. The difference in the two lists is due to two facts. First, the Environmental

Protection Agency identified all studies for audit and validation while Canada identified only the critical studies for audit at this time. In other words, Canada identified key pivotal studies upon which a decision to register or not to register a pesticide rested. Second, some pesticides registered in the U.S. for uses such as on cotton are not required in Canada.

I want to finish this because the hon. member asked for these figures on a previous occasion. As of October 1 of this year, 920 IBT studies have been identified in submissions from pesticide manufacturers. Of these, 247 are valid, 296 are adjudged invalid and 377 have not been audited to date.

Adjournment Debate

In response to the second point the hon. member raised, Mr. Speaker, upon legal confirmation from our department, we will be—

The Acting Speaker (Mr. Blaker): Order, please. I regret to interrupt the hon. member, but unfortunately there is an understanding that during the adjournment debate the time allowances are very strictly adhered to.

The motion to adjourn the House is now deemed to have been adopted. Accordingly, the House stands adjourned until tomorrow at 11 a.m.

At 10.27 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Friday, November 21, 1980

The House met at 11 a.m.

● (1105)

ROUTINE PROCEEDINGS

[*English*]

NATIONAL UNITY

CALL FOR CENSURE OF HON. MEMBER FOR VAUDREUIL—MOTION UNDER S.O. 43

Mr. Tom McMillan (Hillsborough): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. The Liberal member of Parliament for Vaudreuil (Mr. Herbert) has widely circulated a copy of his letter to the Minister of Justice (Mr. Chrétien) dated November 17 in which he stated:

It is reported that you are prepared to concede even more power to Prince Edward Island. This island has a population about equal to that in my constituency yet it has four MPs and a complete provincial government with powers that exceed those of the government of the state of California.

There has to be a limit. Prince Edward Island is too small a tail wagging too big a dog.

Therefore I move, seconded by the hon. member for Don Valley West (Mr. Bosley):

That this House censures the member of Parliament for Vaudreuil for promoting national disunity by his vicious attack on Prince Edward Island, the cradle of confederation, and for his most hateful campaign to deny the province of Prince Edward Island a genuine role in future constitutional decisions.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

THE CONSTITUTION

SPECIAL JOINT COMMITTEE—REMARKS OF CO-CHAIRMAN—MOTION UNDER S.O. 43

Hon. Stanley Knowles (Winnipeg North Centre): Madam Speaker, I rise to move a very important motion under the provisions of Standing Order 43 which I hope will receive the unanimous support of the House. Therefore I move, seconded by the hon. member for Vancouver East (Mrs. Mitchell):

That this House expresses its very deep regret over the insulting and denigrating remarks that were made to all the women of Canada last evening by the Senate co-chairman of the Special Joint Committee on the Constitution, and this House therefore calls on the government to arrange for the immediate dismissal of Senator Hays as co-chairman and his replacement by someone who understands and appreciates the rightful place of women in all aspects of Canadian society.

Some hon. Members: Hear, hear!

Madam Speaker: Presentation of such a motion for debate requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

GREY CUP GAME, 1980

MOTION UNDER S.O. 43

Mr. Bill Yurko (Edmonton East): Madam Speaker, I rise to move a motion of real urgency under the provisions of Standing Order 43. A strong and mighty force from the very heart of my constituency in Edmonton has journeyed east to create mayhem, to do battle and to conquer. The conquest is to be effected in a little known place called Toronto, and pits those fierce Eskimo warriors from Edmonton against a litter of snarly Tiger Cats from Hamilton in a contest of punch, kick, scratch, hold, bump, knock, stomp, choke, crunch and kill!

An hon. Member: It sounds like the House of Commons!

Mr. Yurko: In the interests of preserving peace in the nation and national unity, I move, seconded by the hon. member for Edmonton West (Mr. Lambert):

That this House undertake immediately to prevent further the exodus of capital westward by cautioning easterners to moderate their liberal wagering habits during this event, and furthermore, to offer its condolences in advance to the litter of kittens from Hamilton.

Madam Speaker: Presentation of such a motion for debate requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

S.O. 43

AGRICULTURE

CANFARM—CALL FOR RECONSIDERATION OF CANCELLATION OF SUPPORT—MOTION UNDER S.O. 43

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Madam Speaker, yesterday the Minister of Agriculture (Mr. Whelan) announced that the government was breaking its commitment to the employees and clients of Canfarm and was withdrawing federal assistance to Canfarm. In view of the fact that this action could cost the loss of 136 jobs of employees and could deny Canfarm services to some 5,000 farm clients, I would seek the unanimous consent of the House to move, seconded by the hon. member for Grey-Simcoe (Mr. Mitges):

That this House calls upon the government to reconsider its decision to cancel its support to Canfarm, in view of the serious threat posed to Canfarm employees and to Canadian farmers by the government's action.

Madam Speaker: Presentation of such a motion for debate requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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● (1110)

ENVIRONMENTAL AFFAIRS

ACID RAIN—MOTION UNDER S.O. 43

Mr. Jim Fulton (Skeena): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. In view of the fact that the Minister of the Environment (Mr. Roberts) is on record as saying that acid rain is costing the Canadian taxpayer and the Canadian environment hundreds of millions of dollars per year in damage, in view of the same minister's statement that at least $400 million must be spent to deal with the problem of acid rain and that that money has not been allocated, and in view of the fact that the Liberal government is not acting in the best interests of Canadians by reducing the amount of acid rain through budgetary measures and policy, I move, seconded by the hon. member for Broadview-Greenwood (Mr. Rae):

That this House unanimously call for producer-pay legislation so that the producers of acid rain, in both Canada and the United States, may be presented with bills on a quarterly basis for the damage and destruction they now cause to all Canadians.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

ACID RAIN—CALL FOR DISCUSSION WITH NEW UNITED STATES ADMINISTRATION—MOTION UNDER S.O. 43

Mr. Peter Lang (Kitchener): Madam Speaker, I rise under the provisions of Standing Order 43. In view of the pressing need for Canada and the United States to deal co-operatively with the immediate and serious threat to our lakes from acid rain, I move, seconded by the hon. member for Timiskaming (Mr. Lonsdale):

That this House acknowledge the urgency of a cabinet level meeting between the Canadian and the U.S. governments, after president-elect Reagan takes office, on the subject of the environmental damage caused by acid rain.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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NORTHERN PIPELINES

CALL FOR MEETING OF STANDING COMMITTEE—MOTION UNDER S.O. 43

Mr. Dave Nickerson (Western Arctic): Madam Speaker, I rise under the provisions of Standing Order 43. I note that since Parliament has reconvened the government has failed to call a single meeting of the Standing Committee on Northern Pipelines. With the Prime Minister (Mr. Trudeau) cavorting with the camels in the sands of Arabia and the Minister of Energy, Mines and Resources (Mr. Lalonde) galling investors in New York, this failure leads Canadians to believe that the Liberal government has abandoned any major energy initiative in Canada and still continues to follow its policy of dependence on high-cost, insecure, imported oil. I therefore move, seconded by the hon. member for Medicine Hat (Mr. Hargrave):

That a meeting of the Standing Committee on Northern Pipelines be called forthwith.

Some hon. Members: Hear, hear!

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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EXTERNAL AFFAIRS

SOUTH KOREA—DEATH SENTENCE ON KIM DAE-JUNG—MOTION UNDER S.O. 43

Mr. Bill Clarke (Vancouver Quadra): Madam Speaker, members will be aware of the continued harassment of Kim Dae-Jung, the leader of the non-Communist opposition and former presidential candidate in South Korea, which has culminated in the military court handing down a death sentence.

This has been confirmed by the appeal court in that country. The situation is urgent because of the limited possibilities of appeal and the possibility of an early execution. Therefore I move, seconded by the hon. member for Simcoe North (Mr. Lewis):

That this House expresses its serious concern over the action of the military court in South Korea in sentencing to death Kim Dae-Jung and that this House implore President Chun to use his ultimate executive power to secure the release of Mr. Kim.

Some hon. Members: Hear, hear!

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

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

Some hon. Members: Agreed.

Motion agreed to.

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THE PRIME MINISTER

MOTION UNDER S.O. 43

Mr. Girve Fretz (Erie): Madam Speaker, I rise under the provisions of Standing Order 43. I move, seconded by the hon. member for Bow River (Mr. Taylor):

That the following message be delivered to the Prime Minister:

"Canadians made the PM's blood boil
So he fled to Arabia to buy their oil
Where he was wined and dined by Sheik Yamani
In exchange for piles of Canadian money.
Afraid of being up the well-known creek
He'd pay twice the price to the oil-rich Sheik
So here we are with Mr. Trudeau to thank
While the Arabs laugh all the way to the bank.
To you, Pierre, who became the third hump
Appropriately riding on your camel's rump,
Oh, when will you cease this mania to roam"—

Madam Speaker: Order, please.

* * *

• (1115)

REGIONAL ECONOMIC EXPANSION

SUBSIDIZATION OF INDUSTRIES IN SOUTHERN ONTARIO—MOTION UNDER S.O. 43

Mr. Gus Mitges (Grey-Simcoe): Madam Speaker, I rise under the provisions of Standing Order 43. In view of the fact that in many areas of Ontario, including my riding of Grey-Simcoe, unemployment has now reached a level much higher than the national average of 7.8 per cent, I move, seconded by the hon. member for Simcoe North (Mr. Lewis):

That the Minister of Regional Economic Expansion meet with the government of Ontario to renegotiate their agreement so as to subsidize industries that wish to establish themselves in municipalities in southern Ontario which are now suffering from a very high unemployment rate.

Madam Speaker: Presentation of this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

THE ECONOMY

ANTI-INFLATION POLICY—GOVERNMENT POSITION

Hon. David Crombie (Rosedale): Madam Speaker, my question is for the Minister of Finance. Yesterday in an interview with the Montreal *Gazette* and as published this morning in the Montreal *Gazette*—I am sure that the minister or at least his staff would have noticed the article—the Minister of Finance indicated that Canadians would have to get used to a lower standard of living in order to combat energy prices. These comments are consistent with comments made by officials of the minister's department last week, that as far as they were concerned Canadians will also have to endure lower real wages in order to combat inflation.

Would the minister tell the House whether or not that is the policy of this government and, if so, how long will Canadians have to endure a lower standard of living in order to put up with the government's failure to come forward with an energy policy which would assist Canadians?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, the hon. member is referring to an interview I had yesterday on a very complex subject. I am not in any way disowning any of the comments I made in that interview, which were a series of economic observations including the fact that all industrialized countries, including Canada, are facing lower growth rates and that it is unlikely that in the immediate future any industrialized country will achieve the growth rate which was part of our public consciousness in the past decade. That is what I said and I believe that is the case.

I also believe it is essential to understand at the present time what is required in the way of economic behaviour if we wish to make any impact on the very troublesome question of inflation.

Mr. Crombie: Madam Speaker, in the same article it is reported as follows: "MacEachen mused, noting the tendency is to blame inflation always on someone else". The minister then went on to explain that inflation should be placed at the door of individuals, of enterprise of union economic decisions

and a host of other areas, and not once, according to the *Gazette* portion of the report, does he mention the government might have something to do with the high rate of inflation.

Mr. Stevens: They are the real culprits.

Mr. Crombie: Given the minister's own budget, particularly what is stated within at page 33, and the effect of that budget on low and moderate income people, at a time when the minister himself is saying that we will have to get used to lower standards of income, will the minister please review those aspects of his budget which will fall most heavily on lower and moderate income people in this country, particularly in light of the forecasts with respect to lower economic activity, lower wages and lower standards of living?

Mr. MacEachen: Madam Speaker, the hon. member has drawn attention to the fact that no mention is made of the government's role in combating inflation.

Mr. Crombie: Causing it.

Mr. MacEachen: I agree with him that the government does have an important role to play, and I have in the course of the budget and the policies flowing therefrom undertaken to follow certain policies which I hope will have a direct impact on the inflationary situation, not only in the field of fiscal and monetary policy, but also in the very important area of having taken steps to improve the productivity of the Canadian economy.

Mr. Crombie: Madam Speaker, I am sure the minister will understand when I say most Canadians believe that, as soon as the minister and his government are willing to accept responsibility for inflation, the first step will have been taken to solve part of the problem.

● (1120)

Let me ask a final question which relates to the minister's budget and the effect of his statement yesterday. In his budget the minister indicated he was interested in achieving significant savings in the social policy field. Indeed, his budget indicates that social policy spending will receive less and less of the government's expenditures over the next three years. I ask the minister to give this House an undertaking that in the government's dealings with the provinces the minister will resist any suggestion that the federal government diminish its contribution and support for the Canada Assistance Plan, which carries most of our social services in this country, and for medicare. Will the minister resist the federal government's diminishing its contribution to those two programs?

Mr. MacEachen: Madam Speaker, I have indicated in the budget and subsequently that we intended to negotiate the question of fiscal transfers to the provinces as agreements expire, and that it would be an objective of those negotiations to attempt to secure savings in that area, as in other areas of government expenditure. We have not prejudged the question, but it will be the objective to secure savings in the general field of transfers.

The hon. member has referred specifically to the Canada Assistance Plan and to the medicare act. I assure him, as the minister in a former responsibility who piloted both these measures through the House of Commons, that I will be very respectful in any negotiation of the important role these programs play in the social security system of Canada.

EFFECTS OF INFLATION ON WORKERS

Mr. John Bosley (Don Valley West): Madam Speaker, I have a question for the Minister of Labour who does not appear to be in the House. Perhaps his parliamentary secretary can answer the question.

Does the Department of Labour agree with this new policy of the Minister of Finance that Canadian workers should be required to bear the brunt of the anti-inflation fight by requiring them to accept lower real wages? If so, could the Minister of Labour explain to this House why that draconian measure should be borne by the workers of this country and almost exclusively, in the minister's view, by them?

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): Madam Speaker, I have been requested by the Minister of Labour to answer questions on his behalf. If I could anticipate the answer of the Minister of Labour, first, he would indicate that he is in support of the policies of the Minister of Finance. Second, he is as concerned as the Minister of Finance and the rest of the government with respect to inflation and how the first people it hurts are the workers of Canada. It is in their vested interests, and it should be in the hon. member's for the entire Parliament to ensure that inflation is kept under control so that those who suffer the most, namely, the workers of Canada, no longer suffer.

Mr. Bosley: Madam Speaker, I am sure the minister knows from his current and previous experiences that real wages for workers in this country have fallen since 1977, with one exception—the nine-month period when another government was in power, during which time real wages rose.

My supplementary question is this: Can the minister explain to this House why the government is returning to the policy of requiring workers to accept lower wages in order to pay for the failure of Liberal economic policy? Does that express what the Prime Minister said on the night of February 18, namely, "Welcome to the 1980s"?

Mr. Munro (Hamilton East): Madam Speaker, the only way workers can share adequately in the wealth of this country is by keeping inflation under control. History shows unmistakably that when inflation is out of control it is the labour movement and the membership of the labour movement which suffer the most.

I would hate to tell the hon. member what some of the heads of the labour movement in the country at large have told me about what they thought of some of the fiscal measures of the

previous government. It is not very laudatory, I can assure the hon. member.

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● (1125)

RESEARCH AND DEVELOPMENT

OWNERSHIP OF TECHNOLOGY DEVELOPED BY IMPERIAL OIL LIMITED

Mr. Edward Broadbent (Oshawa): Madam Speaker, I have a question for the Minister of Energy, Mines and Resources. Is the minister aware that in recent years a letter was sent by the Exxon Corporation to Imperial Oil of Canada pointing out that, whatever patentable research material was developed in Canada by Imperial Oil, whether in the tar sands or any other area of research, and regardless whether the Canadian taxpayer financed it or not, the final ownership of that patentable material would not reside with Imperial Oil of Canada but with the Exxon Corporation in the United States?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I am not aware of that particular letter. If the Leader of the New Democratic Party has it, I would appreciate receiving a copy, which I will examine.

Mr. Broadbent: Madam Speaker, my information is that the government has been made aware of this. In fact, the Prime Minister was made aware of it some time ago. Since it is the case that millions of dollars came from Canadian taxpayers under the old IRDIA program and went directly to Imperial Oil for work in Canada to develop new technology, and since this technology does not belong to Imperial Oil of Canada but to Exxon Corporation in the United States, an incredible situation, will the minister advise what is now the government's response to that situation? What does the government intend to do to ensure the most elementary justice to the Canadian taxpayer in this important matter?

Mr. Lalonde: Madam Speaker, the hon. member has not indicated that he has a copy of such a letter. I said that I am not aware of such a policy or letter, but that I would inquire. It is unfair for the hon. member to ask me to comment on a hypothetical situation when he does not appear to be in the position to provide proof of the existence of the letter at this time. I repeat, I will inquire. I will certainly examine this matter and be happy to comment further once we have the facts.

Mr. Broadbent: Madam Speaker, in a matter of minutes I will be able to provide the minister with a copy of precisely that letter. With that in mind, and assuming that the letter is exactly as I have described it, will the minister assure the House that the Government of Canada will take immediate steps to have this relationship changed? It means that millions of dollars were put up by ordinary citizens from coast to coast for Imperial Oil to produce significant technology here in Canada which does not even belong to the people of Canada but to the Exxon Corporation in the United States. Can the minister assure the House that the government will take immediate steps to put an end to this totally unacceptable situation?

Mr. Lalonde: Madam Speaker, I will certainly read with great interest the letter to which the hon. member has referred and examine the situation. When the government has an announcement to make, I will let the hon. member know.

* * *

ENERGY

NEWFOUNDLAND HYDROELECTRICITY EXPORTS—CORRIDOR THROUGH QUEBEC—ALLEGED DOUBLE STANDARD

Hon. James A. McGrath (St. John's East): Madam Speaker, my question is for the Minister of Energy, Mines and Resources. Today in the Newfoundland legislature the government of Newfoundland announced it was taking away the water rights of the Churchill Falls Power Corporation. They did that out of a sense of complete exasperation and frustration over their inability to reach an agreement with Quebec. The minister knows the consequences of that.

I therefore ask this question. A few days ago the Economic Council of Canada released the results of a special study it conducted on the Newfoundland economy. One of their findings was that the Newfoundland economy was losing annually $600 million a year to Quebec in shortfall as a result of that iniquitous power contract. In light of the findings of the Economic Council of Canada and the importance it places on the development of hydro, and in view of the move in St. John's today by the Newfoundland government, I ask the minister quite earnestly if he will now exercise the constitutional authority he has under section 92(10) and grant the request of the government of Newfoundland to provide a corridor through Quebec so that Newfoundland can develop its power and sell it on the open market?

● (1130)

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, the hon. member refers to a study which has been published. He knows that this study has already been challenged in various quarters as to a certain number of its assumptions. I am in no position to pass honest judgment on that particular study, and I will let the matter stand where it is now.

As to the legislation introduced today in the Newfoundland legislature, I understand that the premier has indicated that he wants this legislation passed and referred to the courts to have the matter investigated by the courts in order to determine whether the Newfoundland legislature has authority to pass this legislation.

As to the specific point raised by the hon. member about a corridor, the Prime Minister indicated at the last federal-provincial conference of first ministers that in his view the federal government had such a right, that the federal government was

prepared to exercise the rights necessary but that obviously the best solution was still a negotiated settlement.

Moreover, I remind the hon. member that any such decision by itself would have no impact on the existing contract with Churchill Falls, which obviously is a different situation where there is a contract between Hydro-Québec and the Churchill Falls Corporation. Even if we were to agree completely with the question raised by the hon. member, it would not change the other contract, which is the point at issue at the present time. However, at the last premiers' conference the Prime Minister indicated quite clearly the point of view of the federal government in this respect.

Mr. McGrath: Madam Speaker, the minister knows that there is a direct linkage, particularly in light of the action announced today by the Newfoundland government. I believe the minister will find that there is a much greater disposition now on the part of the government of Quebec to sit down and discuss this matter rationally with the Government of Canada.

About two months ago the Premier of Newfoundland wrote to the Prime Minister of Canada telling the Prime Minister that he had a letter of intent from the power authority of the state of New York to buy power from the undeveloped Lower Churchill. That seems to fulfil the requirement which the Prime Minister laid down. To the best of my knowledge that letter has not been answered.

Will the minister now tell the House and the country that he is prepared to exercise the constitutional authority he has under the BNA Act, section 92(10), give Newfoundland what is its just requirement under the constitution and announce that a corridor through Quebec will be provided? The least he could tell us today is that he is prepared to take this matter up on an urgent basis with the government of Quebec.

Mr. Lalonde: Madam Speaker, I refer the hon. member to the very clear statement made by the Prime Minister during the constitutional conference on this very subject. The statement by the Prime Minister was unequivocal and quite clear.

As to the question of dealing with the government of Quebec and the government of Newfoundland, I can tell the hon. member that I have had discussions with the minister of energy of Newfoundland and indicated that we would stand ready to sit down with the government of Newfoundland and the government of Quebec to try to iron out these particular issues which are outstanding. Until now I have not been able to get a positive answer from the government of Newfoundland that it is willing to participate in such discussions. I indicated that if the government of Quebec and the government of Newfoundland were willing to have the federal government sit down with them and try to work out in an amicable way a resolution of these very difficult questions, we would stand ready to help and try to work things out. I must say that I have not been able to get a positive response as yet from the government of Newfoundland to this particular offer. I have made the same offer to the government of Quebec, that we are standing ready to help if the government of Quebec felt we could contribute anything in terms of resolving this difficult situation in an amicable way.

Mr. McGrath: Madam Speaker, this is a very important matter, and I am sure you appreciate that. Can the minister tell the House and the people of Newfoundland why he is applying a double standard in enforcing the constitution? He imposes no such conditions on the building of pipelines to carry gas from western Canada to Quebec as those he is imposing on the building of a corridor through Quebec for the transmission and sale of Newfoundland hydro power. Why the double standard? That is what the people of Newfoundland and members of this House would like to know.

Some hon. Members: Hear, hear!

Mr. Lalonde: Madam Speaker, I suggest the type of false rhetoric such as that used by the hon. member does not help resolve this kind of issue. We have never indicated that we were applying a double standard or that we were refusing to exercise our constitutional jurisdiction. We have indicated that we are going to apply the same standard and exactly the same regime, but the fact is that in this particular instance it would be much better and easier for all concerned, including the government of Newfoundland, if this question could be resolved in a negotiated way rather than by using rhetoric and the kind of abusive language the hon. member is using.

I submit to the hon. member that there are better ways of doing things. In the case of electricity, for instance, there might be the economic necessity and it might be much more advisable to wheel power through the Quebec hydro system. In the case of pipelines we do not have to go through provincial pipelines to carry oil or gas. In the case of electricity it becomes economically much more advisable and feasible to use the existing systems.

However, we have indicated that we stand ready to exercise our constitutional power, and I want to make it quite clear that there are no double standards for this government. There are not two constitutions in this country; there is one constitution, and we will apply it.

Some hon. Members: Hear, hear!

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NATIONAL UNITY

WESTERN SEPARATISM—CALL FOR REVIEW OF CONSTITUTION AND ENERGY POLICIES

Mr. Douglas Roche (Edmonton South): Madam Speaker, my question is directed to the Deputy Prime Minister. Last night in Edmonton more than 2,500 people filled the Jubilee Auditorium, which is in my constituency, for a western separatist rally. The audience was protesting federal government policies on the constitution and on energy, which are alienating Alberta.

Will the government now demonstrate its sensitivity to this serious question of separatism by conducting a special review

of its constitution and energy policies, so that those Albertans who want very much to remain part of Canada will be assured that the government will respond to the legitimate concerns of Albertans?

Some hon. Members: Hear, hear!

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, in reply to that question let me tell the hon. member that prior to the presentation of the budget I certainly made a serious effort to respond to what I determined to be a deep sensitivity about the intention of the government to impose exclusively an export tax on natural gas.

Mr. Siddon: Here we go again with the same old excuse.

Mr. MacEachen: It may not be widely understood or even known in Alberta that that particular intention was abandoned in order to respond to the concerns which had been expressed, not only by the Premier of Alberta but also by other spokesmen in the province. So there has been some attempt to respond.

Second, may I say to the hon. member that in response to the statement made subsequent to the budget by the Premier of Alberta regarding his readiness to undertake further talks with the Government of Canada, we indicated our readiness to engage in those talks in an effort to reconcile our differences and to reach some agreement with the province of Alberta. It seems to me that if we could make progress on that front, it would be the most positive step that could be taken in response to the hon. member's real concerns.

Mr. Roche: Madam Speaker, the Deputy Prime Minister knows well that conclusion of a comprehensive energy package is necessary to respond to the concerns of Albertans. May I ask the Deputy Prime Minister if he will reconsider his position and put more effort into the reconciling of the two positions, so that this flame of separatism can be stamped out quickly before it becomes a prairie fire. I ask him if he will accept the testimony of anger which I am conveying to him today with the deepest sincerity. Will the government assume its fundamental responsibility to promote true national unity by taking, as the first step, the decision to extend the constitutional committee's deadline, so that the voice of the west can be fully communicated to the government?

● (1140)

Some hon. Members: Hear, hear!

Mr. MacEachen: Madam Speaker, on that particular point, namely the deadline of the committee which was discussed yesterday, I understand that negotiations commenced yesterday between the House leader of the government and the representatives of the other parties with a view to reaching some conclusion. As I stated yesterday and as the government House leader has stated, we are prepared to take a flexible approach in an effort to give a reasonable opportunity for all groups in the country, including those from the west, to express their views on this important matter. I hope that as a result of these negotiations a common and satisfactory conclusion can be reached.

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CANADIAN PACIFIC RAILWAY

WINNIPEG—PERMIT TO CONSTRUCT OVERPASS

Mr. Cyril Keeper (Winnipeg-St. James): Madam Speaker, my question is for the Minister of Transport. It has been reported in Winnipeg that the permit for the construction of the Sherbrook-McGregor overpass will be issued within a week. This overpass, if built, will cut to ribbons the inner city of Winnipeg. Not surprisingly, the decision by the federal government to finance the construction of the overpass is now being challenged in the federal courts. It is being challenged on the basis that the CTC approved the grants six days before the city applied for the money and failed to give the application adequate consideration. Will the minister at least assure this House that the permit for construction will not be issued until the federal court has rendered its decision?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I am trying to find out now what is the effect of the appeal to the federal court on the decision of the CTC. I hope to get an answer on that this afternoon.

Mr. Keeper: Madam Speaker, my supplementary question is addressed to the same minister. I welcome the fact that he is looking at the impact of that court challenge of that decision, but I would also like to make a further appeal to him to respond to the long-standing call from citizens in Winnipeg for public hearings on this matter, or at least to respond to the latest call for written questions if he is not willing to grant public hearings, so that the decision can be dealt with adequately and legally.

Mr. Pepin: Madam Speaker, I said that I would look into the legal effects of the appeal, but the discussion of the overpass in Winnipeg has been extensive and the proper authorities have made the decision to do what they will do now. The fact that somebody opposes it, however important it may be, should not be a reason not to go ahead with the decision which has been made by the proper authorities.

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[*Translation*]

ENVIRONMENTAL AFFAIRS

ACID RAIN—INQUIRY WHETHER MINISTER WILL MEET QUEBEC COUNTERPART

Mr. Alexandre Cyr (Gaspé): Madam Speaker, my question is directed to the Minister of the Environment. When the minister states in the House that his department has obtained alarming reports on acid rain in Canada he confirms that

aquatic life has disappeared from 140 lakes in Ontario and that salmon rivers have been destroyed in the maritimes. However, the Minister does not mention conditions in Quebec. In the October number of the magazine *Actualité*, we learn that the Montreal area gets more acid rain than all of eastern Canada, which is also responsible for a reduction of salmon spawning in the rivers of the Gaspé Peninsula. That being said, I ask the the minister whether he expects to meet soon with his Quebec counterpart in order to make him fully aware of that serious problem and to see to it that Canada will show the political will to face the worst environmental disaster of the century.

Hon. John Roberts (Minister of State for Science and Technology and Minister of the Environment): Madam Speaker, I cannot confirm that conditions are worse in Montreal than in many other places in North America. It is surely a serious problem, but we are trying to obtain more data on its impact in Montreal. I have already met with my Quebec counterpart, Mr. Léger, and we have discussed among other things the problem of acid rain. We have already set up a structure of co-operation among the provinces under the Canadian Council of Resource and Environment Ministers, including Quebec which is fully taking part in this undertaking. Indeed, the Quebec government is chairing one of the study groups in that structure set up by the council.

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[*English*]

HOUSING

INQUIRY WHETHER SHELTER ALLOWANCE CONSIDERED

Mr. Doug Lewis (Simcoe North): Madam Speaker, my question is for the minister in charge of housing. The Canadian Council on Social Development has forecast that the energy price increase announced in the budget, higher inflation and the forecast of higher unemployment will all have a major effect on the cost of living of Canadians. Mortgage interest rates are expected to rise as a result of the increase in the bank rate. I should like to ask the minister whether the government has given any consideration to granting a shelter allowance to assist Canadian families, so that they will not have to pay more than one-third of their income for shelter?

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, the budget itself contains a measure which reflects the concern of the government for people on lower and moderate incomes who are looking for shelter, particularly in the rental area. That is why, for example, the MURB provision was introduced to help loosen up that particular market.

As regards a shelter allowance, this is a proposal which has been promoted, for example, by Mr. Matthews in his advice in a report to which I referred last week produced for the previous government. It is a proposal that the corporation has considered and one that I am considering in depth. It is one of the proposals to which I referred when I said that, in considering the government's priorities, we thought that that might have a higher priority than the community services program which we declined to continue.

Mr. Lewis: Madam Speaker, perhaps we are on the right track. Would the minister not agree that a shelter allowance which is geared to income would cost the government less money than the current welter of housing programs, such as public housing, non-profit housing, co-ops, AHOP disasters and MURBs. MURBs really do not do anything to put people in homes. It is nothing more than a tax shelter. Would the minister not agree?

Mr. Cosgrove: Madam Speaker, I do disagree with the last comment of the hon. member. In fact, the program is designed to put approximately 10,000 families into housing accommodation which they would not otherwise have, had this government not taken that action in the present budget. So it is designed to put families specifically into accommodation. It is designed, through the filter process, to assist other families to take up accommodation which would be made free.

In response to the first part of the question, let me say that you cannot simply proceed to grant a shelter allowance and do away with all the other programs, the specific targeted programs. I think that almost universally people in the social service area, the experts, will say that it has to be a program which complements existing programs.

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NUCLEAR ENERGY

NEGOTIATIONS RESPECTING REACTOR SALE TO ROUMANIA—CREDIBILITY OF AECL

Mr. G. M. Gurbin (Bruce-Grey): My question is for the Minister of Energy, Mines and Resources, Madam Speaker. The country knows well the difficulties that the nuclear reactor industry is having because of poor sales, and it is our understanding that the government is now negotiating with Roumania for the purchase of a second nuclear reactor. Can the minister tell the House, first, what stage these negotiations have reached; second, whether it is true that the negotiations are going forward on the basis of the Roumanians being able to build and develop 14 more reactors, which would mean very short-term benefit for Canada if we just sold them one more; and finally, what measures the government is taking, now that the president of AECL is charged with conspiracy, to help maintain the credibility of AECL and its international reputation.

● (1150)

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, as far as the contacts with Roumania are concerned, these contacts have been carried on extensively during the past few months. My parliamentary secretary was in Roumania with a delegation of senior officials to advance those negotiations. The total program in Roumania is indeed a large one. It involves several reactors, but obviously

these reactors will be built over a period of years. At present we are advancing our negotiations concerning the second reactor, and I hope in the next few months we will be able to reach an agreement with Roumania which will be satisfactory to both countries.

As far as the last question raised by the hon. member, I must say that I heard some comment from a Tory member on the other side—not from the hon. member, I should say—which I hope will not be recorded in *Hansard*. There is an elementary rule of criminal law in this country, and that is that a man is innocent until he is proven guilty.

Second, as far as the particular charge is concerned, as hon. members know, it has nothing to do with the administration of AECL. It concerns the administration of a particular firm with which the current president of AECL was associated in the past. I have discussed this issue with the president of AECL and the board has considered this matter. It has been decided that we would apply the fundamental rules of justice, and I would hope that members of the Conservative party will have as much respect as the hon. member has had for this subject.

Some hon. Members: Oh, oh!

An hon. Member: It was a member of the NDP.

Mr. Clark: Name him, name him.

EFFECT OF REACTOR SALE ON CANADIAN INDUSTRIAL ACTIVITY

Mr. G. M. Gurbin (Bruce-Grey): Madam Speaker, I thank the minister for his response. I appreciate that the matter is before the courts and I do not wish to judge the president of AECL. My concern is for the reputation of AECL which may suffer even in the absence of any charges.

My supplementary question is for the Minister of Industry, Trade and Commerce. It relates to the same Roumanian reactor negotiations. I wonder if the minister is aware that, because of a lack of foreign exchange in Roumania, some of the negotiations are going forward with contra-trade agreements or negotiations and these agreements might significantly affect our own industrial activity in areas such as textiles, agricultural machinery and even wine, where the industries are already in trouble and where we may be imposing an additional burden upon them by agreements with Roumania.

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, there is no provision in our legal framework for state-to-state deals in these areas. Any trade between our two countries would have to take place within our present legal framework with respect to customs and similar aspects. In any event, we are certainly following this with a great deal of attention so that hopefully arrangements can be worked out to facilitate exports of Canadian nuclear technology to Roumania and commercial exchanges generally between our countries which will be in the interests of both countries, including respecting the needs and interests of Canadian industries and workers and taking those interests very much into account.

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AUDITOR GENERAL

PROGRESS OF AUDIT OF INDIAN BANDS TRUST FUND ACCOUNT

Mr. Lorne Greenaway (Cariboo-Chilcotin): Madam Speaker, my question is for the Minister of Indian Affairs and Northern Development. On November 13, 1979, if I remember correctly, the House passed a unanimous motion that the Auditor General be instructed to audit the Indian bands trust fund account. Could the minister tell us at what point that audit is right now?

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): Madam Speaker, I will take notice of the question because I am not aware at the moment just what the situation is. I will inform myself and let the hon. member and the House know.

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NORTHERN PIPELINES

EXPROPRIATION OF LAND IN BRITISH COLUMBIA

Mr. Sid Parker (Kootenay East-Revelstoke): Madam Speaker, my question is for the Minister of Energy, Mines and Resources in his role as spokesman in the House for the Northern Pipeline Agency. How can his government justify using the Railway Act introduced in 1919 to expropriate land in southeastern British Columbia for the construction of the Foothills natural gas pipeline? How can his government justify sending riot police into the area, simply because the owners are demanding the right to negotiate fair market value for their land? Finally, how can his government justify using nineteenth century police state legislation without even attempting to negotiate in a fair manner with the land owners involved?

Some hon. Members: Hear, hear!

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I do not think I have to attempt to justify what the hon. member has indicated, because what is being done is not related to some of the more outrageous comments the hon. member has made in his statement. What is being done is in accordance with the law passed by Parliament and which is in application in this country. I understand that there are a few individuals who are not satisfied with the offer made by the particular company which is building the pipeline. These matters are being discussed under the rules provided in the law. Also I am advised that National Energy Board officials have been sent there to see whether they could help in arriving at a satisfactory settlement between the parties concerned. The government is not a party to these discussions as such, as the hon. member knows.

As far as we are concerned, we have succeeded in obtaining a commitment from the builders that they will settle on the basis of the rules put forward in a bill in the Senate by Senator Olson which represented a significant improvement on the old legislation. Unfortunately this bill has not yet been passed by the House, but the applicants are ready to consider themselves bound by it.

Mr. Parker: Madam Speaker, it seems that no one in Ottawa is willing to listen to the concerns of the people in this area. My supplementary question is also for the Minister of Energy, Mines and Resources. In light of the government's supposed commitment to human rights, will the minister agree to withdraw these petitions from the courts so that fair negotiations can take place between the land owners and Foothills? Furthermore, will he agree, to bring in immediate changes to the Northern Pipeline Act along the lines first suggested by Senator Bud Olson in 1979 to ensure that the expropriation provisions are brought into the twentieth century and that these problems will not recur as pipeline constuction proceeds through the rest of British Columbia and into Alberta?

Mr. Lalonde: Madam Speaker, the government is very much aware of the necessity of improving this legislation. The fact is that Senator Olson introduced in the Senate the bill to which the hon. member referred. I tried to see whether it could be put on the legislative timetable since the new session opened. It was not possible to find time, but nonetheless we have succeeded in reaching a situation whereby the private companies building the pipeline agree to be bound by the particular bill introduced by Senator Olson in the Senate. So in effect, the people concerned can benefit from the provisions of the bill which unfortunately has not yet been passed by the House.

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AIRPORTS

TORONTO INTERNATIONAL—INQUIRY RESPECTING LONG-RANGE PLAN

Mr. John McDermid (Brampton-Georgetown): Madam Speaker, my question is directed to the Minister of Transport. As the minister knows, for a considerable amount of time I have called for some long-range planning at Toronto International Airport. Is the minister prepared to let the people of Brampton, Etobicoke and Mississauga know if in fact he does have some long-range planning in mind at Toronto International Airport and, if so, when it might be announced?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, if I remember well, since the 1975 decision not to go along with the Pickering project, Malton airport has been analysed and studied extensively. There have been a number of studies in a wider context like, the southern Ontario multimodal passenger study. There have been more specific ones, for examples, on the third terminal or on access by foreign carriers.

● (1200)

To answer the question more specifically, there is a master plan which is in the process of completion now and which will be revealed next January. It will be exposed to full consultation, as these matters usually are, with the local people interested in the development of the airport.

Mr. McDermid: Madam Speaker, I appreciate that information and I say thank goodness, it is about time. Will the minister assure the people of the area, the local municipalities and citizens, that they will have a fair opportunity to study the plan and make proper recommendations to the minister and to the members of the ministry, and will he widely advertise the fact that they will have this opportunity to do so?

Mr. Pepin: Madam Speaker, the invitation is well taken. Presumably the member, as he has done previously, will want to participate in these exercises too. I understand there are a number of committees presently constituted of officials and representative members. These will be used. On every occasion I have seen in other cities where such a master plan existed, the department, particularly in recent days, has been known to extend itself to the fullest to hold consultations. For example, this happened very recently in Ottawa.

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NUCLEAR ENERGY

REPORTED RADIATION LEAK AT MALVERN, ONT.

Mr. Gordon Gilchrist (Scarborough East): Madam Speaker, I am glad to have the opportunity to ask a question of the Minister of Energy, Mines and Resources in his capacity as minister responsible for the Atomic Energy Control Board. It deals with an important matter reported yesterday in *The Globe and Mail* which arose in the riding of York-Scarborough in the residential area of Malvern, where high degrees of radiation were discovered. I wonder if the minister would assure the residents of Malvern and the members of this House that his officials are working quickly and carefully to analyse this situation so as to put their minds at ease on a matter which concerns them very deeply.

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I am advised that the officials of the Atomic Energy Control Board have already been on the site. They are examining the situation carefully and the Atomic Energy Control Board will make public any conclusion that is reached from the surveys that are being conducted now. I understand officials of the AECB were there as early as yesterday.

Mr. Gilchrist: Madam Speaker, I am pleased to have that reassurance. I wonder if the minister will table details of the cause and the cure to be made in this regard. The problem

goes back a long way, to a farm which has now been approved for residential construction. The effect on adults is bad enough but the radiation at ground level for children is eight times the normal level. I ask the minister for an early report on this matter.

Mr. Lalonde: Madam Speaker, the Atomic Energy Control Board will release publicly any conclusion it reaches as soon as possible. I will be very happy to forward a formal copy of the board's report as soon as it is available.

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HEALTH CARE

PRE-NATAL SCREENING KITS—ABORTION OF FEMALE FOETUSES

Mr. Benno Friesen (Surrey-White Rock-North Delta): Madam Speaker, my question is for the Minister of National Health and Welfare. I think she is aware that more frequently the test of amniocentesis is being used to determine pre-natal birth defects in, and the sex of, the unborn child. In Canada, according to the law, abortion is permitted only for therapeutic reasons, yet statistics indicate that following the use of this test more females are being aborted than males, thus drawing the ugly inference that mothers carrying female children are needing more therapy than those carrying male children. I wonder if the minister would use her good offices and speak to her colleague, the Minister of Justice, about amending the provisions of the Criminal Code dealing with abortion, so that we can stop this attack on women and use abortion only where the physical health of the mother is at stake.

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, regarding the misuse of the several brands of pre-natal screening kits, I informed the House earlier this week that I have written to my provincial counterparts, enclosing information from my department. Instead of discussing the Criminal Code I asked the provincial ministers who are responsible for health services in each of the provinces to establish specific, detailed minimum requirements in the handling of and the procedures by which these kits could be used. These kits can never be used alone; other diagnostic procedures should also be used by the doctor in every single case. Other rules are being spelled out and they have been sent to the provincial ministers. I hope this route will be sufficient to control the misuse of these screening kits and to control the diagnostic mistakes which arise.

Mr. Friesen: I would first ask the minister if she would table that correspondence in the House. Second, I think she is aware that the test is apparently not accurate and that many times, even though the test has proved to be positive, if an abortion was not performed the children have turned out to be normal.

I ask the minister to address herself to the substantive part of my question, which is that it is being used as an attack on women by aborting more female children than male where there has been no indication of defect. Would the hon. lady address herself to that part of the question?

[*Translation*]

Miss Bégin: Madam Speaker, I think I am quite familiar with this line of reasoning, for the hon. member has used it before on several occasions in the House when dealing with other issues. There is no evidence or even any shadow of evidence to indicate that actions are wilfully being taken against women. Thanks to these relatively new diagnostic procedures, it is now possible to identify in the unborn serious deficiencies which may result in the children being affected with birth defects of the brain or spine and having to live with serious handicaps for the rest of their lives. If, within the limits of the Criminal Code and through the hospitals' therapeutic committees, physicians are called upon to make decisions, there is no indication that the use of these screening kits can be attributed to an abuse of or discrimination against women.

I suggest that this approach is all wrong. The purpose is to ensure the welfare of the mothers and their future children, and to make sure that the diagnosis is accurate and timely. That is my position. As to the suggestion that I should table in the House the letter I have sent to my provincial counterparts, I will check to see if that is the usual practice. However, there is nothing to prevent me from advising my colleagues in the House of its content.

* * *

[*English*]

BUSINESS OF THE HOUSE

Mr. Pinard: On a point of order, Madam Speaker, I rise with respect to the consideration of the Petroleum Administration Act later today and next week. There has been consultation with respect to the length of the speeches as well as the taking of the recorded divisions, if any, and there seems to be agreement to the following order:

That during the consideration of the motions relating to the proclamation of sections 35 and 52 of the Petroleum Administration Act all members except the first speaker for each party and the leader of each party shall not speak for more than 30 minutes; and that if a recorded division is required on the first of the said motions on or before Tuesday, November 25, 1980, it shall be taken at 5.45 p.m. on Wednesday, November 26, 1980; and that if a recorded division is required on the second of the said motions it shall be taken at 9.45 p.m. on Monday, December 1, 1980.

Mr. Nielsen: Madam Speaker, that is acceptable to this side. But while speaking to the point of order raised by the parliamentary secretary I want to give the Chair notice of a point of order, or a question of privilege, which arises out of the manner in which the two notices have been treated.

• (1210)

I raised related questions before in the House with respect to changes being made by the *Journals* branch which alter significantly the written record of the House. In the case of the notice filed under the auspices and perhaps even prepared, I believe, by the hon. member for Winnipeg North Centre, there have been some substantial changes made by the *Journals* branch to that notice. I do not intend to develop my point

today, but merely give the Chair notice that I shall be raising the matter. I shall do so when I am not taking up important time in debate.

Mr. Knowles: Madam Speaker, with respect to the motion proposed by the government House leader, we are in agreement with it.

Madam Speaker: I must assume that the hon. President of the Privy Council has the unanimous consent of the House to move the motion. Hon. members have heard the terms of the motion. Is it the pleasure of the House to adopt the motion?

Some hon. Members: Agreed.

Madam Speaker: Agreed and so ordered.

* * *

PRIVILEGE

MR. CHRÉTIEN—HAMILTON TAGGED AS UNDERDOG IN GREY CUP FOOTBALL CHAMPIONSHIP

Hon. Jean Chrétien (Minister of Justice and Minister of State for Social Development): Madam Speaker, I have received requests from some hon. members of the House to explain why I am wearing this button. There are three good reasons. The first reason is because of the pressure faced by my colleague, the Minister of Indian Affairs and Northern Development (Mr. Munro). The second reason is because approximately 25 years ago two great Canadians, Mayor Vic Copps and Mayor Gaston Hardy, twinned the cities of Hamilton and Shawinigan. The third reason is that because I am the Minister of State for Social Development I have to be concerned for the underdog, so I am concerned about the poor, the widowed, orphans, Liberals in Alberta, and the Hamilton Tiger Cats!

MR. NIELSEN—STATEMENT MADE BY MR. LALONDE DURING QUESTION PERIOD

Hon. Erik Nielsen (Yukon): Madam Speaker, I have a question of privilege with respect to the very uncalled for and, if I may say so, snide remarks of the Minister of Energy, Mines and Resources (Mr. Lalonde) with respect to a vague accusation that some members in the Conservative party interjected during one of his answers in the question period. The minister expressed the hope that it would not find its way into *Hansard*. I sit much closer than the minister to members on this side, and I heard no such interjection coming from a Conservative member.

I believe it does nothing for the spirit of this place when the minister makes comments such as he did which reflect on every individual member of the Conservative party, and which reflect on the very principle which he so loosely espoused while he was replying to the question, that one is presumed innocent until proven guilty. Unless the minister can point to a member of the Conservative party and attribute that interjection to that hon. member, then I think as a gentleman and a member of this House he should withdraw any reference he made to members of this party.

Madam Speaker: This certainly is not a question of privilege. However, the point has been made.

An hon. Member: Allow the minister to speak.

Madam Speaker: The people who record the proceedings of this House write down everything they hear. I am sure that they are not influenced by whatever directives or instructions they may receive from both sides.

Mr. Clark: That is not the point.

Mr. Nielsen: That is not the point. The remarks which the minister made today are on the record. I think he is rising right now to withdraw those remarks, and I would urge the Chair to allow him to do so.

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, the hon. member says that what I heard, and what I suspect he heard, did not come from a member of the Conservative party. I am ready to take his word that perhaps it did not come from a member of the Conservative party. However, I think he will recognize that there was certainly a very uncalled for comment which came from somebody in the opposition benches.

Mr. Dinsdale: Smear everybody.

Hon. Stanley Knowles (Winnipeg North Centre): Madam Speaker, there is no point in making the matter worse. In the first instance the Minister of Energy, Mines and Resources (Mr. Lalonde) attributed a remark to some Conservative member. Now he says that it was someone on the opposition side, which would include my party. I heard no remark. I have asked my colleagues, and they tell me that none of them made any spurious remark. I believe that the minister should either withdraw the remark or tell us what was said and who made the comment.

Madam Speaker: I think we will all be better off when we read *Hansard* tomorrow.

Some hon. Members: Oh, oh!

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, what we have here is a statement made by a minister of the Crown which cast direct aspersions upon every member of the opposition. The minister has narrowed his statement to say that it was not a member of the Progressive Conservative Party, although he did so in a most grudging fashion. He has allowed his accusation to stand as it relates to members of the New Democratic Party.

There is now a clear breach of the privileges of every member of the New Democratic Party, but prior to that of every member of the opposition. I believe that we should not wait for *Hansard* but, rather, have the matter resolved now by

having the minister stand and clearly withdraw the accusation which he has made against other members of this House.

Hon. John Roberts (Minister of State for Science and Technology and Minister of the Environment): Madam Speaker, on the same question of privilege, I was sitting beside the Minister of Energy, Mines and Resources, and I can certainly affirm with absolute determination that such a comment was made.

Mr. Clark: What was the comment?

Mr. Roberts: The comment was in reference to the president of the Atomic Energy Board.

Mr. Clark: What was it, and who said it?

Mr. Roberts: I cannot ascertain from which member it came.

Mr. Clark: What was said?

Mr. Roberts: The comment was to the effect that "he is a Liberal, so he is all right." That was the comment. I suggest that it is an improper comment of prejudice against the president of Atomic Energy of Canada. I cannot ascertain which member said it. Perhaps the hon. member who uttered the comment would be big enough to get up in the House and say so.

Mr. Clark: No one said it. No wonder this House falls apart.

Mr. Knowles: Madam Speaker, now that we have been told what the remark is, I have checked again with my colleagues, and they tell me that no one made such a remark. It is most unfortunate that it has been said. I had the feeling that at first you thought, Madam Speaker, that the hon. member for Yukon (Mr. Nielsen) was complaining because there was intimidation of *Hansard* not to include the remark. That is not the point, because the remark is not there. I submit that the Minister of Energy, Mines and Resources, and now the Minister of the Environment (Mr. Roberts), should withdraw the charge unreservedly.

Mr. Clark: Name the member or withdraw.

Mr. Lalonde: Madam Speaker, I heard what was stated by the Minister of the Environment very clearly. I heard every word of what was said and it came from the opposition benches. I have checked further with several members on this side, all of whom have confirmed that this was the case. I hope the hon. member who made the comment will have the courage to stand up and say so.

Mr. Nielsen: Madam Speaker, the two ministers are now making this problem far worse than it was at the beginning. The Minister of Energy could have solved the problem by doing the gentlemanly thing and withdrawing his accusation, but now he and his colleague are saying that they heard a remark. I have checked with the members of my party, and there was no such remark from these benches. I heard the hon. member for Winnipeg North Centre say that he has checked with all his members and that no such remark came from the NDP benches.

Why does the Minister of Energy, Mines and Resources not respect the tradition of this House and withdraw, as most gentleman who sit in this place should, because the charge made by the minister is tied to the loose use of the expression "one is presumed innocent until proven guilty", leaving the inference that we do not respect that basic, fundamental tenet of the law.

If the minister would like this matter to carry on, then he will have his way, but if he wishes to do the right thing and act like a gentleman, as hon. members usually do in this House, he should withdraw his remarks without any reservation whatsoever. Such an act on the part of the minister might do something to restore some sense of co-operation and an atmosphere wherein the government's business may move along in a little more tenable way.

Mr. Lalonde: Madam Speaker, the hon. member is asking me to lie to this House. I will not lie to this House. What I heard has been confirmed by several members on this side, and whatever the hon. member may say I would remind him that several members have left the House since question period ended.

Mr. Clark: Madam Speaker, this is not acceptable.

• (1220)

Madam Speaker: We are into a situation where members are commenting on a remark which I did not hear. From where I sit I am not surprised though that I could not hear it. Some say that something was said, and others say that it was not.

An hon. Member: It is a figment of his imagination.

Mr. Clark: It was not said.

Madam Speaker: If I gather what the discussion is about, not having heard the first remark, members are objecting to the minister's remarks. Perhaps I could look at the minister's remarks in *Hansard* to determine whether the question of privilege raised by the hon. member for Yukon (Mr. Nielsen) is founded.

Mr. Clark: Madam Speaker, I simply want to clarify what my understanding is of what you were suggesting.

Mr. Pinard: It is clear. Why do you interfere with the business of the House?

Mr. Clark: The government House leader is speaking from his seat supporting the actions of his two ministers whose statements have served, once again, to make it difficult for this House to co-operate and make progress. The clarification I sought, since you are holding the question open, was that there would be an opportunity, I presume on Monday, for other representations to be made. These concern the damage which

we believe has been done to the practices of Parliament by the stubborn refusal of the two ministers to accept the word of members on this side of the House, and to withdraw comments which amount to a blanket slander of members sitting in the opposition in Parliament.

Madam Speaker: I cannot ascertain at this point that I will entertain further discussion on the matter. I might. I said that I would look at the remarks of the hon. minister and determine whether there is a question of privilege as raised by the hon. member for Yukon.

* * *

POINT OF ORDER

MR. McKENZIE—ANSWER GIVEN BY MR. PEPIN DURING QUESTION PERIOD

Mr. Dan McKenzie (Winnipeg-Assiniboine): Madam Speaker, my point of order arises out of an answer given by the Minister of Transport (Mr. Pepin) today. It concerns the Canadian Transport Commission issuing a permit to the city of Winnipeg to build the Sherbrook-McGregor overpass. I was informed this week that a permit would be issued, that it had been cleared through the Department of Justice. As I understood the minister's answer today, he said that he was going to check to see whether it was all right for the CTC to issue the permit to the city of Winnipeg.

I do not believe the minister has the authority to overrule the Canadian Transport Commission on a decision to issue a permit. I believe that this matter should be cleared up in the House. Did the minister mean that he was going to take this matter up with the cabinet and have the cabinet overrule the Canadian Transport Commission? Is the minister going to interfere directly with the Canadian Transport Commission to have this permit stopped? The minister does not have the authority, and I believe he should clear up this point.

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I have a great number of things to worry about, and that is one of many. I have an indication here that the situation is as I described it, namely, that I have to assess the effect of the court action on the decision of the CTC to allow for the construction of the overpass. If my hon. friend is ahead of me on that particular matter, I will gladly have a conversation with him immediately, but that is the information I have. I was going to spend some time this afternoon checking to see to what extent one event influences the other. I will do my best to do that because I know how urgent is the implementation of the decision.

Mr. McKenzie: Madam Speaker, I thank the minister for his answer. If the minister and the cabinet are going to decide that they will stop the issuance of the permit, will the minister give a commitment to the House that the city of Winnipeg will be reimbursed for $2.5 million, because you are directly responsible for the delaying—

Madam Speaker: Order, please. The hon. member is going beyond his point of order in this second intervention. I am sorry, but I must interrupt him.

* * *

THE LATE P. B. RYNARD

TRIBUTES TO FORMER MEMBER OF PARLIAMENT

Mr. Doug Lewis (Simcoe North): Madam Speaker, it is with deep regret that I rise to advise this House that Dr. P. B. Rynard, member of Parliament for Simcoe North for 22 years, passed away last evening. Doctor Rynard was a great humanitarian. He was a kind and thoughtful physician. He was a well-loved representative of his constituents and a respected member of this House. He set an example for every Canadian to follow, especially those from rural and semi-rural constituencies.

We are all saddened by his death, but we acknowledge with thanks that he left Canada and Canadians better as a result of his contribution.

Some hon. Members: Hear, hear!

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I want to express my own sorrow at the knowledge which the hon. member for Simcoe North (Mr. Lewis) has conveyed to us about the death of a former colleague in the House of Commons.

Like many other members, I knew Dr. Rynard personally. I had extremely good personal relations with him. I benefited from his administrations from time to time, and I had the highest regard for him. He was a strong advocate of his own positions in the House of Commons. He participated actively in the question period, and at the same time he maintained a courteous attitude toward all members of the House, which I think all of us could emulate from time to time.

Some hon. Members: Hear, hear!

Hon. Stanley Knowles (Winnipeg North Centre): Madam Speaker, as another member who knew and worked with Dr. Rynard for many years, I join with the rest of the members of the House in paying my warmest respects to his memory.

Hon. Bob Kaplan (Solicitor General): Madam Speaker, as one who served in the House with Dr. Rynard, I want to mention my own regret at his passing. He was, as has been indicated, not only a lively advocate of strong views in the medical field, but he was a medical adviser to many of us from time to time. Like other members, I benefited from his presence in the House and, like others, I will miss him very much.

Right Hon. Joe Clark (Leader of the Opposition): Madam Spaker, I have the privilege to lead the party which Dr. Rynard served so effectively and consistently, not only on the floor of the House of Commons but across the country. He brought the skills and the care of an excellent general practi-

tioner to the general practice of politics, and his contribution to the House and to the country will be honoured. He will be missed by all who knew him.

Hon. Sinclair Stevens (York-Peel): Madam Speaker, I would like to add my words of sorrow at the passing of Dr. Rynard. As hon. members know, I had an opportunity for some time to represent the riding of York-Simcoe, which included the southern part of Simcoe county, and Dr. Rynard, of course, represented the northern part of Simcoe county. I want to tell all members of the House that during that period Dr. Rynard was a great help to me. He was, if you like, my mentor in the House, being the representative from the adjoining riding. We are deeply sorry to hear of his death last evening.

* * *

POINTS OF ORDER

MR. YURKO—STATEMENT MADE BY MR. CHRÉTIEN

Mr. Bill Yurko (Edmonton East): Madam Speaker, I distinctly heard the Minister of Justice (Mr. Chrétien) say that he perhaps represented the city of Edmonton, or some part of it. I want to straighten the record and suggest that the Minister of Justice does not represent the city of Edmonton in any way.

However, I want to indicate that when I put my motion earlier this morning, I did not hear any negative replies. Nevertheless, I can understand the sentiments under which the motion was not accepted unanimously. I would also like to suggest that since putting the motion I noted that a number of hon. members were wearing wreaths of sympathy or mourning for the "kittens" from Hamilton. Therefore, I recognize that even though the motion was not passed, indeed the sentiments were there.

MR. STEVENS—INSTRUCTION GIVEN TO PETRO-CANADA—TABLING OF ORDER IN COUNCIL

Hon. Sinclair Stevens (York-Peel): Madam Speaker, my point of order arises from an answer given yesterday by the Minister of Energy, Mines and Resources (Mr. Lalonde) with respect to a certain instruction given to Petro-Canada under Section 7(2) of the Petro-Canada Act of Canada. The minister indicated that such an instruction was given and it was confirmed by order in council, either before or after the actual instruction. Will the minister indicate whether he will be tabling the order in council and, if so, when, so that we can see the exact nature of this instruction to Petro-Canada?

● (1230)

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Yes, Madam Speaker, I will be happy to table the order in council as soon as I can get a copy of it. If I can get it later today, I will ask the permission of the House to table it. If not, I will table it on Monday.

Order Paper Questions

MR. HUDECKI—PREDICTION OF HAMILTON VICTORY IN GREY CUP FOOTBALL CHAMPIONSHIP

Mr. Stanley Hudecki (Hamilton West): Madam Speaker, I rise on a point of order to respond to the motion made by the hon. member for Edmonton East (Mr. Yurko). I want to assure him that the ornaments we are wearing are not to indicate sorrow or sympathy, but in anticipation of the victory that will take place when we have the non-governmental confrontation between the east and west on Sunday afternoon. I wish to indicate to him that Hamilton, the champions of the eastern conference of the Canadian Football League, will uphold the fine tradition of eastern and central Canada and play with dedication, fairness, and true sportsmanship typical of that area, but with the ferocity of a tiger they will win.

ROUTINE PROCEEDINGS

[*Translation*]

PUBLIC ACCOUNTS

Second report of Standing Committee on Public Accounts—Mr. Clarke.

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

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[*English*]

TAXATION

REVIEW OF CAPITAL GAINS TAX

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, under Standing Order 41(2) I wish to table copies, in both official languages, of a review of the taxation of capital gains in Canada.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 473 (amended), 476 (amended), 662, 861, 862 and 1,353.

Order Paper Questions

[*Text*]

ADULT TRAINING PROGRAMS—BRITISH COLUMBIA—NATIVE PEOPLE

Question No. 473 amended—**Mr. Orlikow:**

For the years (a) 1976-77 (b) 1977-78 (c) 1978-79, what amount was spent in adult training programs for (i) native people (ii) the rest of the population in the province of British Columbia?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Comprehensive statistics, which would provide information on the amounts spent on adult training programs for all native people, including status Indians, non-status Indians, Métis and Inuit were not compiled before April 1, 1979; however, information on the amounts spent for training courses purchased for status Indians on reserves is available. As British Columbia and Yukon data are not available separately, the combined estimated amount spent, for each year specified, is as follows:

			(i) Status Indians on Reserves	(ii) Rest of Population
(a) 1976/77	Institutional	(CMTP)	$1,854,071	$44,717,277
	Industrial	(CMTP)	255,000	8,660,402
(b) 1977/78	Institutional	(CMTP)	1,895,043	46,163,700
	Industrial	(CMTP)	300,000	10,428,949
(c) 1978/79	Institutional	(CMTP)*	1,414,293	41,262,772
	Industrial	(CMTP)	67,819	11,425,097

*The payment of UI benefits, rather than training allowances, to eligible trainees began in the 1978/79 fiscal year. Because of this, and the fact that UI payments to native trainees cannot be specifically identified, comparison with previous years is not accurate.

NOTE: See 476 (amended)

ADULT TRAINING PROGRAMS—YUKON TERRITORY—NATIVE PEOPLE

Question No. 476 amended—**Mr. Orlikow:**

For the years (a) 1976-77 (b) 1977-78 (c) 1978-79, what amount was spent on adult training programs for (i) native people (ii) the rest of the population in the Yukon Territory?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Comprehensive statistics, which would provide information on the amounts spent on adult training programs for all native people, including status Indians, non-status Indians, Métis and Inuit were not compiled before April 1, 1979; however, information on the amounts spent for training courses purchased for status Indians on reserves is available. As British Columbia and Yukon data are not available separately, the combined estimated amount spent, for each year specified, is as follows:

			(i) status Indians on Reserves	(ii) Rest of Population
(a) 1976/77	Institutional	(CMTP)	$1,854,071	$44,717,277
	Industrial	(CMPT)	255,000	8,660,402
(b) 1977/78	Institutional	(CMTP)	1,895,043	46,163,700
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	Industrial	(CMTP)	67,819	11,425,097

*The payment of UI benefits, rather than training allowances, to eligible trainees began in the 1978/79 fiscal year. Because of this, and the fact that UI payments to native trainees cannot be specifically identified, comparison with previous years is not accurate.

NOTE: See 473 (amended)

U.I.C.—CONSTITUENCY OF YORK-SUNBURY

Question No. 662—**Mr. Howie:**

As of April 1, 1980, how many persons in the constituency of York-Sunbury were receiving unemployment insurance?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): The number of persons in the constituency of York-Sunbury collecting regular and fishing unemployment insurance benefits only as of April 1, 1980, was 2,741; this does not include claimants receiving special benefits such as maternity, sickness, retirement and training under the Adult Occupational Training Act. To obtain statistics covering all such claimants would require the rewriting of computer programs at considerable time and expense.

CANADIAN SALTFISH CORPORATION

Question No. 861—**Mr. Gass:**

Did the Canadian Saltfish Corporation enter into an agreement with Canadian fish processors for the marketing of frozen groundfish and/or frozen pellagic fish and frozen squid and, if so, with which companies and under what authority?

Hon. Roméo LeBlanc (Minister of Fisheries and Oceans): At the request of the governments of Newfoundland and Labrador and Quebec, the Canadian Saltfish Corporation has, over the years, marketed frozen salmon, frozen char, cured herring and cured mackerel. This was done as a temporary measure to improve the returns to fishermen, until permanent arrangements were established to market these products. Recently, at the request of three processors, the Canadian Saltfish Corporation entered into agreements to market their frozen groundfish, frozen pelagic and frozen squid products. The companies involved are: Bay Bulls Sea Products Ltd., Bay Bulls, Newfoundland, Woodman's Fisheries Ltd., New Harbour, Newfoundland, and Tors Cove Fisheries Ltd., Tors Cove, Newfoundland. These are interim measures, which will be discontinued when these companies are able to market their own products or have made other long-term marketing arrangements.

SALMON FISHERMEN—ATLANTIC PROVINCES

Question No. 862—**Mr. Gass:**

1. Will compensation be paid to salmon fishermen in the Atlantic provinces during the current fiscal year and, if so (a) what are the names of the fishermen (b) what will be the amounts, in each case?

2. Will compensation payments be made beyond the current fiscal year?

Hon. Roméo LeBlanc (Minister of Fisheries and Oceans): 1. Yes.

(a) and (b) This information is considered to be confidential and its release would be contrary to the individual's right of privacy. The breakdown by province is:

New Brunswick	—	$1,000,203.10
Newfoundland	—	272,480.00
Quebec	—	231,492.00

2. There are no plans to pay compensation beyond the current fiscal year. However, a limited compensation program may be considered for individuals suffering continued economic hardship in areas where it is not possible to open the commercial fishery.

CANADA EMPLOYMENT CENTRES—APPRENTICESHIP PROGRAM

Question No. 1,353—**Mr. Halliday:**

Since the introduction of the apprenticeship program sponsored by the Canada Employment Centres, how many employers have signed up with the program, only to let the employees go within 6 to 12 months of taking them on as employees?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Under the Adult Occupational Training Act, the Canada Employment and Immigration Commission/Department may reimburse provinces for certain training costs (classroom instruction only) and, in some instances, provide income support to apprentices. However, apprenticeship programs come under provincial jurisdiction; for this reason, tripartite contracts are signed by provincial directors of apprenticeship, employers and apprentices. As the responsibility for regulating all aspects of apprenticeship programs and for monitoring apprentices' employment records lies with individual provinces, this information is not available from commission's files.

[*English*]

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

Madam Speaker: The questions enumerated by the parliamentary secretary have been answered. Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

PETROLEUM ADMINISTRATION ACT

PETITION TO REVOKE PROCLAMATION

Mr. Ian Waddell (Vancouver-Kingsway) moved:

That the proclamation laid before the House on Wednesday, November 12, 1980, pursuant to subsection 35(2) of the Petroleum Administration Act, as proclaimed in PC 1980-2915, be revoked.

Mr. Nielsen: Madam Speaker, I rise on a point of order. The notice that was just read is not the notice that was filed. It has been altered, I understand, in the *Journals* branch. That is going to be the subject of a point of order I wish to develop further when I am not taking up the time of the debate. I maintain that the motion as just read by the Chair is not properly before the House because it has been altered by *Journals*. I do not know whether it was done with the knowledge of the hon. member for Winnipeg North Centre (Mr. Knowles). Probably not. It has happened in the past where *Journals* have changed the written record of the House. In this case they have changed the wording of a notice that had been filed. This is not the notice that was filed.

Mr. Knowles: On the point of order raised by the hon. member for Yukon (Mr. Nielsen), Madam Speaker, may I point out that the motion as it now appears on the order paper is the only motion permitted by the statute under which this debate is taking place. I do not have the statute in front of me at the present time, but I have checked it on several occasions. The statute provides that when a certain type of proclamation is made, ten members may pray that the order be revoked. That is all that can be put down. The hon. member made an allusion to something being done with my knowledge. He is wrong.

Mr. Nielsen: I did not say that. I said perhaps.

Mr. Knowles: The hon. member does not have to worry about what he said. The fact is the Table officers did discuss the matter with me and pointed out what it says in the statute. I agreed. I had made it clear to my colleagues in caucus that the only motion we could put down was that the order be revoked. I submit, therefore, that the motion before the House is the proper one provided by the statute under which this debate is taking place.

Mr. Nielsen: I do not intend to pursue this, Madam Speaker, because I do not want to intrude into the debate. However, that is not the point. The point is that the notice filed by the New Democratic Party member is not the same as the notice that was read by the Chair. I do not quarrel with the hon. member for Winnipeg North Centre saying that the form in which it is now is the only way it can be done. I agree with that, but that is not the way the notice was filed. The wording has been altered. That is the point I take issue with.

Madam Speaker: I take it from the comments of the hon. member for Winnipeg North Centre (Mr. Knowles) that if there has been an alteration in the motion, it was so that it would conform with the provisions of the act. This is the kind of advice which is normally given to members when they want to bring in a motion. The Table is here to assist members to do what they want in the manner in which it should be done. In my view, and I say this with reservation, that is normal practice. The hon. member for Yukon (Mr. Nielsen) is giving me notice that he will raise a question of privilege at another time. I presume he wants the debate to proceed as previously announced. I will recognize the hon. member for Vancouver-Kingsway (Mr. Waddell).

Mr. Waddell: Madam Speaker, today we begin a very unique debate. On budget night, October 28, the Liberal government announced it intended to invoke Division II of the Petroleum Administration Act of 1978. It proclaimed two regulations, one covering oil prices and the other covering gas prices.

This Division II of the Petroleum Administration Act is a drastic piece of law because it gives the federal government the power to set oil and gas prices unilaterally without the consent of the producing provinces. Once the government triggers this part of the Petroleum Administration Act and takes this power, it must within 15 days table its proclamation in the House of Commons. This was done on November 12. At that point, any ten members may pray that the proclamation be revoked. This is what I and nine other NDP members have done. I happen to have faster running shoes, so my motion is being debated first.

The unusual procedure may indicate that it was hoped by Parliament when it passed the Petroleum Administration Act that Division II might never be invoked, because there are very few parliamentary procedures like this one. As I said, it is a fairly unique procedure. Another rare example is the legislation that covered wage and price controls.

Make no mistake about it. The invoking of this Petroleum Administration Act provision is equivalent to invoking the War Measures Act in the escalating dispute with oil and gas producing provinces, especially with the province of Alberta.

● (1240)

Never before, short of a wartime emergency, has such a drastic power been used. In the past we settled oil and gas pricing disputes by agreement—and I stress by agreement—between Ottawa and the producing provinces. Indeed the constitutionality of the Petroleum Administration Act, if it is indeed constitutional, has never been tested. It appears to be grounded in the federal power over interprovincial trade supplemented, perhaps, by the emergency powers available to the federal government in section 91 of the British North America Act.

Let me make clear at the outset the position of the New Democratic Party. In principle we are not against the existence of such emergency powers, but we say that they should only be invoked when all else has failed, and that is not the case now. There is still room for negotiation, compromise, and agreement. There is not yet a state of war between the federal government and the producing provinces, so we think it is unwise, unnecessary and dangerous to invoke the act now. I challenge the minister who is sitting across from me to explain why it was necessary for him to act so unilaterally in this matter.

I look across the floor at this Liberal government, and I despair. It is out of touch with provincial aspirations, especially those aspirations—and I use my words carefully—of Canadians who live in western Canada. This is best illustrated by the actions of the leader of hon. members opposite in his flight from responsibility to Arabia.

I do not agree with the Alberta position and that of Premier Lougheed, but I can sympathize with the frustrations of people in the west when the Prime Minister (Mr. Trudeau) does not talk to his fellow Canadians in Edmonton but dances "sheik to sheik", as an hon. member said yesterday, in Saudi Arabia, as he once did in New York. The timing for that trip, in my submission, is disastrous. The symbolism is wrong. The disdain for the producing provinces of Canada is evident, outrageous, and offensive.

For his part, Premier Lougheed has invoked his own Bill 50 to cut back the supply of oil or to turn down the tap. In my view this too is an irresponsible escalation of the conflict. In Alberta they are playing with matches these days, and both the Alberta economy and the Canadian people could get burned.

I was also shocked at the support given to Premier Lougheed's action of turning down the tap by the hon. member for St. John's West (Mr. Crosbie), the Conservative financial critic, and the Conservative party to my right on the night Premier Lougheed gave his statement. I refer to the statements made by the hon. member for St. John's West at the press conference shortly thereafter.

I will go further and say that the Leader of the Conservative party (Mr. Clark), who should know better, is aiding and abetting the new forces of separatism in western Canada.

Mr. Siddon: That is rubbish.

Mr. Waddell: I heard the hon. member say "rubbish". The party to my right is aiding and abetting separatism in western Canada.

Mr. Siddon: That is rubbish.

Mr. Waddell: The hon. member to my right is objecting. Why does he not stand up in the House and object? Why does he not go out to western Canada and say that? Why does his leader not stand up and say that he is totally against this?

Mr. Siddon: He has.

Mr. Waddell: If he takes this position, I ask hon. members to my right who are aiding and abetting separatism why their

leader has not stood up and repudiated certain reported remarks.

Mr. Siddon: He has.

Mr. Waddell: If the hon. member will give me a chance, let me ask why the former prime minister, who is the leader of the Conservative party, has not stood up and repudiated the remarks—or denied them—which are reported in the Vancouver *Sun* of Saturday, October 25. The hon. member for Capilano (Mr. Huntington) was reported to have said, and I quote:

I think (Western Canada) should separate if there's no other way of resolving the situation. If we are going to keep Canada together, the four western provinces . . . should speak as one.

Then the hon. member advocated a western parliament. What is a western parliament?

This is the Parliament of Canada. Such remarks aid and abet the forces of separatism in western Canada, and that has never been denied. I invite the former Prime Minister to rise on a question of privilege tomorrow and deny this statement.

Mr. Kempling: He will do it tomorrow.

Mr. Waddell: Let him do it tomorrow.

Mr. Lalonde: Tomorrow is Saturday.

Mr. Waddell: Let him do it on Monday.

Lest I be accused of letting hon. members opposite off lightly, let me say that we saw earlier this year a government willing to negotiate and undertake the co-operation and restraint necessary to keep our country together. I speak about its efforts in Quebec. If the Liberals would spend half the amount of effort in negotiations with the producing provinces they spent in trying to woo Quebec, I think the situation would be different. Instead, it seems to me—I say this earnestly, and I hope I am wrong—they are pushing for a fight. There is what Richard Gwyn described in his book as the Prime Minister's white anger and his determination to put his opponent down at all costs and never give up. The Arab junket has just topped this off. The people of the west now fundamentally distrust the Prime Minister, and I call upon the Prime Minister either to resign for the good of the country soon or to come to western Canada and be prepared to speak to and with, and not lecture or hector, Canadians who are living in the west.

Instead of a falcon for Sheik Yamani what we need is a dove from the Prime Minister to the Canadians in western Canada. The alternative is a prolongation of this family fight, and no one wins a family fight.

This is not the way we used to do things in Canada. We Canadians have prided ourselves on our ability to compromise, to reason, and to look at the greater interests of our country. Compromise and co-operation have been the Canadian tradition. What we have been seeing in the last year is not the Canadian tradition. I feel that in invoking the Petroleum Administration Act this present government is departing not only from the Canadian tradition but also from its own traditions and policies.

The late Prime Minister Lester B. Pearson developed a policy called co-operative federalism. I would like to take a moment today to talk about co-operative federalism, and to emphasize how relevant it is these days, as it was relevant to the problems of the sixties. The spirit of compromise on which it was based was very much a reflection of Mr. Pearson's own style. As a good diplomat he recognized that issues were not just black or white and that his party did not have a monopoly on wisdom. Somebody should tell the present Prime Minister that humility and tolerance of people's weaknesses can be a source of inner strength.

In this spirit, in the throne speech debate of February, 1964, then Prime Minister Pearson stressed that only through constant co-operation and consultation could the new rising demands of Quebec be resolved. I want to quote, especially for hon. members opposite, what Mr. Pearson said at that time. As reported in *Hansard* for February 20, 1964, at page 64 he said this:

The solution, on the essential foundation which I have mentioned, to our problems must be found in what we call co-operative federalism. That means to me that the federal government must of course always seek the approval of provincial governments, when that is necessary under our constitution, before decisions are made. That is obvious. But there must also be consultation on matters which, while within the jurisdiction of the federal government, are shared constitutionally with provincial governments, or are of such great and immediate importance to provincial governments that, for good results, provincial support and co-operation must be obtained.

Later in that speech he said, and I quote from page 65:

The issue is not, and must not, become "provincial rights" versus "Canada first". These slogans and any others which represent competing approaches to national unity are dangerous and could be destroying; and they misrepresent the actual position.

Of all the critical issues that were resolved through the spirit of co-operative federalism none was more important than the pension plan dispute of 1964. With strong opposition from Quebec and the crisis of confederation reaching a peak in those days, Pearson attempted to begin the healing process with a major speech on April 14 during the budget debate. In that speech he attempted to convince both English and French Canadians that only through compromise could conflicting goals be harmonized and the unity of the country preserved.

● (1250)

I should like to quote from that speech as reported in *Hansard* of April 14, 1964, at page 2142. It reads in part:

I refer to a problem which is very much in our minds and indeed in our hearts: the problem of Canadian unity; the problem of unity in a federation; the problem of federalism, which is basic to our growth, basic to our strength; basic to our very survival.

Politically that problem, as in every federal state, is the necessity for having a central government strong enough in jurisdiction, in resources and in resolve to discharge its responsibilities to all the people, but a central government which will not encroach on the jurisdiction of the provinces or which acts so as to prejudice their ability to do their job within their jurisdiction. The reconciliation of these two things is not easy.

Then, at page 2145 of *Hansard*, he went on to say this:

—there must be co-operation for progress in order to avoid a conflict that would destroy us.—

—without this co-operation and understanding, in the face of new pressures, tensions and problems arising out of growth and change and the quiet revolutions, the nation that our forefathers founded and built, might disintegrate and disappear. We must do nothing, either by provocation or by weakness or by stubborn unawareness of the basic nature of our federalism or by words or actions based on prejudice or fear, to bring about that weakening or disappearance.

Compare these words with the Prime Minister showing up in Winnipeg—

An hon. Member: Regina.

Mr. Waddell: —showing up in Regina and telling Canadians living in western Canada that they were hysterical.

An hon. Member: Nobody is hysterical in Winnipeg.

Mr. Waddell: Finally, Mr. Pearson concluded with the following words:

It is the task of parliament, without regard to party; it is the challenge of statesmanship rising above faction, to find the solutions to our problems which are now more serious and more difficult than any we have faced in peacetime since 1867. We must find these solutions by agreement, not force them by compulsion. We cannot hope to find such agreement in our country if we cannot find a basis for it in our Parliament.

We have a lot to learn from these words. We now have a not so quiet revolution in western Canada. The west is booming economically and, strangely, while becoming wealthier, the west is becoming angry.

Pearson also once said:

We must bring about a co-operative federalism, that is to say, a federalism free from any spirit of unacceptable centralization.

Unacceptable centralization, power for the sake of power, that is what scares the west right now. A good example of this is in the budget and in the energy policy, and that is the proposed western development fund, a $4 billion fund taken from western resources to be managed by Ottawa's bureaucrats, for western Canadians. That is not co-operative federalism at all.

Members opposite should realize that the new west is proud. I have already mentioned the Prime Minister's speech in Regina. That is not co-operative federalism. Members opposite should realize that the west is not monolithic. There is not only Premier Lougheed in Alberta, there is also Grant Notley. He has been saying some things in a reasonable way. I say this to my friend, there are voices in western Canada other than the voices over here to my right of members who are apologists for the multinational oil companies.

Not all westerners are as negative as Premier Bill Bennett of British Columbia. David Barrett, the next premier of British Columbia, I hope, has advocated public ownership of the oil companies, and he carries on in what I think is the older B.C. tradition that the younger Bennett's father knew but the younger Bennett has forgotten. When Dave Barrett speaks he speaks about Canadians who live in British Columbia, but the emphasis is on Canadians first.

I did a survey in my riding, as many hon. members have done, which I sent out in my householder. I received a number of replies. It is interesting to see—and I have checked this with some of the members from Ontario—that a lot of things are very similar. The constitution is not a big issue. The bread and butter issues, such as the budget, the energy policy and so on, are the more popular issues. Here is one letter which says:

I resent being called westerners. Who are Canadians then, only Ontario? I do not mind paying more to help. I resent it all being spent in the east.

There is a feeling of partnership, a feeling of concern amongst the ordinary people, not the fascist oil company types who are heading and funding the separatist movement in Alberta right now, but among the real, ordinary people. There is a concern there that they be Canadians first. I want to stand up as a member from British Columbia, with members from the west around me, and say strongly that we are totally against any talk or movement for separatism in Canada.

Some hon. Members: Hear, hear!

Mr. Waddell: However, I want to say also that this will not stop us from standing up at every opportunity—as hon. members will learn after lunch—and defending the interests of our provinces, our regions, and of Canadians living in the west.

The invocation of the Petroleum Administration Act and the slide into a real fight with Alberta, it seems to me, is also inconsistent with the Prime Minister's own writings. The Prime Minister wrote in his better days, in 1964, the following words. He wrote this in a tract called "Federalism, Nationalism, Reason", 1964, in "Future of Canadian Federalism":

Federalism is by its very essence a compromise and a pact. It is a compromise in a sense that when national consensus on all things is not desirable or cannot readily obtain, the area of consensus is reduced in order that consensus on some things be reached. It is a pact or quasi-treaty, in the sense of the terms of that compromise cannot be changed unilaterally. That is not to say that the terms are fixed forever; but only that in changing them, every effort must be made not to destroy the consensus on which the federated nation rests.

Those words were echoed in the "Canadian Forum" in 1964 by the present Minister of Transport (Mr. Pepin). Therefore, the principles are there. We must return, in my view, to the spirit of co-operative federalism in this country, and that means three things. First, it means that officials from Ottawa and Alberta must meet. Not only must they meet, Mr. Speaker—and I say this to the Minister of Energy, Mines and Resources (Mr. Lalonde)—but they must meet, in professor Donald Smiley's words of Queen's University—

Mr. Clark: York University.

Mr. Waddell: —when he talks about co-operative federalism being a high degree of pragmatism, knowing that there cannot be any assumptions by federal officials that decisions by the central government are somehow inherently better or more legitimate than those of the provinces. I feel that the officials in the minister's department and officials in Alberta should, for the good of Canada, be more objective and work in the way described by professor Smiley.

Second, the Prime Minister must turn his JetStar around and park it on the tarmac of Edmonton airport, Regina airport or Vancouver airport, preferably on all three, and he must stay there until he has an understanding with the western governments. He must come back from Arabia.

Third, the Leader of the Opposition must rise above expedience and stop fanning the fires of separatism. He must make a strong statement in the House against it.

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

The Acting Speaker (Mr. Ethier): Order, please. It being one o'clock p.m., I do now leave the chair until 2 p.m.

At one o'clock the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

Mr. Waddell: Mr. Speaker, I should like to continue my speech on the revocation of the Petroleum Administration Act proclamation. I have talked about Canadian co-operative federalism, and now I want to turn to a matter which happened the other day in the House. I asked the Prime Minister a question on the day after the announcement by Premier Lougheed of his intention to cut back oil supplies. As some members might have noticed, sometimes when a question is too difficult for the Prime Minister, or when he does not want to answer, he responds with another question in kind. He responded by asking me a question on my party's stand on revenue-sharing. In other words, how would we split the pie, what would we do? I should like to take some time now to answer that question and, in so doing, deal with the government energy policy. I have described the minister as being like a boxer—kind of a fake to the left and still a few jabs from the right.

The Liberal policy is to raise oil prices and basically to give the industry the windfall profits. Canadianization is simply a clever ruse. Like many people, I think I have figured out, after going through the extensive document called "The National Energy Program," exactly how it works. The events of the last couple of days have confirmed my suspicions.

Large companies such as Imperial or Shell will issue more shares to Canadian investors so that they become "a Canadian company", thus eligible for those lovely and ample government handouts sprinkled throughout "The National Energy Program". Some of the Canadian companies that are now threatening to go on strike should read the program very carefully; they will find lots of handouts. Those large companies which will now have Canadian shareholders will still be controlled by foreign multinational oil companies. The government will be able to come to the House and say, "We have reached our goal—50 per cent Canadian ownership by 1990". The *Toronto Star* will be so happy, it will be ecstatic, but the situation will not really have changed.

In other companies we will replace an American business elite with a Canadian one.

Mr. Wilson: Hear, hear!

Mr. Waddell: I hear my friends to the right applauding that. Is it really what they want? Apparently so, apparently the minister wants it as well. We will simply replace the Rockefellers with the Conrad Blacks or the Bob Blairs.

Mr. Lalonde: With the T. C. Douglases.

Mr. Waddell: Who will benefit? Who will pay? Let me talk about that for a moment. The average Canadian family will pay through increased costs for heating oil and increased transit costs. As a matter of fact, their costs for heating and transit will double in the next three years. The average family will be paying something like $350. To be more precise, to use the government's own estimates, they estimate that the cost of home heating oil will double in three years. On page 106 of "The National Energy Program" figures there show that the costs will go from $640 to $1,280 per year.

• (1410)

In my constituency the average family on an average street will find that they have to pay more to heat their homes with natural gas. They can expect a 30-cent per thousand cubic feet tax on their December bill. By 1984 the price of gasoline for the average family will double to $1,248 per year. That will mean a $100 per month increase for the average family. By 1989 it will cost $50 to fill their tanks with gas. The drive from here to Quebec City and back will cost $100.

I think ordinary Canadians feel that oil prices must go up. They know that. But this government has put up the oil prices without any cushion at all for the average family, and without any help at all for them.

I turn to the Prime Minister's specific question: how would we in the NDP share this revenue? "The National Energy Program" says that an overwhelming share of Canada's current oil and gas production was found prior to the rapid rise in world prices, which started in 1973. Therefore, we would further reduce windfall profits from these projects to the industry. There was talk about the split in the revenues being 45, 45, 10, which was the old split. The provincial government's share would be 45 per cent, 45 per cent would go to the oil companies, and 10 per cent to the federal government. What we would do is change the split totally. It would be more like 45 per cent to the federal government, 45 per cent to the province, and 10 per cent to the companies. If the government had any real guts, any real desire to get money back to the average person and away from the big companies, this is what they would do, too.

We would get even more money by developing the tar sands under public ownership. The large multinational companies want a 15 per cent to 20 per cent profit out of the tar sands, and the minister is prepared to allow them to receive that. Looking at the take from those tar sands I say to average Canadians and to the minister that it is not that difficult. Here

are the figures. If you raise it to $60, or $90 a barrel, as I believe it will rise to eventually, in 1990, multiply that by 140,000 barrels a day times 360 days over a period of 25 years and you will see the vast amounts of money that will be generated.

The minister is prepared to let the multinational oil companies develop those tar sands, and he confirms that in his energy policy. I am well aware of the difference between heavy oil and the tar sands. I remind the minister that people up there talk about the tar sands as being heavy oil as well. So there are vast amounts of money involved. That is our future up there in oil supplies and it looks now as if the government is prepared—$40 million Marc over there is prepared—to let the foreign multinationals develop that while at the same time giving the illusion that somehow this Canadianization will really help the average person.

I suggest we could give the money back to the people in a number of ways. One way to do this is obvious. It is by way of a cost of living allowance to families in order to get some cash right back to them so that they can keep up with the increased prices I have mentioned. Another method is to have a federal-provincial fund for energy development, not just a federal boondoggle, not a western development fund run by Ottawa bureaucrats for westerners but a genuine fund that will have federal and provincial co-operation.

I was in Vancouver last weekend where I was working in the municipal elections. I think Vancouver is very fortunate to have Mr. Michael Harcourt as the new mayor of Vancouver.

An hon. Member: Is he a Conservative?

Mr. Waddell: No, he is not a Conservative, I can tell you that. He is a proponent, and he was throughout the election—and this may have got him elected—of using some federal-provincial funds for rapid transit. In my city there is no rapid transit and we must get some funds there. There must be money for alternate energy. The people are ready for that.

Last night on my way home I was thinking about the minister giving $40 million to Imperial Oil, and he has put $20 million into the Enertech Corporation for alternate energy. He is willing to loan twice as much to Imperial Oil as he is prepared to put into alternate energy. Finally, money could be given to local citizens to set up neighbourhood energy programs where real conservation could take place at the local level, which is ultimately where these things must work.

Another point I wish to make in answer to the Prime Minister's question is that—

Mr. Lalonde: Tell us what the price would be.

Mr. Waddell: —we would take over the three largest foreign multinational oil companies under public ownership. We would set out a concrete commitment, not just this vague promise by the Liberals that something may happen in the future, but a concrete commitment with a timetable, and that could be paid out of future increases.

The minister asked me about oil prices. Yes, the price of oil would go up.

Mr. Lalonde: How much?

Mr. Waddell: The price of oil would go up.

Mr. Lalonde: What is the reference?

Mr. Waddell: I told the minister it would be 45, 45, 10.

Mr. Lalonde: Of what?

Mr. Waddell: Ten per cent would go to the oil companies, not the other way around, the way the minister talks about.

Mr. Speaker, instead of giving $9 out of $10 in public money to the private companies for drilling grants, as the program proposes, we would add an extra dollar to that and give all the money to Petro-Canada to do the drilling. Then the oil and gas that are discovered would be owned by the people.

Let me explain a little more. What this policy says is that if you are a fairly well-off taxpayer you can give $100 into a drilling fund, you will receive back $80 as a grant and you receive another $12 in tax write-offs. So $92 out of $100 is really paid for by the government. If the government will forgo that revenue why does the government not get something out of it? Why does it not get the ownership out of it? That, to my mind, would make sense as a policy.

As I said, we have been watching the government's words closely as compared with their actions. One of the actions taken was the Arctic pilot project. That is a new notion of government policy where gas will be taken by Petro-Canada and other companies from Melville Island in the western Arctic through the Northwest Passage down to a port in Quebec or Nova Scotia. That depends on which minister wins the battle for the port. The point is that the gas will then be exported to the United States. The boats that bring the product down will be foreign-built and manned by foreigners. Is that an industrial strategy as part of a national energy policy? It seems to me we have not changed anything if we continue with projects like that. That is one of the problems with this energy policy as it is set out.

Finally, there is no better example of the problem of resource sell-out than the pre-build of the pipeline. There it all is: short-term jobs and export of natural resources. And who benefits? The American multinational companies. What I am suggesting, Mr. Speaker, is that if this Petroleum Administration Act is to be invoked—what I have called the War Measures Act of the oil war, if you like—then Canadians will want to see something in return. Canadians want to see a sparkling energy policy which would make the country self-sufficient and ensure that the ordinary Canadian benefits.

• (1420)

Mr. Malone: The "Baby Duck" of oil.

Mr. Waddell: In conclusion, there will be other speakers who will not speak in ignorance like my friend here next to me, but with some substance about energy in agriculture, energy in Atlantic Canada, about an industrial strategy tied to an energy policy, about gas exploration and gas exports. The Petroleum Administration Act is against our better traditions. Those traditions are based on co-operative federalism and on compromise. There are alternatives, but the Liberal government has refused to consider them. I have suggested some alternatives with regard to negotiation and dealing differently with the western provinces through a joint provincial-federal development fund.

This is the energy policy of our generation and it will be the crisis of the next five or ten years. To me this energy policy is like a Christmas present which, when it is unwrapped, turns out to be a gift to those who have always benefited. I refer to the business establishment in Canada. Although this time it is the Canadian business establishment, nonetheless, it is a policy that does not benefit the ordinary Canadian.

Mr. Lalonde: Would the hon. member permit one short question?

Mr. Waddell: Yes.

Mr. Lalonde: The hon. member referred to higher prices under his own scheme. Would he tell the House what he has in mind? Is it an international price, a percentage of the international price, or a price determined on Canadian costs?

Mr. Waddell: Mr. Speaker, as the hon. minister knows, I and my party have never agreed with the concept of moving to international prices. That is the OPEC price and it is an artificial price. Moving to the world price, which is the reason why my friends to the right lost the last election, would cause dramatic problems in Ontario and the other provinces in terms of layoffs and soon. Nevertheless, the price must move up.

We would like to see a made-in-Canada price, and I would remind the minister that it was my party which coined that term. This price would be a composite of the costs of production, reasonable profit for the companies and, of course, we would take extensive steps toward public ownership. This is the direction the government intends to take, but there would not be the extra cost and, therefore, prices could be held down somewhat lower than the minister suggests. The producing provinces would receive their fair share, which I think they are approaching now.

However, there would be more of a share for the federal government which, as I said in my speech, would be recycled quite dramatically and quite directly back to low and middle-income families who need the money because of increased costs.

Mr. Kaplan: Would the hon. member permit another short question?

Mr. Waddell: Yes.

Mr. Kaplan: In the hon. member's suggestion that Imperial Oil should be taken over, is he recommending that it be taken over by being purchased at its fair market value, or does the hon. member have some other formula in mind for acquiring that valuable company's assets?

Mr. Waddell: Mr. Speaker, if the hon. member is suggesting some sort of expropriation without reimbursing Imperial Oil any money, that is absurd.

Mr. Kaplan: How much?

Mr. Waddell: It is not my party which has forced Imperial Oil's shares down and made them more available on the market; it is government policy. The government will have to make a move if it really wants to take control through some sort of legislation which will require, for example, the selling of more treasury shares. These shares will not be sold to Canadian citizens at large, but the government would have to acquire enough shares to control the company.

I suggested in my speech that what the government is trying to do is to force this company to sell shares to Canadians, but it will still be controlled by Exxon in the United States. That is the government's policy. My policy would be to force Imperial Oil to give control to the Canadian government.

Mr. Malone: Give it to the government. Never trust people.

Mr. Miller: You should have done it 15 years ago.

Mr. Waddell: If the government had made this move 15 years ago, as my friend suggests, it could have saved this country a lot of money.

Hon. Michael Wilson (Etobicoke Centre): Mr. Speaker, before I commence my remarks on the debate on the Petroleum Administration Act, I feel I have to respond to the very ill-founded comments made by the hon. member for Vancouver-Kingsway (Mr. Waddell). He made some comments in relation to the activities of my leader in connection with the whole problem of western separation. Far from, to use the hon. member's words, "aiding and abetting western separation", the Leader of the Opposition (Mr. Clark) has been working very hard at redirecting the efforts and activities of the people in the west who are leaning toward separation toward building this country and not ripping it apart.

I think it is incredible that this misstatement of fact would come from a member of a party which refused to play an active role in the No committee during the Quebec referendum. Just to remind my hon. friend, during that referendum the Leader of the Opposition played a very active role in the province of Quebec, and, I believe, made a very positive contribution to the success of the referendum of May 20. To slander my leader in the House when he is not here to answer is completely unforgivable.

Mr. Waddell: Mr. Speaker, on a point of order, the Leader of the Opposition (Mr. Clark) was here this morning. He was in the lobby, he heard my remarks when they were made, and he could have taken his seat. Since he did not, I will ask the hon. member simply to stand up and repudiate the comments

as reported in the Vancouver *Sun* of October 25, 1980. The hon. member for Capilano (Mr. Huntington) advocated that—

The Acting Speaker (Mr. Ethier): Order, please.

Mr. Wilson: Mr. Speaker, I still challenge the hon. member to withdraw his comments with regard to the Leader of the Opposition. I will not comment on any speculative press story. I was referring to the statement the hon. member made with regard to my leader.

Mr. Waddell: It was not a speculative story.

Mr. Skelly: Mr. Speaker, on a point of order, I absolutely repudiate what the hon. member is stating here, that the Conservative party—

Mr. Malone: You resemble that statement.

The Acting Speaker (Mr. Blaker): Order, please. The Chair is prepared to recognize the hon. member if he seeks the floor on a point of order, but what he is doing at the moment is entering into debate. I have a responsibility to distinguish between the two. If the hon. member wishes to raise a point of order which is with reference to the Standing Orders, I will recognize the hon. member, but I cannot allow him simply to enter into the debate at his own will.

Mr. Skelly: Mr. Speaker, the facts stand alone. The destructive role played by the Conservative party in western Canada is the responsibility of the Leader of the Opposition (Mr. Clark).

The Acting Speaker (Mr. Blaker): Order, please. The hon. member for Etobicoke.

Mr. Wilson: Mr. Speaker—

The Acting Speaker (Mr. Blaker): Etobicoke Centre.

Mr. Wilson: Mr. Speaker, do not forget the Centre because I have a lot of opposition to the north and to the south of me in Etobicoke, but I would like to concentrate on the Centre, and we will take the other two areas the next time around.

An hon. Member: We will squeeze you out of there.

Mr. Wilson: I would like to turn to the debate at hand which is on the Petroleum Administration Act, with regard to the unilateral imposition of prices on oil and natural gas.

This particular portion of the debate is on the question of oil. Both clauses 36 and 52 of the Petroleum Administration Act provide for the unilateral imposition of a price if no agreement can be reached. We in the House must consider the impact of this imposition of establishing maximum prices for the various qualities and kinds of crude oil as it relates to the conditions which prevail in the international market as well as to the probable effect it will have on the producers and consumers in Canada.

• (1430)

Both my friends from the New Democratic Party and representatives from our party have sought revocation of this price action. Before discussing the impact on the consumer and the producer, I think we should pause for a moment and consider why we are here. We should ask why we are having this debate. We should ask why this government was unable to reach agreement with the producing provinces prior to setting this unilateral price.

In December, 1979, our government was able to reach an agreement with the province of Alberta, after tough and protracted difficult negotiations, but we were able to reach agreement. The minister of energy for the province of Alberta has referred to this on many occasions, and the minister is very well aware of that. It has been the base from which they have negotiated in the province of Alberta. Let me remind the House that that agreement was reached after a series of difficult negotiations. Then the election happened. Since then we have had a display of attempts to reach some agreement between the two levels of government.

The Minister of Energy, Mines and Resources (Mr. Lalonde) and the Prime Minister (Mr. Trudeau) have been involved, but we have had no real documentation of the efforts of these two gentlemen in achieving agreement. On the other hand we have had a very full documentation from the minister of energy for the province of Alberta. He has outlined meetings he had with the minister on May 13, June 18 and 19, and later with the Prime Minister in July. Finally there were a couple of meetings in October. Mr. Leitch outlines in full detail the contents of the discussions and the negotiations which took place during the course of that time.

I am not here to claim that Mr. Leitch's recounting of these negotiations is the correct one, but it is the only one on the record. Today I set out a challenge to the minister to place on the record his version of the negotiations. Without that, we have only the one version. As long as that happens, the people of Canada and this House are going to be missing an important part of the negotiations which bear very directly on what we are talking about here today.

It is in the essence of any federation to deal and to compromise, to negotiate and to co-operate to reach agreement between the different partners. The essence of this legislation is that the federal and provincial governments must reach some agreement. In not reaching some agreement, they must display to the people of Canada an honest effort to reach agreement. Otherwise, the Petroleum Administration Act or this federation itself becomes a charade whereby the senior level of government, the federal government, can override the junior partners in confederation.

In place of the Petroleum Administration Act we have complete control by the Department of Energy, Mines and Resources, and in place of a true confederation we have a centralist government here if this activity is allowed to continue further. If we have unilateral action on the price of oil, without any attempt at negotiations, I ask myself and I ask the House where do we go next? What is our next step? Where

will we next see unilateral imposition of the will of one level of government? Confederation is a partnership. We must take action based on compromise and conciliation. We must work hard at that in a country as diverse as Canada. Those agreements are not going to come easily. But attempts must be made in a serious and honest manner. Any unilateral action will seriously damage the fabric of confederation. We have seen today what is happening in the whole area of energy policy.

Over the past two or three months we have seen the same sort of action taking place in the constitutional debate. We cannot let this go on any further. This is the principal reason why we are here today debating this motion. In my opinion, the government is taking advantage of the Petroleum Administration Act to force its will on the people of Canada without making a proper effort at negotiation.

In order to support that statement I refer to a document, the infamous August 30 leaked cabinet document, outlining the negotiations leading up to the first ministers' conference on the constitution. At page 43 the statement was made:

> The political climate in Canada is likely to be poisoned by a major energy conflict throughout the fall of this year and at least the early months of next year.

Clearly there was no expectation, and undoubtedly no efforts at achieving a satisfactory result in the energy negotiations. This act should only be used in the most unique and emergency circumstances when all efforts have failed, after serious efforts have been made, to seek agreement. Only when that has happened should this portion of the Petroleum Administration Act be invoked.

Let us now look to the impact of the act. That is what we were requested to do under the terms of the act in this debate. Consumers are being asked to pay $1 more for a gallon of gasoline in the next three to four years. But what is the consumer getting for this $1 more? We know what the short-term effects of that will be. The consumer will be paying vastly more, and most of it will be going into the coffers of the federal government. As I said before in this House, we see here a massive tax grab. When we compare what is attempted here under this energy policy with the policy which was set out by the hon. member for St. John's West (Mr. Crosbie), we see a tax grab which is fully three times as great as that in the December budget. That is a huge tax increase.

On this point let me just destroy a myth which has been allowed to grow over the last two or three weeks. The minister and the Prime Minister on many occasions have referred to the federal share rising from about 10 per cent or 11 per cent to 24 per cent. That statement is wrong. It is misleading. It is deceitful and it is dishonest. The percentage figure is far larger than that. Today there is no doubt the federal government gets about 10 per cent to 12 per cent of the revenues. Premier Lougheed has accepted the fact the federal government must gain a greater degree of revenue from energy in this country. But in the December budget the figure was going to move to 24 per cent.

For the first little while after this budget came out I was scratching my head because I could not understand, with this far higher tax grab by this government, that we have seen the figure go up to only 24 per cent. Then I put the figures down on paper. It s not 24 per cent, the figure is about 48 per cent. The percentage figure is somewhere between 45 per cent and 50 per cent depending on the different assumptions you want to make. This has happened because the minister has conveniently left out the petroleum compensation charge and the Canadian equity ownership account charge, which will surely be drawn upon in the coming year. There are also some very unrealistic assumptions concerning the sale of natural gas to the United States, both in terms of price and volume. This has the effect of overstating the position which the industry and the federal government will be taking, as well as understanding the position of the provinces.

Let us hear no more of the 24 per cent figure. The figure is clearly of the order of 45 per cent to 50 per cent, which is fully double that in the statement. The people of Canada, when they heard this figure, said it was a reasonable policy. It is clear that we have a dispute today because the figure is far more than the 24 per cent that is set out in the program.

● (1440)

One other reason for the dispute today is that at the Prime Minister's press conference of July 25 he was asked what is a reasonable figure for the province of Alberta. He said, "We say that it would be fairer if Alberta reduced its take, say in the order of 40 per cent". The figure for the province of Alberta, again depending on assumptions, is somewhere between 30 per cent and 35 per cent. We have two sets of facts here. I say it is one set of facts and one set of fiction.

Let us look again to the impact on Canadian consumers and producers. The objectives of this program, some of which are set out specifically in the program, and some of which are implicit, are as follows. First, security of supply; second, Canadianization; third, economic development. Those are all mentioned quite specifically. Fourth, that any energy policy should work to bind this country together and not pull it apart. That should be a fundamental objective for all of the other three objectives as well.

How is this energy policy contributing to security of supply? We read of Mr. Lyons, the president of Ocelot Industries, saying, and I quote:

> —Canadian exploration will be reduced and funds allocated to other projects.

Sulpetro, a good Canadian company, says "The program will reduce the company's cash flow, assets and availability to general explorations funds." Simmons Drilling rigs will probably be moved to the United States.

Just prior to question period this morning, I had a discussion with representatives of the Canadian Association of Oil Drilling Companies. They told me that 66 rigs will be moving to the United States over the next few months, 79 rigs have been idled through the cancellation of long-term contracts, and 50 additional contracts have been cancelled for winter drilling this month.

What is more far-reaching than this, because drilling contracts are a clear leading indicator of activity in the energy business, is that no commitments have been made for next summer. Around this time of the year the drilling companies normally expect to have about 75 per cent of their rigs spoken for. That is the state of confidence in the oil and gas industry today. It is reflected directly in the outlook for business for the drilling companies in this country.

I have spoken to a number of other companies, some of which have not been quoted in the papers. There is a clear indication that we will be seeing less exploration funds, in some cases up to 50 per cent less, being spent in this country next year.

I ask the minister why he appears to have written off the conventional sources of oil in this country. About two years ago in west Pembina in western Canada, there was a very significant oil strike. It was in an area which had been drilled quite extensively and had been a very successful producing field. Rather than stay at the 5,000 foot level where the previous field had been found, the companies drilled down to about 10,000 feet and found the new west Pembina field. Therefore we should not be writing off conventional sources of oil in this country. Rather, we should be encouraging conventional exploration and development, and that is far from what is happening with this energy program.

I recall the 1973-74 period when we had the last major conflict between the federal government and the producing provinces. During that period we lost some very valuable time, about one full year, of exploration activity. A lot of rigs went south and spent their time finding oil in the United States. What is different between now and then is that our oil export versus our oil import balance is considerably different. We were in balance. At that time we were exporting about the same as we were importing. In fact at that time we had a surplus in our oil business of about $1 billion. Today we have a deficit of $4 billion. To lose this valuable time at a period when international oil prices are rising, exposes us to greater imports and greater uncertainty of supply. It is sheer folly, and will have a major impact on consumers in the years ahead.

To top it off, as the House well knows, this week we had the announced cancellation of the Cold Lake oil sands project, which has been resurrected on a short-term basis by a loan from the federal government. This is one of the most serious elements of the fallout from this very negative energy policy. The oil sands will be producing about 50 per cent of the oil requirements of the country in ten years' time. Those are the figures set out in the national energy program. They may well be producing to a greater percentage, depending on what happens with conventional oil discoveries, which are not very favourable at this time.

These projects take about six to seven years to bring on stream. With any delays, we risk losing all the good, talented Canadian people who will be drawn to similar projects in other countries. We stand to lose a tremendous amount of money through escalating costs of these programs if delays take place. It is only through agreement on the total conventional oil and oil sands package that we will get the oil industry doing the job it should be doing, which is finding oil to improve security of supply in this country. Therefore, it is essential that we reach total agreement as quickly as we can.

Discussion of oil sands projects leads me to the next point, the question of jobs or economic development. One of the most serious effects of the delay of the oil sands projects is on economic development. We have seen, through figures which have been pulled together by major participants in both the Alsands and Cold Lake projects, an analysis of the total economic impact of the oil sands projects. Let me read this into the record.

The province of Alberta, depending on the calculation you use, will receive about 38 per cent to 42 per cent of the economic impact of these projects, the province of Ontario anywhere from 25 per cent to 28 per cent, the province of Quebec about 10 per cent, and other provinces somewhat less. The point is, and it is made clear by those figures, that the economic impact in Alberta is about equivalent to the economic impact that is felt and enjoyed by other provinces in this country, particularly Ontario and Quebec.

The Canadian Petroleum Association estimates that the impact of one Alsands development or one Cold Lake development will be close to $25 billion. About one quarter of that will go to the province of Ontario and another quarter to other provinces outside the province of Alberta. We in Ontario benefit through the purchase of iron and steel, metal fabrication and machinery. Also, high technology instrumentation and services are provided from this part of the country.

• (1450)

A number of other areas receive great benefit from activity not just in oil sands projects but also in other parts of the oil business in western Canada. Fahramet of Orillia received some major benefits through the sale of heat corrosion abrasive resistant castings used in the petrochemical industry. Simmons Drilling buys a vast number of its vehicles from eastern Canada, and if it is going to move its drill rigs south of the border, instead of going to Canadian manufacturers in Ontario and Quebec, that business will end up going to the United States.

A number of companies have reduced hiring projections for next year by as much as 50 per cent to 60 per cent. Grey-Mak Well Supplies, now the largest independent oil well casing manufacturer in Canada, has opened up a plant in the United States because it is concerned about the outlook for business in this country. There is no doubt that uncertainty, as well as the less attractive economics of the industry, have caused and will cause a great deal of economic unease and a turndown in business not just in western Canada but throughout this country, and it is to this that we must address ourselves when considering the impact on consumers, because many consumers will lose their jobs. Many will find that they will not work overtime hours.

Let me refer back to comments I was making about oil drilling companies. These companies move around many of the

small towns in Alberta, and they produce business not just in the oil drilling field but also in various aspects of the communities of western Canada. That is causing a great deal of uncertainty and, I might say, a great deal of anger with respect to what has happened to the business these people have enjoyed over the past few years. I am not referring to big, major companies, but to small corner stores, Harvey's hamburger type stores, and drycleaning stores. Those are the businesses which are being affected in western Canada by this energy policy.

I remind hon. members that 12 per cent of the total output of the Canadian steel industry is involved in supplying the requirements of the exploration and development industry in this country.

Another aspect, on the economic side of the national energy program we have before us today, is that most experts in the industry and on the periphery of the industry are projecting that we will be importing a larger amount of oil in the months and years ahead under this program. What does this mean in numbers we can all understand? It means that we will be spending Canadian dollars to buy oil from Saudi Arabia. We have seen what has been happening this week in Saudi Arabia. We will also be spending Canadian dollars to buy oil from Mexico and Venezuela. We import 425,000 barrels of oil a day. That translates into a figure of about $6.2 billion annually. However, looking at it from the standpoint of the individual, that works out to about $270 per person, or about $1,000 per family being spent outside this country to create jobs in Saudi Arabia, Mexico and Venezuela, but not here when we can be doing it right here in Canada.

The Bank of Montreal projected that in about five years that $6.2 billion figure will increase to about $11 billion to $16 billion. On a per person basis every man, woman and child will be spending $475 to $700 or, in terms of a family, $1,600 to about $2,500, to create jobs in other countries when we could be doing it here in Canada. That is opportunity lost. It means that jobs which are solely needed here, particularly when we are facing unemployment in the order of one million people this winter, are being exported to other countries.

What we have here in the national energy program is the worst of all worlds. As consumers we are paying high prices. We are paying one dollar more for a gallon of gasoline, but we are not getting economic growth or security of supply to offset that major cost. We are not seeing economic growth to offset the negative impact which will be felt. We are having deadweight high prices. They are not dynamic high prices which would create jobs in this part of the world.

I see that you are signalling to me, Mr. Speaker. I assumed that the time consumed by the frivolous points of order of members of the New Democratic Party would not be taken from my time.

The Acting Speaker (Mr. Blaker): We do not have a Standing Order which covers that. Perhaps we could resolve the matter by suggesting that the hon. member take another couple of minutes, and then I will recognize another hon. member.

Mr. Wilson: Thank you very much, Mr. Speaker.

Let me comment very briefly on two other aspects of this policy. The first is Canadian ownership. We on this side of the House are very much in favour of increasing Canadian ownership of the oil and gas industry, and we were moving in that direction back in December.

Mr. Lalonde: When? How?

Mr. Wilson: This was back in December, 1979. It is very clear. The minister knows that. He should check with his officials. If he did, he would find out what we were doing. Canadian independents are very much weakened by this energy program. Multinationals can survive, but Canadian independents are being forced to go south of the border. The high taxes involved hit them harder than multinationals. In order that the government receives its 45 per cent to 50 per cent of the total industry revenue take, the government has hit independent companies much harder than it has hit the multinationals. That does not make sense to me. There has to be a better way. We just cannot afford to have these companies drawn away by much higher payouts. The netbacks on oil exploration are $9.50 in Canada versus $25. Those figures were quite clear before the budget, and the budget will widen the disparities between this country and the United States in the years ahead.

The overriding and chief objective any energy policy should have is Canadian unity. We must use energy policy to bring the east and the west together and not to drive them apart. The huge economic opportunity which is available through development of our energy reserves can bind this country together and lead to a tremendous burst of economic activity which would have a very positive effect and direct people away from any separatist tendencies and toward building this country to be a much stronger and viable one than it is today. However, the result of this policy will be that we will drive parts of the country away from each other.

The government is playing on divisions between the east and the west. Oil sands projects have been deferred, and that will lead to reduced economic opportunity here in eastern Canada. The energy policy can be a means of reducing western alienation. Let us not encourage it by taking actions which appear to attack different parts of the country without giving them a clear opportunity to have their voices heard in Ottawa through a proper series of negotiations, not the type of negotiations which appear to have taken place under the auspices of the minister.

In conclusion, let me say that there are five areas in which this energy policy is wanting: security of supply, job creation, Canadianization, a stronger Canada and—the part I was unable to cover—the very serious international situation. I urge that this House revoke the unilateral imposition of prices and force the government to return to the negotiating table with the province of Alberta and develop a policy which will be

acceptable, because only through developing a policy which is acceptable to all parts of this country will we create the appropriate environment for the full development of our energy resources. Only then can Canada achieve its full potential as a strong country economically, secure in its oil supply and united in its purpose.

● (1500)

Mr. Skelly: Would the previous speaker entertain a short question, Mr. Speaker?

The Acting Speaker (Mr. Blaker): The difficulty is that the hon. member's time has now expired. I can permit a question and an answer only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Skelly: Mr. Speaker, I am very concerned about the preliminary remarks of the previous speaker and I wonder if he might not agree that responsibility should be borne for such remarks as "I think western Canada should separate" when they are made by a member of that party. I think the leader of the party has that responsibility. In the context of the hon. member's speech, it is very important for the Leader of the Opposition (Mr. Clark) to take the responsibility of denouncing such remarks and bringing his member into line. I respect a decision made by the previous leader of the hon. member's party when he took the former hon. member for Moncton to task, and eventually caused him to sit as an independent member, because of some disparaging remarks he had made.

I would not ask him if the former prime minister, now Right Hon. Leader of the Opposition, were not in fact completely responsible for this inflammatory and unjustified movement on behalf of the Conservative party which is going on in western Canada. I would be very interested in hearing the hon. member's views about his leader's responsibility for this program and these statements.

Mr. Wilson: Mr. Speaker, I do not know that there is anything more to say. I said clearly that my leader has taken a strong position against separation. He is trying to deflect the efforts of the people who are heading that way; he is trying to build this country, not rip it apart. Anyone who has read any of the speeches he has made should have absolutely no doubt about that. What puzzles me is how the members of the party to my left can suddenly become "holier than thou" when they took no part whatsoever in the work of the No committee in the Quebec referendum.

Some hon. Members: Order.

Mr. Wilson: As soon as they show their colours, I will accept their comments.

Mr. Waddell: Mr. Speaker, I rise on a question of privilege. The hon. member for Comox-Powell River (Mr. Skelly) asked the hon. member for Etobicoke Centre (Mr. Wilson) a question on his "holier than thou" attitude—

An hon. Member: Will the hon. member for sanctimony please sit down?

The Acting Speaker (Mr. Blaker): It is evident that I have to hear the hon. member who seeks the floor on a question of privilege. However, I just want to make it clear that this is going to prolong the debate, unless there is a reference to the Standing Orders or a serious question of privilege. I would ask hon. members to consider whether they want to pursue this type of debate, the obligation being upon the Chair to try to avoid it. I will recognize the hon. member but I want to warn him that he should try to stay on the question of privilege.

Mr. Waddell: The privilege is—

An hon. Member: Sit down.

Mr. Waddell: Perhaps the hon. member would let me continue. He will get his chance. My question of privilege is this. The hon. member is misrepresenting our position on the Quebec matter. My leader, the hon. member for Oshawa (Mr. Broadbent), made statements in Quebec and they are on the record. What the hon. member was asked and what he will not deny, and perhaps later the Leader of the Opposition might comment on it, concerns the remarks made by the hon. member for Capilano (Mr. Huntington) who had advocated the separatist option for western Canada. Would the hon. member deny that?

The Acting Speaker (Mr. Blaker): Order, please. I took the trouble to indicate to the hon. member that he should address himself to the question of privilege. The hon. member is entering into a debate. It is not a matter of personal preference on the part of the Chair. There is an obligation on the Chair to apply the Standing Orders. What the hon. member for Vancouver-Kingsway (Mr. Waddell) is doing is entering into a debate, and my responsibility to the Chair obliges me to prevent him from doing so. I see the hon. member rising again. I will recognize him once more, but after that I will have to put an end to even recognizing him, whether it be on a question of privilege or a point of order.

Mr. Waddell: Mr. Speaker, I want to say something to end these comments. I accept your ruling and I hope the Leader of the Opposition will rise in his place on Monday morning and deal with the matter I have raised today.

An hon. Member: Tell Nystrom.

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Mr. Speaker, I am very pleased to be participating in this debate today. Obviously I would have preferred it had the motions not been put forward, but since the two opposition parties have decided to put these motions forward, I am pleased that members on this side of the House will have a number of opportunities to speak again on this very important question of energy and to explain to the Canadian public the policy which is contained in the national energy program for the 1980s.

I am convinced that this debate will allow the government to obtain even more support for this program than it has had since the budget, and I must say I am very encouraged by the large degree of public support which has come from all areas of this country from ordinary people. I am not speaking here in particular about individuals who happen to occupy important positions, but rather about ordinary citizens on the street, families, farmers, fishermen, workers who drive to work, and people who provide for their family's needs. It is indeed encouraging that there should be a recognition in all areas of the country that what the Minister of Finance (Mr. MacEachen) and the government have announced in the budget and the national energy program appears to correspond to what the overwhelming majority of people in this country recognize as being a fair deal for all parts of Canada, a fair deal for the producing and consuming provinces and a fair deal for the consumers, even though the price of oil will rise.

Canadians are honest and mature enough to recognize that prices will have to rise, but they also recognize that the national government in the energy program has taken steps to try to cushion as much as possible the impact of those higher prices. Also, people recognize that this is a fair deal for the national government. What is recognized very clearly is the fact that never before has any Canadian government come forward with a declared intention to ensure that Canadians will have majority ownership and control of that strategic industry. The government has indicated its clear indication in this respect, and it is encouraging to see, not only a broad public support for this but recognition, even by industry, that it will have to adjust to this new reality in the years to come.

I want to indicate once more that the government will deal with this issue in a fair way but also in a determined way and we are convinced that this energy program is in the interest of Canadians all across this country.

Before embarking upon a discussion of the proclamations themselves, I should like to make one or two comments in relation to the speeches made by the previous two speakers. If the hon. member for Vancouver-Kingsway (Mr. Waddell) will allow me, I should like to raise with him a point about something he said regarding the Prime Minister of this country (Mr. Trudeau). I listened with great interest to his speech and I found in it many good points which should be borne in mind, particularly his reference to Mr. Pearson's speech in 1964. But I think the hon. member's statement was unworthy of him when he referred to the present Prime Minister and his travels abroad.

● (1510)

Mr. Waddell: What is he doing abroad?

Mr. Lalonde: I think it is time that members of the House and Canadians in general grew up with respect to the role of Canada in international affairs.

Some hon. Members: Hear, hear!

Mr. Lalonde: Every other country in the world would give their right arms to have a prime minister like the Prime Minister of Canada, to have a prime minister who honours his country in international fields as much as our present Prime Minister.

Mr. Waddell: He should be here.

Mr. Lalonde: As hon. members know, this country is dependent upon international trade. Indeed, we are dependent more than most other countries on international trade. Our country is a medium country; it is not a small country, but it is certainly not what one would call a super power. Under the leadership of people like Mr. St. Laurent, Mr. Pearson and the present Prime Minister, our country has acquired great stature internationally and has grown on the basis of its expanding international trade. The activities of the Prime Minister, ministers and members of Parliament abroad are very important and significant in this respect.

I remind the hon. member that a number of Canadian businessmen are currently in Saudi Arabia negotiating a further enlargement of trade and business between Saudi Arabia and Canada. This means jobs and money for Canadians. It is important the government commitment is very clear in that respect. The country depends just as much for its jobs on what it sells abroad as it does on what it sells at home. Rather than making those comments, I think the hon. member should have applauded the initiative taken by the Prime Minister in visiting that country at the present time to help Canada expand its trade.

In addition, the hon. member knows Canada will be host next year to an economic summit of major economic powers of the western world. One of the items to be discussed at that time will be North-South relations, relations between the more affluent countries and the poorer ones. One of the most important problems in this very difficult issue is the role OPEC countries play in that respect. OPEC countries have become an immense centre of wealth, wealth which is being syphoned away from industrialized, underdeveloped and developing countries. The developing countries are suffering the most. If we want to make some progress on this issue which is very vital to not only the future of this country but the future of the world, it is essential we have the co-operation, support and willing participation of OPEC countries. At the present time this is recognized by people all over the world, except apparently on opposition benches. I say that with regret. I hope I am misreading the situation and that all parties of the House will support, with great enthusiasm and strength, the efforts the government will make and is making at the present time to try to achieve progress on an issue which is as critical for the future of the world as any we have known in the last several decades.

Therefore, I urge the hon. member and the people of Canada to look at the situation, not in a parochial manner, but to grow up and see what role Canada is called upon to play in the world nowadays. In that sense, when the Prime Minister of Canada is travelling abroad, he is speaking for the whole

country. We should be proud of it, like any other country in the world, when their heads of state or prime ministers are travelling abroad. I hope we will get this kind of support in the future.

I heard the hon. member indicate that the Prime Minister should be here, but I remind him that the government is going on, the country is going on, Parliament is going on.

Mr. Waddell: He should be in Edmonton.

Mr. Lalonde: I hear the member saying he should be in Edmonton. As I said in the House earlier, Premier Lougheed indicated that he did not want meetings at the first ministers' level at the present time; maybe later on, but he feels they should be taking place at the level of officials. We have agreed to that, and those meetings will take place. I hope they will be successful. Perhaps there will be meetings at the ministerial level and most likely at the first ministers' level eventually. We have indicated that we are willing to have those meetings at any time, but there is no point in tying the Prime Minister to Ottawa and saying, "Just wait in case you are called to go to Edmonton". There has been a clear indication by the Premier of Alberta that he does not want this type of meeting at this time, and it is as simple as that.

I do not want to spend too much time on this particular point, but I thought it was important to stress it in light of the opening remarks of the hon. member for Vancouver-Kingsway. Also I listened with great interest to the comments of the hon. member for Vancouver-Kingsway and those of the hon. member for Etobicoke Centre (Mr. Wilson) respecting the necessity of co-operation and working on the basis of an agreement. We subscribe to those principles. We subscribe to the principles enunciated by Mr. Pearson as Prime Minister in 1964. As the hon. member for Vancouver-Kingsway indicated, the Prime Minister as a private citizen wrote something to the same effect—that it is essential, if this country is to survive, that there be co-operation between the levels of government. But obviously that co-operation must be a two-way street; there is no doubt about it. We have indicated in the past that we were ready to go to great lengths to make accommodation and to arrive at an agreement. In this particular instance we indicated that we wanted an agreement, that we preferred an agreement. Over the last six months we participated in many discussions.

Mr. Malone: You have not. That is false.

Mr. Lalonde: We negotiated in good faith. At the end of this whole series of negotiations there was one offer made by the government of Alberta. It was made around August 1 by Premier Lougheed when he was in Ottawa. Even then we persisted and made other offers; we changed our plans as indicated in the budget; when it was obvious that we could not reach an agreement, we used the powers under the Petroleum Administration Act; and we indicated that as soon as an agreement could be reached, we would be willing and ready to rescind those proclamations in order to work on the basis of an agreement. Preferably this country must work on the basis of an agreement, but there is also a responsibility upon the national government to speak for the whole country and to assume its responsibilities at particular times. The hon. member for Vancouver-Kingsway, among others, was saying that we should have had an agreement and that we should not have used this proclamation. But what does he propose? He proposes that instead we have a division of revenues between the levels of government of 45 per cent, 45 per cent and 10 per cent to the industry. He proposes that we have a made-in-Canada price that is not related to international prices. He also says there should be a federal-provincial fund, if I correctly remember, in which the revenues would be put together and divided. These are interesting proposals. But I tell the hon. member right now that there is no way the government of Alberta would agree to it. No way. It is also quite clear that the government of British Columbia would not agree. He should know that very well.

• (1520)

So what would he do? Would he use the Petroleum Administration Act and impose his will on those provinces because he cannot get an agreement? I tell him now he will never get an agreement from the governments of Alberta or British Columbia on the basis of the proposal he has put forward. One must be realistic in this respect and look at reality.

The hon. member for Etobicoke Centre said "Oh yes, that's great, we had an agreement last year in December." What about the poor independent member in the opposition in Edmonton who was thrown out of the Conservative party because he dared to say there might be something good in the federal constitutional proposals? That is a heresy of the worst sort in Edmonton these days. He was promptly kicked out of the caucus and his party because he breached the faith. Now he sits as an independent and ever since he has been in opposition he has tried unsuccessfully to get copies of any agreement, any memo, or any phone call recording any particular agreement with the Conservative government last year. He has not been able to get even one little sheet of paper.

I recommend to the member for Etobicoke Centre, since he has a short memory, that he take up for bedside reading a book published recently entitled "Discipline of Power" by Jeffrey Simpson. I suggest to him that he skip the pages in which reference is made to the hon. member for St. John's West (Mr. Crosbie) calling the Premier of Alberta his friend. I do not think that should go into the record. I recommend he read chapter seven, which is entitled "Limits of Loyalty". It goes into all kinds of detail about copies of memos sent and everything that transpired in those negotiations. Perhaps the hon. gentleman can tell me whether that chapter is wrong. The conclusion of the chapter is clear—that right up to the day of the budget on December 11 there were still phone calls between the prime minister and the Premier of Alberta, that a committee of officials proposed a new formula for the energy self-sufficiency tax and that Mr. Lougheed had inserted four other points to be clarified. We read that maybe an agreement could be signed, and maybe not. That is the last we heard

because, as we all know, the government was subsequently defeated. When the minister of finance came with his budget he had no agreement and as far as we know we could not find any record of any agreement anywhere except that there are some people who would like to rewrite history. Obviously, it would be great if they could rewrite it with the benefit of hindsight. Also, we can understand the reasons why they would like to rewrite it.

What is the situation at the present time? Action has been taken by the government to ensure that the price of oil and gas in this country will be firm over the next while, at least until there is an agreement reached with the government of Alberta and the other producing provinces. It spells out quite clearly what those prices will be, as was indicated at the time of the budget. The hon. member for Vancouver-Kingsway says that is unprecedented. He says it is a drastic piece of legislation, a drastic action which should be used only in times of emergency and that we should have reached an agreement. I agree that we should have had an agreement. But it takes two to make an agreement, as he well knows. In order to make an agreement there must be willingness to compromise on both sides, otherwise you will be in a situation where one of the parties says, "You sign here, or else." We said we were trying, we did attempt to reach an agreement and it was not possible to do so. We have indicated we are still willing to talk. Let us keep this kind of measure in perspective.

Mr. Speaker, is this so unprecedented? We are setting the price monthly for the natural gas sold internationally. Every month the national government has an opportunity to modify the price at which we sell gas abroad. We set the prices at which we sell electricity abroad on the same basis. We set telephone rates across this country consistently. We set transportation rates for freight and innumerable items having to do with transportation, air transportation and rail transportation. We are also setting the price of wheat. We use the two-price wheat system as the hon. member knows very well. We also set the price for copper in this country. Around 1973 we had two prices for copper also. So what we have done at this time is to exercise what is clearly and fundamentally a power, a responsibility, that lies with the federal government. It lies with other federations in the world, not only with Canada. In Australia, the states own the resources in the same way as the provinces own the resources of this country. The national government in Australia sets prices for oil and gas constantly and systematically. They do not even do it on the basis of negotiation.

Mr. Yurko: On a point of order, Mr. Speaker. I wonder if the minister, in explaining the price-setting characteristics of his program, would permit a question at this time so that I might clear up something in my mind?

Mr. Lalonde: I would rather have the questions at the end of my exposé. I do not like to use all the time at my disposal for questions and not be able to make a few more points I wish to make. If the hon. member wishes to ask me afterwards I will be very happy to answer him.

What is being done here results from the fact that we could not get an agreement. Under the Petroleum Administration Act the power is quite clearly provided. As I indicated, it is done regularly and without question in a federal state like Australia. It is done in the same way by the national government in the United States. Therefore, I do not think we should consider that this is such an unprecedented step.

What does the opposition want? The opposition said we should rescind those proclamations. And then what? The price for this product would be decided by the government of Alberta for the whole of the country. We would have the government of one province in this country deciding on the price of a commodity traded interprovincially and internationally. I see a Conservative member opposite nodding his head. I say to him he does not know what the constitution of this country is. He does not know what this country is. We would end up in a situation where provinces determined, by government regulations, the price of commodities in interprovincial and international trade.

• (1530)

I challenge the provinces to name one other federal country in this world where the provincial governments or state governments have such powers. It does not exist, for the very good reason that if there is one country, there must be one common market and one national government which, if there is no agreement, must in the end make a decision and say that this will be the price. That is what has happened. The price has been set because we could not get agreement after six months of negotiations. However, in spite of that we are ready and willing to sit down again and talk with the government of Alberta. I am happy that Premier Lougheed has indicated that he is willing to see the discussions resumed.

The government was in effect forced to act in this particular instance. I remind the hon. member that in August the government of Alberta unilaterally raised the price of oil by $2. We looked in the other direction, if I may use that expression, at the time because the increase proposed by the Alberta government corresponded with an offer we had made in August. In order to gain some time in discussion and in order to allow for better relations, we decided to ignore that particular action, which could have been challenged, and let the price rise.

One week before the government introduced its budget, the government of Alberta proclaimed the Alberta Natural Gas Price Administration Act. The net result was that the Alberta government would control through regulations the price of natural gas coming out of the province. Since we were bringing down the budget, it was essential that the government assume and exercise its responsibility. I make no apologies for that. Indeed, we would have been remiss in our responsibility to the Canadian people had we done otherwise.

Therefore, we have proclaimed those actions under the Petroleum Administration Act. I hope negotiations will resume in the next short while and that we will arrive at an agreement.

[*Translation*]

I would like to point out that it seemed to us extremely important in this whole matter that our decisions should take into account the interests of the various regions of the country and those of the consumers.

The proclamations now under consideration simply aim at implementing a pricing system for oil and gas sold interprovincially and internationally in this country. The price of gasoline sold in Alberta and gas produced and consumed in British Columbia will not be regulated by these proclamations. Only oil and gas shipped across provincial and international borders will be covered.

We wanted a pricing system which would be fair for the country as a whole. As hon. members are aware, this will result in significant net benefits for the producing provinces, and especially for Alberta. Under this program, the government of Alberta would receive within the next four years approximately $31 billion while British Columbia and Saskatchewan would, of course, receive much less since Saskatchewan would receive approximately $3.2 billion and British Columbia about $3.6 billion. Even so, these figures will seem fabulous to all the other regions.

As far as the consumer is concerned, we have endeavoured to take steps, so that even if prices were to increase in the coming years, he would be reasonably well protected or at least he could anticipate impending increases and then adjust his standard of living accordingly.

My hon. colleague from Vancouver-Kingsway has quoted figures from page 106 of "The National Energy Program" which I invite Canadians to get at their local post office. I am told that copies are available. Well, the hon. member will note that for the citizen of Winnipeg to whom he referred or for the citizen of St. John's, Newfoundland, for example, who spent about $680 for heating in 1980, should he convert his heating system to natural gas or take advantage of all benefits under the energy conservation schemes available under the national energy program, the heating bill of that citizen in Winnipeg will be reduced from $680 to a potential cost of $535 in 1984, while for the citizen of St. John's, Newfoundland, it could be reduced from $810 to $760 through the necessary conservation measures.

I mentioned Winnipeg and St. John's, Newfoundland, but I could also mention every other Canadian city. This means that Canadian consumers are invited to play a real part in this endeavour to attain energy self-sufficiency during the next decade. In addition, the program clearly indicated that even if prices rise, Canadian consumers will be in a position to protect themselves thanks to the programs which we have made available to them.

[*English*]

I notice that I have only a few minutes left. I would have loved to have spent more time putting forward other aspects but I understand we will have an opportunity to have a second debate in the next few days on the second proclamation. I may want to use that opportunity to come back to the points which have been raised already in this debate and to cover several more points.

It is important to note that the government has made genuine, serious efforts to resolve this particular issue over the last few months. We have discussed a pricing formula and we have offered to abandon, if necessary, the existing mechanism for pricing and offered a new equalization formula whereby the provinces would have a more equal share amongst themselves. But those proposals were turned down. We tried to separate the issues of the tar sands and heavy oil from the issues of conventional oils, but that was turned down also. We proposed that there be a tax on the export of gas and electricity, but that was turned down. The budget was changed at the last minute and that plan was abandoned in order to accommodate the views of the producing provinces, particularly the government of Alberta.

Unfortunately, up until now, our proposals have not been fruitful. These proclamations have been introduced as a stopgap measure and as a substitute for the lack of an agreement. We indicated that we are undertaking further discussions without preconditions. I stress that this government has set no conditions for these further discussions. I ask the opposition parties to observe who is setting conditions and asking for certain requirements ahead of time.

It is important that we achieve a resolution which will ensure to the federal government a fair share of the resource revenue while ensuring for the producing provinces an increase in wealth to the extent they would never have dreamt of ten years ago or even as recently as five years ago, while still leaving enough profit for the industry. As a national government, we must think of the national interest. The national interest of this country is obviously larger than the interest of a particular region or province. We are determined to do everything we can to reach agreement. Again, I say to members on both sides of the House, because I know that many of them are as concerned as we are, and rightfully so, about the deep disagreement existing at this time, that I hope the debate in the country and particularly in Alberta will be kept at a level of reason with reasonable arguments. There are so many arguments being used which have no foundation at the present time. I invite the Tory member on the other side who is so vocal at the present time to keep his cool and listen a little bit because he might learn a thing or two. It might be helpful, instead of telling his constituents what he has been over the past little while—

• (1540)

Mr. Malone: Name one.

Mr. Lalonde: —to use his head and advance a resolution to this problem rather than fan divisions in this country.

The Acting Speaker (Mr. Blaker): Order, please. I will recognize the hon. member from Edmonton East on a point of

order pursuant to the remarks made earlier that there is a single question to be asked and answered.

Mr. Yurko: Mr. Speaker, I wish to pose a question to the minister. It concerns the proclamation of section 36 in the Petroleum Administration Act. I believe the government had two possibilities. First, to invoke and set the price of oil for one year and then hope that negotiations with the producing provinces would continue to affect the price subsequently.

The second alternative of the federal government was to invoke this section of the Petroleum Administration Act to set a schedule of pricing over a period of years from five to ten years, or four to ten years, in other words, set a pricing structure which then acts as a major club on the producing provinces in terms of the possibility of reaching agreement or no agreement at all.

Could the minister clarify very carefully if possible whether the invocation of this section of the act is for a period of one year only so that if an agreement is reached with the producing provinces within this year, then we will not have this act in place? If the government needs to come forward with this act again a year from now, it will come before Parliament again to invoke it. It is important that I know the answer to that question.

Mr. Lalonde: Mr. Speaker, I appreciate the point raised by the hon. member. He knows that we did come forward with a ten-year program called the national energy program. He knows, too, that the budget itself announced the projection of prices over that long period. I am sure the hon. member knows also that the industry and the people of Canada generally have been clamouring for some certainty. There have been consistent protests over the last few years because it was very difficult, if not impossible, to plan, especially for megaprojects on the basis of what the price is this year when we do not know what it will be two years from now or four years from now. In other words, some certainly was needed as to the future.

It was to ensure a certain degree of certainty and clarification as to the government's policy that it was decided to put forward this long-term plan. We have indicated that this is a ten-year program. It would be naive or irresponsible to say that in a ten-year program not one iota can be changed, or that this is cast in stone, just like the Bible. So that is not our perception. However, we have put forward the proclamation in question in order to avoid as far as possible—and I hope we will reach an agreement eventually—this kind of annual mutual harassment and this annual dramatic time which industry and governments have to go through when month after month they have to come back to renegotiate a pricing regime. We have put forward a pricing regime which we think will be fair for the industry over the next ten years and for the various regions of the country.

The government of Alberta has indicated that it is willing to sit down again and look at this issue, and so have we. It is there for everybody to see. I would think from my conversations with the government of Alberta and the government of Saskatchewan that they themselves would prefer, if possible, to have a resolution which would be for more than one year so that government and industry can get down to the business of finding more oil and gas and making more money and jobs for everybody.

Mr. Malone: Mr. Speaker, in rising today to speak on this important subject—

Mr. Waddell: Mr. Speaker, may I rise on a point of order? Please excuse me but I thought the hon. member was rising on a point of order and I hesitated to disturb him. The minister said he would answer short questions. Might I put one to him? It concerns the invocation of the act and it is fairly short. Might I do that before the hon. member begins to speak?

The Acting Speaker (Mr. Blaker): This seems to be still within the time limit accorded to the minister, so one question and answer will be permitted.

Mr. Waddell: I thank the hon. member for Crowfoot (Mr. Malone), Mr. Speaker.

I do not think the minister would get disagreement from this corner of the House that in the end, in an emergency, the national government must make a decision and take action. But I would remind the minister that under our constitution the provinces have power over resources. I would think that he, as a Quebecker, would be very much aware of that. My question is this: there did not seem to be a dispute, in the eyes of the average Canadian at least, with Alberta in terms of prices. The minister mentioned that the province of Alberta had raised the price by $2 a barrel and the federal government had not opposed that. However, there was no indication that it would be raised any further. That being the case, could the minister not have said to the province of Alberta: "Here is our scheme and our maximum limits; if you go above that, then we will bring in the act, but as long as there is no dispute now, there is no reason to invoke this act." Would the minister explain to me why he did not go along with the present situation without invoking the act?

Mr. Lalonde: At the time I had discussions with my colleague in Alberta there was agreement that there would be no price increase after August 1 above $2 until October. But the government of Alberta was retaining its right to act after that. As I indicated one week before the budget, the government of Alberta decided to proclaim the Alberta Gas Marketing Act, the Alberta Natural Gas Price Administration Act.

The hon. member must realize that the Minister of Finance needed to bring in a budget. In every country in modern times energy is a fundamental element in determining budget policy. For instance, it must be determined how much money a government will need in terms of support for energy programs—whatever they are in each country. Therefore, it was impossible to ask the Minister of Finance to walk into this House and say, "Here is a budget, but assuming that nothing else happens over the next little while, this is approximately what it will be". I think the hon. member's party would have been the first one to rise in protest and outrage. It would be

argued that by failing to disclose his plan of action the Minister of Finance was not assuming his responsibility; it would be argued he should ask Parliament to vote on something definite, not on something hypothetical and dependent on the goodwill of other levels of government which are not answerable to this House but to another constituency. Essentially and fundamentally it was a matter of Parliament being asked to consider a budget; Parliament had to make a decision on the fiscal position of the government over the next year. This morning I indicated that if the orders in council giving instructions to Petro-Canada to negotiate with Esso Resources was available today, I would table them. I now have them in French and English. If the House agrees, I will table those orders in council.

• (1550)

The Acting Speaker (Mr. Blaker): The House has heard the suggestion of the minister to table certain orders in council. Is there unanimous consent?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Blaker): It is so ordered.

Mr. Arnold Malone (Crowfoot): Mr. Speaker, I rise today very bitter and very deeply angered as a member of Parliament from western Canada who sees an issue that is before the Canadian people which creates a division that is unnecessary. It begins with premises that are true and reaches conclusions that are false.

We do not have an energy crisis in this country. We have enough coal to supply petrochemical needs for 300 years. We have in the oil reserves of western Canada enough supply for several hundred years. What we lack in this country is a systems policy, not energy. The energy is there. There is a struggle between the federal government and the provinces. With the tactics they are using against the will of those who want to put systems in place, they are destroying the fabric of this nation, the will of those at the grassroots to make a commitment to energy security. Even with our abundance of coal, which is the envy of the world, we have a struggle of politics going on which is not only denying Canadians energy, but causing an excessive loss of jobs and capital as well.

I use the example of one tar sands plant. If one plant were to close and to stay closed for the projected life of the project, it would involve a loss of some $290 billion to Canada. That is what is involved in the ripple effect through the Canadian system. Of that amount, 40 per cent would go into the province of Ontario. There would be an enormous loss of jobs, not in the provinces of Saskatchewan, Alberta or British Columbia but in consequence of the raping of central and eastern Canada against its security of supply, the assurance that there will be oil and petroleum products for the driving of cars, heating of homes and the industrial sector.

I wish to place on record what it would mean if Alsands were to receive its full documentation and endorsement from the federal government. It would put some $800 million into the province of Ontario in the area of iron and steel production, $370 million for the fabrication of machinery in the manufacturing basin of central Canada, $325 million into Ontario for other forms of manufacturing and processing, $740 million into Ontario and Quebec in relation to financing through banks, trust companies and the like for capitalization of these megaprojects. It would involve another $370 million in trades and services and an additional $7 million in spill-over effects with regard to employment.

I become very annoyed when I hear the tone of the debate which tries to create the impression that there was a disagreement and an inability to work out with the province of Alberta an energy package, leaving Canadians in a desperate position. The truth is there was never a serious attempt by the present federal government to deal with the province of Alberta. The Alberta energy minister said the first two occasions there was a visit from representatives of the federal government it was a milk and cookies occasion, a get acquainted party. There was never a document on the table, never a discussion, never a piece of paper in front of them.

When the minister comes before Parliament and recounts the number of times he went from Ottawa to Edmonton or someone came from Edmonton to Ottawa, he wants Canadians to believe those were negotiations and that, because there was no resolution, Alberta failed. The truth is that since being re-elected last February, the federal government has not placed one proposal before the province of Alberta. With their sinister attitude, they try to create the illusion that they are being denied an agreement after all the efforts they made. The truth is otherwise. Their first two missions were simply to get acquainted with the staff of the two energy departments.

This proclamation is before us because the minister said an agreement could not be reached. He further said it was not the federal government which was placing conditions on the negotiations. That is a rather sinister view when you think of the conditions Alberta is placing on this. The province of Alberta is saying that if you are going to deal, you will deal with us on the question of petrochemical energy. We have seen the tactics of this government.

During the last first ministers' conference, a document was leaked indicating that the province of Alberta should be divided from the other three western provinces, that it should be isolated. They wanted to create an enemy at which the other provinces could point. With regard to the Atlantic provinces, they wanted to isolate Newfoundland from the other maritime provinces so it could be pointed at as the enemy.

What are they doing in their energy negotiations? They are trying to separate tar sands oil. Why? When that is removed from the negotiations, they can of their own free will do what they want with the energy package. Obviously in their negotiations Saskatchewan, Alberta and British Columbia have every right to say to the federal government that if it wants to talk energy, come and do that, but if it wants to divide up the pie, go home. They have every right to tell them to go home if they are not bargaining fairly. The minister comes here lily white

and clean, stating that it is the provinces which are making the conditions. I agree, they are putting on a condition. The condition is, if you cannot bargain fairly, don't bargain at all.

Then what do we find? We find the Prime Minister of Canada (Mr. Trudeau) spending 40 days and 40 nights in the dessert of Arabia. For what purpose? For $40-a barrel oil.

● (1600)

The truth is that since he was elected he has spent more time in the Middle East than he has spent in the province of Alberta. Hon. members opposite try to put forward the view that we will not negotiate. What an unfair and sinister position for a government which will not take the time within the provinces of its own country that it takes in dealing with energy matters on some foreign soil.

I see that the time is up, Mr. Speaker. May I call it four o'clock?

The Acting Speaker (Mr. Blaker): It being four o'clock, the House will now proceed to the consideration of private members' business as listed on today's order paper, namely, public bills, notices of motions and private bills.

PRIVATE MEMBERS' PUBLIC BILLS

[*English*]

Motions Nos. 6, 17, 18, 19, 22, 23, 25, 26 and 27 allowed to stand by unanimous consent.

* * *

INCOME TAX ACT

MEASURE TO AMEND

Hon. Marcel Lambert (Edmonton West) moved that Bill C-228, to amend the Income Tax Act, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

He said: Mr. Speaker, the bill before the House today represents two aspects of the Income Tax Act which should be familiar to members of the House because since 1970 I have been opposed to the second feature of the bill and have repeatedly filed private members' bills in order to get rid of that aspect of the Income Tax Act.

The first feature is one which I, as well as a good number of my colleagues on this side of the House, have attacked in one way or another since about 1977 when it was added to the Income Tax Act.

The first clause deals with the requirement of the Income Tax Act that a person cashing bearer coupons on Canada Savings Bonds shall furnish on the application for deposit a social insurance number. If that person should fail to do so, the

bank, trust company or encashing agent must retain 25 per cent of the interest coupons and remit them to the Minister of National Revenue. There that interest collected shall be deemed to have been levied and paid or shall be available for the person involved to apply in a subsequent taxation year for reimbursement. However, there is a "Catch 22" aspect to this in that it is a requirement of another section of the Income Tax Act passed in 1966 that every income tax return shall contain a social insurance number and that the income tax authorities are empowered to reject such a return unless completed in a form satisfactory to the taxation authorities.

This meant that an elderly person who did not have a social insurance number or a child of 12, for example, who owned some Canada Savings Bonds by way of gift or any other means was not able to cash interest coupons and recover their value because that person did not satisfy a bureaucratic requirement with regard to social insurance numbers. There are a few members in this House who were present in 1964 when the late Prime Minister Pearson solemnly stated in this House under questioning that social insurance numbers would not be used for any purpose other than for social security reasons. In fact, he answered questions of the former leader of the opposition, the Right Hon. John Diefenbaker, particularly on the subject of income tax, and he denied it would be used for income tax purposes.

The first thing that happened was that in 1966 there slipped through—not surreptitiously or anything; I suppose in the press of events—a requirement that for identification purposes the social insurance number would be required on every tax return of a private individual. That should have been an alert, but unfortunately too many people somehow or other took it to be a reasonable request. However, that was only the opening of a door.

Since that time there have been requests for social insurance numbers by department stores when applications for charge cards were made, by oil companies for credit cards, by the Department of External Affairs for passports and by any number of other organizations, including midget hockey teams. Recently I learned that in the province of Alberta a government department was requesting social security numbers for children in a musical group, all about the age of 12, who were going to travel outside the province on a government grant. Fortunately, after one telephone call the minister in charge of that department decided that this was a lot of bureaucratic nonsense and reversed that decision right on the spot. There has been abuse. Is this country going to accept the principle that everyone must have an Orwellian identification number? The armed services got away from their district service numbers allowing one to identify what kind of serviceman a particular individual was, whether he belonged to an eastern district or whether he was in the army, the navy or the air force, by substituting social security numbers. I object, and so do my colleagues. I know that the hon. member for Wellington-Dufferin-Simcoe (Mr. Beatty), formerly the minister of state for the Treasury Board, had indicated he was going to

introduce legislation restricting the use of social security numbers.

However, that did not come to pass. In November, 1979—and my colleague from Winnipeg-Assiniboine (Mr. McKenzie) will elaborate on this—the previous administration indicated there was to be a study on their use. That was affirmed and extended by the present administration. The report should have been in by November 1. It has not been tabled. It may have been made to the government, but it has not been tabled.

In any event, I have, through clause 1, moved to delete those two subsections. They are amplifications of the original section 234 dealing with ownership certificates, but in addition to the ownership certificates there was the question of the social insurance number. It was a stupid thing because the minister of the day tacitly admitted that if the person concerned wanted to give any sort of social security number, whether his, hers or someone else's, it did not matter. So long as there was a number, the banks and cashing agents did not have to withhold anything. When and if a cross audit would catch up with it, God only knows. Since that time several of the banks have indicated that they will not abide by those regulations, and they are not doing so. If the section is being disregarded, it is in disrepute, and the only thing to do is to strike it from the record. I am sure the present administration will decide to strike it from the record in the Income Tax Act. So I hope that hon. members can support that aspect of it.

● (1610)

Now with regard to section 237, it has to do with a failure to show a social security number on an income tax return which need not be then accepted by the income tax authorities. So far as I am concerned, if I have a social security number and I voluntarily put it on my tax return, that is my business. It is my number for my private use. Since when has income tax been part of social security?

Therefore, when I move to strike 237(1) and 237(2), I do away with the obligation and necessity. The Minister of National Health and Welfare (Miss Bégin) has not indicated anywhere in her legislation that an individual has to apply for a social security number. But section 237 of the Income Tax Act says one has to do so. The provision has become distorted. It has become a case of the tail that wags the whole dog. The initiative is now with the Department of National Revenue to decide who shall apply for a social security number, and I move to strike that out. However, my colleagues wish to discuss this matter further.

I want to turn now to something that as a lawyer I find dastardly and absolutely wrong. I gather that a similar feeling is felt by the council on uniform legislation, or a like body, in that, under section 239, the Crown may move either by way of indictment or by way of summary conviction if there is to be prosecution of an offence under the Income Tax Act. The decision as to whether it will be by indictment or by summary conviction is made by the Attorney General of Canada, not by the minister of national revenue, which, in effect, means it is the director of public prosecutions who makes the recommendation to the deputy attorney general, and that is the authority. Unfortunately, offences under section 239 against the Income Tax Act include a false return or an evasion of a return and destruction of records, the disposal of books, acquiescence or collaboration in the making of false returns, all the offences one can think of under the Income Tax Act including one which is so general that there is no way of escaping it, namely, "wilfully or in any manner evading or attempting to evade compliance with this act or payment of taxes imposed by this act." That is, in fact, a difference of opinion with the taxing authorities. If I have a difference of opinion with the taxing authorities and I say that I will not pay those taxes, that is my interpretation and I am "wilfully or in any manner" attempting to evade payment of taxes imposed by this act. The taxing authority says that the act imposes these taxes, and I say, no, I am evading that by my interpretation. That is a wilful act and I am then guilty of an offence. In addition to any penalty provided, I am liable on summary conviction to a fine of not less than 25 per cent or to a fine and imprisonment. But subsection (2) says:

> Every person who is charged with an offence described by subsection (1) may, at the election of the Attorney General of Canada be prosecuted upon indictment and, if convicted, is in addition to any penalty provided, liable to imprisonment for a term not exceeding five years and not less than two months.

That means the judge has no option. In practice it means that if the director of prosecutions decides that the Crown attorney will move by way of an indictment and there is a finding of guilty, or even an admission of guilt because often the facts are there, a mandatory jail sentence is imposed regardless of how severe or otherwise the judge considers the offence to be. That is wrong. We throw too many people into jail as it is. It is the court which should decide whether or not a person goes to jail, not a functionary of the Department of Justice. My amendment gives scope to the judge on the penalty and it is the judge who will decide. There is none of this business of going by way of indictment. Gracious me, there is a section in the Bank Act which provides for prosecution by way of indictment. I wanted to strike it out but was told that a recommendation would come forward for the government to do away with proceedings by way of indictment under these acts. This is not the Criminal Code. It is a civilian act along with the Bank Act. It is civil statutory law. We have to take a much more civilized and just stand. This business of moving by indictment is subject to abuse. Political motivation may determine that a certain individual will go to jail. We have seen occasions where the choice of whether the government moved by way of indictment or by way of summary conviction seemed to be based upon political capriciousness. If somebody desires to get even with a certain prominent citizen, to make an example of him, or just to get at him, he can move by way of indictment. His crime may be no worse than that of the neighbour down the street who lives at a much lower profile. One will be subjected to proceedings by way of summary conviction and the other by way of indictment. They are no more than offences against statutory law, and that section should be repealed.

• (1620)

Many hon. members have not been exposed to this particular facet of our statute law, so I commend it to them. Often within the confines of private members' hour anomalies or injustices in various statutes are pointed out to fair-thinking people, and parliamentarians, as fair-thinking people, say we must do away with them. It is in this spirit that I offer this legislation to my colleagues in the House of Commons, so that they will accept it in the spirit of fair-mindedness toward their fellow men, and do away with these anomalies, injustices and in so far as the social insurance is concerned, some rather silly results.

Mr. Roy MacLaren (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, in rising to address the bill presented by the hon. member for Edmonton West (Mr. Lambert), I should like to begin by paying tribute to his motives in bringing to the attention of the House what he considers to be anomalies in existing legislation. His motives deserve the recognition of the House, but as I think he will see in a moment, in several respects there are real differences between his approach and his understanding of the income tax amendments and mine.

Bill C-228 proposes three amendments to the Income Tax Act. One of them does not require any extensive discussion, that is, the first clause of the bill to repeal subsections 234(5) and (6) of the act. Those are the sections which relate to persons cashing bearer coupons, warrants for interest and dividend payments without listing their social insurance number on the ownership certificate. Where this number is not given, the person paying the interest or dividend must deduct 25 per cent of the amount as a withholding tax. This deduction is credited against the recipient's personal income tax owing for the year.

Repeal of the subsections to which the hon. member referred was in fact proposed in the notice of ways and means motion tabled by the Minister of Finance (Mr. MacEachen) on April 21. It is simply unnecessary to pass Bill C-228 in order to abolish that provision.

However, the other two proposals in this bill require closer examination. Both suggest a willingness to weaken the integrity of the tax system and leave it open to abuse and fraud. We all realize that throughout history the tax collector has never been a popular figure. It has always been easy to score political points by offering to weaken the tax system, but I suggest this can be a dangerous and self-defeating game. We must recognize that income tax is more than just a means of raising federal revenues. It is an important aspect of the whole effort of government to promote social justice through redistribution of income, support for the needy, and the development of the less prosperous areas of Canada. This is what is at stake when we consider the need to protect the integrity of the tax system.

Mr. Lambert: Would the hon. parliamentary secretary accept a question?

Mr. MacLaren: Yes, Mr. Speaker.

Mr. Lambert: I know the parliamentary secretary is giving a philosophical justification for income tax, but perhaps he would go back to its origin and say that it was a special war tax. Until 1948 it was known as the income war tax act, merely to raise funds to pay for the expenses of war. How does he reconcile that tax with the support of our social system?

Mr. MacLaren: Of course the hon. member is correct in drawing to the attention of the House the fact that when income tax was first introduced in the United Kingdom, prior to and during the First World War, it was regarded by some as a temporary measure. I thank the hon. member for inviting my comment in this regard. Since then, the liberal philosophy, of caring for each other through collective measures which require revenue, whether raised in the form of income tax, corporate income tax or capital gains tax, has become well established in the practices of all democratic nations. Of course Canada is no exception in that regard.

Income tax is more than just a means of raising federal revenues. At least we on this side of the House see it as the principal method of achieving the balance of social justice and equity to which we subscribe. Fundamentally that is what is at stake when we consider the need to protect the integrity of the tax system.

When we consider that clause 3 of the bill would eliminate the present legal option of proceeding against serious tax evaders by way of indictment, we see some problems arise immediately. The hon. member for Edmonton West objects to empowering the Attorney General of Canada to decide on an indictment proceeding instead of proceeding by way of summary conviction. He objects to the minimum sentence of two months in jail which the law provides for those persons convicted. The hon. member discussed this same issue at some length during the 1971 debate on the tax reform bill and again in 1973 when he presented a private member's bill on this subject. I suggest that he is no more likely now than he was then to win majority support in the House for his approach.

We are talking about measures to deal with serious income tax fraud, not just any minor attempt to evade tax payment. The kind of offences we are considering are set out in Revenue Canada's information circular on tax evasion and tax avoidance. It describes some of the factors which are considered as grounds for deciding to proceed by way of indictment. It is clear that we are talking about serious attempts at tax evasion by people who are second offenders, people who sell their assets or move them out of the country to escape the collection of taxes owing, people who intimidate others to help in tax evasion schemes, people who counsel others on tax evasion practices, people who have evaded substantial amounts of tax owing. These are some of the factors that must be considered.

• (1630)

If any member seeks proof that we are discussing exceptional cases, I would point to the Revenue Canada statistics which show that over the six years prior to last March 31 only 12 taxpayers have been imprisoned through indictment proceed-

ings. So the decision by the Attorney General to proceed by way of indictment is clearly not one taken lightly or routinely.

It is not a rare or remarkable situation for the Crown to be empowered with the option of proceeding by way of either summary conviction or indictment. The Criminal Code has many such instances. Agreed, it is not customary for this provision to be coupled with a mandatory jail sentence for convictions on indictment. But I submit that it is justified in cases such as this.

The sponsor of the bill has argued in the past that the law really means that the Attorney General of Canada has power to send someone to jail by proceeding by way of indictment. This argument conveniently overlooks the fact that it is still the court which decides whether an offence has been committed and whether conviction is warranted.

Serious tax fraud is one of the so-called white collar crimes. It represents an effort by more prosperous persons with substantial tax liabilities to evade payment of their taxes. There is a view held by some that white collar law-breakers should receive lenient treatment in the law. That cynical view would be confirmed if Parliament decided to drop this provision in our laws. The possibility of a mandatory jail term—even one of only two months—must serve as a powerful deterrent for those who might seek to defraud the treasury in this way. Too often a fine is regarded merely as a cost of doing business.

Before closing, Mr. Speaker, I would like to discuss briefly the third proposal in the bill now before us. It would end the requirement for taxpayers to report their social insurance number with their tax return. It is difficult to see what such a step would accomplish, apart from weakening Revenue Canada's ability to collect income taxes that are owing and to ensure the fair and efficient administration of the Canada Pension Plan and the unemployment insurance system.

The advent of electronic data processing has opened up a whole new world of concern to many people. Large quantities of information about individuals can be stored in various computer data banks. One of the chief concerns about the social insurance number is that it might be a handy key which would allow the pooling of information about an individual from a number of these data banks without his knowledge or consent. However, the problem here is not really the social insurance number. Computer technology allows the linkage of information without using the SIN—for example, by using name, address or birth date. The SIN is a handy target for criticism, but the real issue is the problem of data linkage itself. Our concern should really be with that, and not with the secondary issue of the social insurance number.

Under part IV of the Human Rights Act proclaimed on March 1, 1978, Parliament established a method for controlling the unauthorized exchange of personal data in federal information banks. Perhaps these provisions can be strengthened. Certainly more should be done about the data banks on individuals which exist in the private sector and how this information can be used.

There is legitimate concern about the proliferating use of the social insurance number in a wide variety of applications that do not relate to the administration of social security programs and the tax system. But none of these problems is met by the proposal to exclude use of the SIN from income tax returns, and much would be lost by this proposal, which would weaken Revenue Canada's ability to carry out its responsibility to protect the integrity of the tax system. We must remember, too, that information from individual tax returns is used to establish the individual's rights under the Canada Pension Plan and to determine insurable earnings for purposes of the unemployment insurance program. Mr. Speaker, both of these programs depend on the social insurance number. If the SIN cannot be used on income tax returns it will simply compound the number of information returns that Canadians will have to make to the federal government. The administrative cost and the nuisance would be multiplied.

Mr. Dan McKenzie (Winnipeg-Assiniboine): Mr. Speaker, I would like to congratulate the hon. member for Edmonton West (Mr. Lambert) on his pursuit of his private member's Bill C-228. I would like to read the explanatory note which sets out why there is cause for concern. It states:

> The purpose of this bill is to repeal certain provisions of the Income Tax Act relating to social insurance numbers, and the consequences of failing to obtain such a number for entry on tax returns. At present, there are thousands of Canadians who do not possess social insurance numbers.

The parliamentary secretary did not address himself to that part of the bill. As the hon. member for Edmonton West pointed out, it was a bureaucratic decision that implemented this in the first place and this afternoon we heard a bureaucratic answer. It was not something that was compiled by the Parliamentary Secretary to the Minister of Energy, Mines and Resources (Mr. MacLaren) at all. This bill calls attention to the serious consequences that a taxpayer faces with the abuse of the SIN number. When the SIN was introduced in 1964 it was not meant for this purpose. There is legitimate concern about government abuse of the SIN.

The Conservative government, in a release dated November 26, 1979, took positive action in this area. That release stated:

> Finance Minister John Crosbie and Revenue Minister Walter Baker announced today that the government intends to drop the requirement that persons cashing bond coupons must provide a social insurance number or pay a 25 per cent withholding tax.

The minister of justice in the Clark government, in a release dated February 1, 1980, announced that he had ordered a special study by Canada's Privacy Commissioner on the use of social insurance numbers. This study was continued under the present government. On May 23, 1980, they announced that the scope of the special social insurance numbers study by Canada's Privacy Commissioner would be expanded to include those federal government institutions to which part IV of the Human Rights Act applies. We were to have received this report on November 1. I hope it will be tabled very shortly.

Obviously the government of the day was concerned about what was happening about the abuse of social insurance numbers or they would not have continued the study and

extended it for another three months. Concern has certainly been expressed by Canadian citizens over the past number of years about the abuse of the SIN by government departments and invasion of privacy. As the hon. member for Edmonton West pointed out, children are now required to submit a social insurance number when they register to play football and hockey. That is a lot of darned nonsense. I hope the report will make recommendations to put a stop to that.

To show how difficult it is to send a letter to a serviceman, a recent article stated, "It may take SIN to get that card to a serviceman". Apparently, if his social insurance number is not on there he might not receive his Christmas card. Mr. Speaker, what kind of nonsense is that? I hope the government study which should have been completed by November 1 will be available to all members in the very near future. I hope it will eliminate nonsense of this kind, about the need to put a social insurance number on a Christmas card.

• (1640)

A former prime minister, the Right Hon. John George Diefenbaker, spotted the problems with the SIN back in 1964. He asked questions of the House leader at that time. He wanted an assurance for the Canadian people that any information provided in the social insurance number application form would be maintained on a completely confidential basis and would not be used for any other purposes or passed over to any other department. The Liberal House leader at the time replied that the information would be maintained in Ottawa for government purposes including the Unemployment Insurance Commission and the proposed Canada Pension Plan.

The right hon. gentleman repeated his question adding that the system bears a strange relationship to dictatorship. Certainly, the system has expanded from its original purpose back in 1964. Also, at that time we found out that the RCMP had told a commission in Ottawa that the little white plastic card bearing each taxpayer's social insurance number has evolved into an identification card and is vital to the RCMP. The RCMP was given direct access to social insurance data held by the Unemployment Insurance Commission in 1969.

Just five years earlier, the government managed to get the social insurance number established in law by promising never to let it be used for any purpose other than the necessary clerical work associated with the social insurance system. I hope the government report which was to be completed by November 1, 1980, covers these aspects and outlines plans to stop abuses of the SIN as pointed out by the former Conservative prime minister, and the hon. member for Edmonton West. Perhaps the last government speaker will indicate to the House today whether this report was, in fact, completed on November 1, and, if so, when hon. members of the House will be able to obtain a copy.

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the bill introduced today by the hon. member for Edmonton West (Mr. Lambert) has commendable aspects, but the government has certain concerns, and I would like to address my remarks to those concerns.

This bill proposes three distinct amendments to the Income Tax Act and although they differ in subject matter, all three have a common thread. They all relate to methods of protecting the integrity of the tax system, methods of ensuring that each of us pays his proper tax. One deals with a withholding tax on interest and dividend payments, another with legal recourse against serious cases of tax evasion, and the third with the use of the social insurance number in administering the tax system.

I should like to address most of my remarks to the latter point, which proposes to abolish the requirement for taxpayers to list their social insurance number on their income tax returns. But before that, I should discuss briefly the other two proposals in the bill.

I do not expect there will be much disagreement with the first clause of the bill. It would do away with the requirement that 25 per cent of interest and dividend payments being paid by means of bearer coupons or warrants must be withheld whenever the recipient does not list his or her social insurance number on the ownership certificate at the time of payment. A similar change has been proposed in ways and means motions both by the present Minister of Finance (Mr. MacEachen) and by his predecessor. Obviously, the original purpose of this withholding tax was to ensure that income tax liabilities on bearer bond coupons and similar transactions were met. If finance ministers of two different governments agree that it is not necessary, then I suspect it will not be greatly missed.

Clause 3 of the bill, however, has a good deal less to recommend it. By this clause, the sponsor of the bill seeks to remove from the Income Tax Act a legal sanction which is now available for dealing with serious cases of tax fraud and evasion. Under this sanction, the Attorney General of Canada has the option of proceeding in the courts by way of indictment against accused tax offenders, rather than proceeding by way of summary conviction. For persons convicted on such an indictment, the law provides a mandatory prison term of between a minimum two months and a maximum five years.

As I understand it, there are precedents in the Criminal Code for the Crown to proceed by way of indictment, rather than the more customary summary conviction route, in serious cases of lawbreaking. If the Crown were to have frequent recourse to this provision, using it not only for major tax frauds but in some of the more routine cases, there would be grounds for the kind of concern shown by the hon. member for Edmonton West. But when we consider that only 12 taxpayers have been sent to jail under this indictment procedure over a six-year period, I think it is very apparent that a good deal of discretion is used before embarking on that sort of prosecution.

It is regrettable, but true, that the fines which are levied by courts against offenders are often viewed simply as a licence fee for lawbreaking—just another cost of doing business—especially if the offender thinks the odds of not getting caught are in his favour. In these circumstances I suggest that the threat of a mandatory jail term, even as short as two months,

can be a very strong deterrent, especially for the so-called white collar criminal.

There has been widespread public concern, which I share, about the frequency with which offenders under our system of justice are sent to jail or penitentiary. But concern about the proportion of prison terms does not mean that there should be no prison terms. When it appears that fines for tax frauds are not an adequate deterrent, but are instead seen by the offenders as merely a cost of doing business, then I think we have to ensure respect for our laws by a method that will command respect.

I would like to devote some of my remaining remarks to the other proposal in this bill dealing with the present legal requirement for citizens filing an income tax return to identify themselves on the returns by their social insurance numbers. The bill would delete this requirement from the Income Tax Act.

In reading this bill, I found it difficult to imagine what might be the motivation behind such a change. Could it represent some sort of latter-day Luddite movement or some sort of emotional revulsion or reaction against one of the tools of a threatening new post-industrial revolution? The social insurance number is, after all, just a tool which, in itself, has no innate evil. In fact it is a tremendously useful tool which, when used reasonably, can provide great social benefits. The requirement is to use it reasonably and responsibly, not to reject it totally.

I think we have to recognize that, in our complex urban society, there exists an emotional reaction among a good many people against what they regard as being depersonalized or reduced to a number in a computer-run society. They feel the system deprives them of some of their humanity. That feeling exists and cannot be ignored. But I suggest we do not resolve the problem by denying to the computers of the Department of National Revenue the use of the SIN.

Unless we drop the use of computers entirely, the Department of National Revenue would simply have to develop letters which would not likely be as good as the highly efficient SIN system. The alternative would be a clumsy, costly, slow system in which the ordinary individuals would find their files confused with the tax returns of others of the same name. I suspect this would be even more frustrating to citizens than being identified by a number.

The usefulness and value of the social insurance number is not always appreciated. We should recognize that income tax returns provide an efficient, low-cost source of essential data for administering the Canada Pension Plan and the Unemployment Insurance Act. It is the social insurance number which is the key link in ensuring that the taxpayer's contributory earnings for Canada Pension Plan purposes are passed on to his or her CPP file. The SIN allows information on insurable earnings to be used for unemployment insurance purposes. If we remove the SIN from income tax returns, I suggest it would simply mean switching to a more cumbersome and costly information system, with separate information returns having to be filed for Canada Pension Plan and unemployment insurance purposes.

There are other examples of how the SIN on a person's income tax return is useful and valuable, not just to the tax collector but to the taxpayer. Consider, for example, the income-averaging provisions in the Income Tax Act which are designed to compensate for a sudden and irregular upswing in a taxpayer's income in a year. Under the present system, the taxpayer does not have to work out the complicated averaging formula himself on his tax return; he has the assurance that the Department of National Revenue's computer will do that job for him if he qualifies for the income-averaging benefit. But the computer could not do this without the link through the social insurance number which allows the individual's tax return to be correlated with his incomes in preceding years.

● (1650)

When we introduced the child tax credit system only recently, it was clear that the fairest way of measuring a family's financial need was to base it on the aggregate of incomes received by the two parents. Yet this approach would have been extremely difficult without having computer access to the reported incomes of both parents, and the social insurance number made this access possible.

Another example of the number's usefulness is that it makes it possible for National Revenue to cross-check information on incomes and earnings so as to ensure the validity of claims and to detect fraud. We have given National Revenue the responsibility of protecting the integrity of the tax system, and the social insurance number is no more than a reasonable tool which makes this possible.

Our income tax system, after all, is based on self-assessment. I suggest that the average Canadian does not resent paying his fair share of taxes as long as he feels confident that his fellow citizens are doing the same. Does anyone really think such a feeling of confidence would exist if National Revenue did not have the means of cross-checking information on tax returns?

In a democratic society that values individual freedom, we clearly have to strike a balance between the state's need to collect tax revenue and the need for personal privacy. I do not think one can really claim that this balance is seriously upset by requiring us to list our social insurance numbers on our income tax returns.

The use of the social insurance number for income tax administration is only one part of a very much wider issue which has developed quite suddenly in recent years with the advent of the computer era. The basis of the problem was very well described in the report of the Task Force on Privacy and Computers as follows:

> One hundred years ago, almost everyone was virtually unknown except in his own village or neighbourhood; today, comprehensive and personal details about everyone are stored in an ever-growing number of files, from education to credit, from welfare to insurance, from taxation to criminal history. By almost every act, from acquiring a passport to buying a car, each citizen leaves a trail of data behind him; the data increases in volume from birth to death and grows ever more comprehensive.

I think that is a fair description of the situation, but it does not deal with one of the chief worries of those who are concerned with civil liberties, which is the possibility that these separate bits of information about an individual will somehow be pulled together and pooled without the individual's knowledge or consent. The social insurance number is widely viewed as the villain of the piece—the tool which enables this linkage of personal data from a number of computer-based data banks.

It is true that the social insurance number has been put into use far more widely than was envisaged back in 1964 and I accept some of the concerns of the hon. member for Winnipeg-Assiniboine (Mr. McKenzie) who drew attention to that in his remarks.

It now is used as a personal identifier not only in a large number of federal data banks; it is also required by several provincial government acts and programs including the Quebec pension plan and health insurance plan, birth registration in Prince Edward Island, and school registration in Ontario, New Brunswick, Saskatchewan and Manitoba. The use of social insurance numbers has also spread outside government and, for example, the Canadian Amateur Hockey Association uses it to keep track of all young hockey players in CAHA leagues across Canada, and the Ottawa Public Library uses it to identify its customers.

I suggest, however, that the real problem is not the existence of the social insurance number. The problem is one of unauthorized data linkage—the pooling of information from different computer data banks. Abolition of the social insurance number would not resolve this problem, because computer technology is such that there are other ways of linking up data. For example, an individual's name, address and birth data could be used to identify his file. That route may be more cumbersome and more costly but it is workable.

I am sure public concern about this issue would be greatly diminished if the public were more widely aware of their present rights on this score, and if they used the defences now available to them in respect of data banks within the federal government.

Part IV of the Human Rights Act, proclaimed on March 1, 1978, attempts to tackle the problem in five ways. I will not read these ways because I know other members want to participate in the debate.

In conclusion, it has been argued that these provisions in the Human Rights Act should be strengthened. However, I think they show clearly the direction in which we must move to solve the problem of loss of privacy in the computer age, not only in federal government files but at other government levels and in the private sector as well. I appreciate the concerns of the hon. member for Edmonton West who has brought this topic forward today, but we think an attempt to solve the issue by attacking the social insurance number will be only wasted effort. We would deny ourselves the use of a highly efficient and valuable tool while ignoring the real problem completely.

Mr. Lambert: Mr. Speaker, when I say I rise on a question of personal privilege, what I am going to say is not a reflection on the parliamentary secretary, on his personality or anything like that. But it seems to me that there has developed a distressing habit in this House, particularly during the private members' hour when various government speakers are furnished with memoranda written in the departments of the nature read to us this afternoon by the parliamentary secretary which smack of "bureaucratese".

I learned how to speak in this House without notes from a very early date because it was a debating forum. It was not to be an exchange of predetermined memoranda from either source. What I am saying applies as much to hon. members on this side of the House as to the other side. It was not so long ago when the Chair used to intervene when speeches were read. I think reading speeches is a bad habit. Hon. members would not be tolerated on the hustings if they dared appear before their voters with a text in their hands. It is the same thing here. There is a certain tolerance given to hon. members who are starting out, but afterwards one should expect a mastery of the subject and if any hon. member cannot remember enough of the volume put before him, then the speeches will be shorter. I personally do object to having a plethora of read speeches or memoranda in this House whether it is at any stage of legislation or during private members' hour, and as I said, this applies to both sides of the House.

Mr. Collenette: Mr. Speaker, I accept the comments made by the hon. member for Edmonton West (Mr. Lambert) in good faith. What he has said has a lot to commend it. As he knows, I do not usually speak in this House from complete texts or reports. I have been here a number of years and I usually speak on an impromptu basis. As the hon. member knows, my role with the Privy Council is one which is specialized, and I am not overly knowledgeable about the Income Tax Act.

My colleague, the hon. member for Ottawa Centre (Mr. Evans) tried to be here this afternoon but he had another engagement. He prepared some notes for my help. If I read them at length, I regret that it appeared it was just a *pro forma* response from bureaucrats to the hon. member. However, let me say to him quite sincerely that the content of his bill was examined by my colleague from Ottawa Centre, the Parliamentary Secretary to the Minister of Finance.

Good points have been raised on this bill and we wish to respond. I take the hon. member's admonition and as one who is concerned with the rules and practices of the House I suggest the comments he has raised could perhaps be more appropriately brought up at another time when we discuss parliamentary reform and we talk about the length of speeches and parliamentary practices. Nevertheless, I welcome his question of privilege although I am not sure it is a question of privilege, but in all honesty I have tried to clarify the situation in response to him.

Mr. Paul E. McRae (Thunder Bay-Atikokan): Mr. Speaker, I feel I have some privileges here, but the privilege I had of speaking this afternoon without notes has now been lost

because we have run out of time. I would have dearly loved to say a few things about this particular topic.

• (1700)

The Acting Speaker (Mr. Blaker): It is now after five o'clock. I do not want to prohibit the hon. member from making a contribution, if he sincerely wishes to do so. Perhaps he can limit himself to a very brief intervention.

Mr. Lang: Mr. Speaker, I want to make the same point. I am not sitting here with a pile of notes handed to me by any departmental bureaucrat. There are some points I wanted to make. I am unable to do so because of the question of privilege that has been raised.

Mr. Taylor: Mr. Speaker, if we are going after five o'clock I just want to say that I have no notes whatsoever and I would fully support this bill.

Mr. Knowles: Mr. Speaker, may I wish everyone a good weekend?

Some hon. Members: Hear, hear!

The Acting Speaker (Mr. Blaker): I do not think the Chair is expected to comment further on the matter of personal privilege that was raised. I might add that my recollection of Beauchesne is that members ought to use notes rather than read speeches. Some of us have difficulty doing that. However, in keeping with the good wishes expressed by the hon. member for Winnipeg North Centre (Mr. Knowles) that we have a good weekend, I would state that the hour provided for the consideration of private members' business has now expired. Accordingly, this House stands adjourned until two o'clock Monday afternoon.

At 5.02 p.m. the House adjourned without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Monday, November 24, 1980

The House met at 2 p.m.

• (1405)

[*Translation*]

THE LATE RIGHT HONOURABLE JULES LÉGER

TRIBUTES TO FORMER GOVERNOR GENERAL

Hon. Jean-Luc Pepin (Acting Prime Minister): Madam Speaker, as the Prime Minister (Mr. Trudeau) said yesterday, with the death of Jules Léger, Canada is losing one of its most prominent sons and servants.

[*English*]

All Canadians were filled with admiration for the strength of his spirit, the wisdom and dignity with which he performed the duties of the high office of Governor General in spite of the stroke which he suffered early during his mandate.

[*Translation*]

Madam Speaker, we often admire in others and especially in great men, the qualities that we would like to have ourselves. That is why every one of us will admire such and such aspect of the character and life of the former Governor General. As far as I am concerned, it is the quality, the extent and catholicity of his patriotism which were paramount in Jules Léger, as well as the extreme generosity with which he served the public good. He also had a sense of history and a concern for lucid expression, which might explain why he was at first attracted by journalism. I also appreciated his kindness and the obvious relish with which he underlined the humorous aspects of life.

[*English*]

He has given us many standards to emulate. One of them was the harmony of his married life. His wife, Gabrielle, shared in his duties, burdens and accomplishments. In this she served all Canadians. Today all Canadians share in her sorrow.

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, on behalf of the Official Opposition I want to associate ourselves with the words of tribute and deep regret expressed on behalf of the government by the Minister of Transport (Mr. Pepin) on the death of His Excellency, former Governor General Léger.

Governor General Léger was an outstanding Canadian who served his country as newspaper editor, as a public servant, as a diplomat of distinction and finally as Governor General. As a member of a distinguished family of Quebec, Jules Léger never lost sight of his rural roots in that province, he never lost the strength of his faith and he never avoided what he knew to be the responsibilities of his citizenship. Throughout all these years of service Jules Léger had the undaunting support and encouragement of his wife Gabrielle. We shall all remember Mrs. Léger in our prayers today.

[*Translation*]

Mr. Léger rendered immense services to this country and he deserved the admiration of every Canadian. During his entire career in the public service, he showed great competence and much wisdom. After he was appointed Governor General of Canada, millions of Canadians discovered a man with unequalled courage and determination. Mr. Léger was a great Canadian.

[*English*]

Jules Léger shall always be remembered for his steady, quiet pursuit of excellence. Every task he performed—and he performed several under the most difficult of circumstances—was approached with determination and a clear understanding of what it was he wished to achieve. His vision of Canada as a home for both French and English, where both languages and all cultures could flourish, was a consistent theme in all of his endeavours, whether as ambassador to France in difficult times, or as under-secretary of state during a period of growing cultural and political awareness in his home province of Quebec.

• (1410)

As Governor General, Jules Léger sought to make his office a positive instrument of Canadian identity and to establish Canadian traditions befitting a sovereign nation. We were all saddened by his illness which, so early in his term of office, might have caused a less determined person to stand down. Not Jules Léger. He demonstrated to all Canadians that illness should not deter us from responsibility. We shall always remember his eloquent words in his 1975 New Year's messages when he stated:

> These long months have brought me close to those who suffer . . . They should not despair.

Madam Speaker, we mourn the loss today of Jules Léger, but we do not despair. For the life of Jules Léger is a shining example of public service, of quiet excellence and of the best of the Canadian spirit.

[*Translation*]

Mr. Edward Broadbent (Oshawa): Madam Speaker, Canadians were very sad to hear about the death of Mr. Jules Léger. He deserved the admiration of everyone by remaining in office after a serious illness. He performed his duties with

dignity. Mr. Léger believed firmly in the duality of Canada and he devoted his life to our country.

[*English*]

He will be missed for the simplicity and the serenity he brought to a life which was committed to the public service and which culminated in the high office of Governor General.

When speaking of Jules Léger, it is impossible not to pay tribute to his truly immense courage. Scant months into the sensitive and demanding job of Governor General, a serious stroke forced him to slow down, but only momentarily. Within months he was again giving all that he had for his country, the country he loved and served so well all his life.

[*Translation*]

To Mrs. Léger and all the family, I extend my most sincere sympathy on my own behalf and on behalf of my party.

ROUTINE PROCEEDINGS

[*English*]

EXTERNAL AID

ITALIAN EARTHQUAKE—ASSISTANCE BY CANADA—MOTION UNDER S.O. 43

Mr. John McDermid (Brampton-Georgetown): Madam Speaker, under Standing Order 43, I move a motion of urgent and pressing necessity. In view of the devastating earthquake which has struck the Naples-Salerno area of southern Italy, in view of the death toll of over 400 people and the extensive damage to property, and given that Canada has always acted with generosity and swiftness in meeting such natural disasters, I move, seconded by the hon. member for Nepean-Carleton (Mr. Baker):

That this House urges the Secretary of State for External Affairs to consult urgently with the Italian government as to the special and immediate needs of the victims of the earthquake of the Naples-Salerno area of southern Italy and that the minister report to the House at the earliest opportunity and advise the House on the ways in which the Canadian government is willing and able to render assistance. Further, that the government consult with the many Canadians who wish personally to assist the victims of this earthquake and provide special programs which will allow for the people of Canada with special ties to Italy to respond in an urgent and generous manner through airlifts, emergency relief and reconstruction.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Prud'homme: I will second that motion.

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

Some hon. Members: Agreed.

Motion agreed to.

AUTOMOTIVE INDUSTRY

CALL FOR CONSISTENT POLICY—MOTION UNDER S.O. 43

Mr. Girve Fretz (Erie): Madam Speaker, I rise on a matter which is both pressing and urgent. Given the fact that the Minister of Consumer and Corporate Affairs (Mr. Ouellet) more or less told Canadians to buy foreign-made cars if they were unhappy with the rust warranties offered by domestic auto manufacturers, and, further, given that his colleague the Minister of Industry, Trade and Commerce (Mr. Gray) has just sunk $200 million into saving Chrysler, I move, seconded by the hon. member for Hamilton-Wentworth (Mr. Scott):

● (1415)

That this House urge the two ministers to have a meeting in the official language of their choice so that a consistent policy with reference to the Canadian auto industry can be hammered out.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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NATIONAL UNITY

REMARKS OF HON. MEMBER FOR CAPILANO—MOTION UNDER S.O. 43

Mr. Ray Skelly (Comox-Powell River): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. Whereas the previous leader of the Conservative party was a man of great courage and personal integrity and showed no fear in censuring a candidate of his party from Moncton whose statements were blatantly un-Canadian and a slur on our land and people, and whereas the present member from Capilano, a former member of the cabinet, has made statements recently supporting western separatism and indicating a desire to destroy this great country, I move, seconded by the hon. member for Vancouver-Kingsway (Mr. Waddell):

That the present leader of the Conservative party attempt to summon courage as shown by its past leader and censure the member from Capilano for his separatist remarks.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

ENVIRONMENTAL AFFAIRS

CONTINUATION OF SERVICES OF WEST COAST WEATHERSHIPS—MOTION UNDER S.O. 43

Mr. Tom Siddon (Richmond-South Delta): Madam Speaker, I rise under the provisions of Standing Order 43 to present a motion which is of urgent importance and pressing necessity. Given that the federal government has unwisely decided to terminate the services of the two Pacific coast weatherships, in spite of the fact that these vessels have provided an essential early warning weather service and scientific data base for several decades, I move, seconded by the hon. member for Victoria (Mr. McKinnon):

That the government be required to continue the services of the west coast weatherships in accordance with the advice of eminent Canadian scientists, the World Meteorological Association, the United Nations Intergovernmental Oceanographic Commission, and the International Council of Scientific Unions, all of whom agree that sea-based reference stations are an essential element of any weather reporting network because they provide necessary data which cannot be measured by an orbiting satellite.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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NATIONAL UNITY

MAILING OF MATERIAL BY LIBERAL PARTY OF CANADA—MOTION UNDER S.O. 43

Mr. Dan McKenzie (Winnipeg-Assiniboine): Madam Speaker, I rise under the provisions of Standing Order 43. In material distributed by the Liberal Party of Canada, contributors were asked to respond favourably to the following statement: "Yes, I'm concerned and I'd like to add my personal support to the efforts the Liberal party is making to create my kind of Canada". In view of the recent statements of the Minister of Finance, I move, seconded by the hon. member for Yukon (Mr. Nielsen):

That the next mailing of this material soliciting funds also contain the following caution: "Provided your kind of Canada is one in which you will have a lowered standard of living, lower wages, higher inflation, higher taxes, higher unemployment, and higher interest rates"; because that is the kind of Canada we are getting under this Liberal government.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

S.O. 43

TRANSPORT

AID TO URBAN TRANSPORTATION—MOTION UNDER S.O. 43

Mr. Stan Darling (Parry Sound-Muskoka): Madam Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43. In light of the federal government's obviously discriminatory policies on aid to urban transportation, I move, seconded by the hon. member for Don Valley West (Mr. Bosley):

That the federal Liberals make good on election promises made in 1974 to inject hundreds of millions of dollars of aid into urban transportation; that the federal Liberals make good on an agreement made five years ago to foot one half the cost of improvements to Union station in Toronto and the railway yards west of the station and that this government honour a commitment made by the Clark administration to give Ontario an additional $10 million per year in transit aid for three years.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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● (1420)

NATURAL RESOURCES

TUNGSTEN—SECURITY OF SUPPLY TO CUSTOMERS—MOTION UNDER S.O. 43

Mr. Dave Nickerson (Western Arctic): Madam Speaker, I rise to move a motion under Standing Order 43. Whereas Canada is the major supplier of high-grade tungsten concentrates to the western world, and whereas the strike at our sole large producer, Canada Tungsten Mining Corporation, is jeopardizing Canada's reputation as a secure source of this strategic commodity, I move, seconded by the hon. member for Yukon (Mr. Nielsen):

That the Minister of Industry, Trade and Commerce and the Minister of Labour take the necessary action to ensure that our customers and allies can depend on secure supplies of tungsten from Canada, that our international reputation is not threatened and that our offshore markets are preserved.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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NATIVE RIGHTS

CALL FOR RECOGNITION—MOTION UNDER S.O. 43

Mr. Bill Domm (Peterborough): Madam Speaker, this government has a woefully inadequate record in the furtherance and advancement of the rights of Canada's original peoples. It has refused to recognize the special and distinct place in the

Canadian community of the Indian, Metis and Inuit peoples. This is being demonstrated even at this very moment by the convergence on Ottawa of thousands of aboriginal people aboard a special "Constitution train". These Indian, Metis and Inuit object strongly to the all-encompassing term "native" which is being used in the proposed constitutional charter to protect only vaguely defined rights.

Therefore, under the provisions of Standing Order 43, I move, seconded by the hon. member for Richmond-South Delta (Mr. Siddon):

That this government act immediately through all forums, means and assemblies to recognize the fundamental rights and freedoms of Canada's original peoples: the Indian, the Metis and the Inuit.

Madam Speaker: For presentation, such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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PARLIAMENT HILL

CONGRATULATIONS ON ESTABLISHMENT OF DAY CARE CENTRE—MOTION UNDER S.O. 43

Mrs. Margaret Mitchell (Vancouver East): Madam Speaker, I rise under the provisions of Standing Order 43 on a non-partisan matter, which I am sure will receive unanimous consent. As a result of a question I raised last year on the International Day of the Child, which was supported by the then Conservative minister of national health and welfare and members of all parties, a group of women workers have been quietly and persistently working to organize the first day care centre on Parliament Hill. Recently we learned that you, Madam Speaker, have approved use of space in the East Block for a day care centre which will give House of Commons employees adequate care for their children.

In view of the unprecedented action to provide day care in the work place, which is a model that all federal departments should follow, I move, seconded by the hon. member for York South-Weston (Mrs. Appolloni) and the hon. member for Central Nova (Mr. MacKay):

That this House congratulate Madam Speaker and the House of Commons day care committee for their tireless efforts to establish day care on the Hill.

Some hon. Members: Hear, hear!

Madam Speaker: I have been resisting congratulatory messages under the provisions of Standing Order 43 and I would hesitate to accept one which is addressed to me, but I am sure the House has taken good note of the excellent sentiments.

THE BUDGET

CALL FOR TABLING OF NEW BUDGET—MOTION UNDER S.O. 43

Mr. Jack Shields (Athabasca): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. The federal budget has done and will do nothing to curb inflation. Social programs which are bound by fixed yearly budgets from funding agencies will have to compensate for as much as a 10 per cent to 12 per cent increase in the cost of their operations due to inflation, increases which curtail and limit the effectiveness and service these programs and institutions can provide. Whereas these programs are aimed particularly at native people, low income families, senior citizens, the handicapped and the needy, I move, seconded by the hon. member for Calgary North (Mr. Wright):

That this government abandon its misguided budget immediately and table not later than January 15, 1981, a budget which realistically addresses Canada's primary economic enemy, namely inflation.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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● (1425)

POST OFFICE

CALL FOR RESTORATION OF PUBLIC CONFIDENCE—MOTION UNDER S.O. 43

Hon. W. G. Dinsdale (Brandon-Souris): Madam Speaker, under the provisions of Standing Order 43, I wish to move a motion on a matter of great urgency. Now that second reading has been given to Bill C-42, an act to transform the Post Office into a Crown corporation, and in view of the sagging reputation of the Post Office for efficient service because of the government's continuing freeze on letter carrier service to Canada's expanding suburbs, among other things, I move, seconded by the hon. member for Edmonton North (Mr. Paproski):

That the Postmaster General begin immediately the restoration of public confidence in the post office by ending forthwith the letter carrier freeze, thereby providing job opportunities for some of Canada's 800,000 unemployed workers rather than forcing them to go on unemployment insurance.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

TRANSPORT

INQUIRY RESPECTING URBAN TRANSIT ASSISTANCE TO ONTARIO

Hon. Sinclair Stevens (York-Peel): Madam Speaker, my question is for the Minister of Transport. Will the minister indicate what urban transit assistance will be extended to Ontario this year or next, especially with regard to the metropolitan Toronto area where there is such an increasing transit problem which cannot be solved without federal attention?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, under the UTAP program, the Urban Transit Assistance Program, each province is entitled to an allocation, relative to the size of its population, of $10 per head. Ontario receives the same treatment as every other province. If my memory serves me well, it amounts to some $86 million a year. Ontario is making full use of that, mostly for grade separation rather than urban transportation in the strict sense of the word.

Mr. Stevens: Madam Speaker, the Minister of Transport must know that the $86 million he is referring to is simply for the type of activity he has mentioned, grade separations on overpasses. Does the minister's answer mean that they intend to renege on commitments made by the federal government to the government of Ontario, namely the Clark government commitment to give up to $10 million per year to assist in transit matters in Ontario; second, the promise made in the 1974 campaign by the Liberal government to give up to $290 million to various provinces; and, finally, the commitment that was made to assist with regard to the realignment of trackage west of the Union station and to redesign the Union station itself. Is the government going to renege on all those commitments?

Mr. Pepin: Madam Speaker, the provinces have extraordinary freedom under the UTAP program. They can use the money for grade separations, or anything related to urban transportation. Some provinces use the money to purchase buses. In certain circumstances, others have even used it to build sidewalks. Therefore, the freedom of the provinces is great. The province of Ontario has decided to use this federal money which has been allocated to them for grade separations only. That is their decision to make.

The hon. member made reference to a commitment of a previous administration to provide $30 million for the Bathurst Union station project. Obviously I have looked at the file. The file answers a request from Mr. Snow for $30 million of UTAP money for that purpose. My distinguished predecessor answered yes to that. A communique issued on the eve of the election leaves it open as to what was offered, but my interpretation is that it was UTAP money that was offered. If there was a commitment to give $30 million extra UTAP money to Ontario for this subject, it must have been the result of a shaking of hands between my predecessor and Mr. Snow, because there is no reference to it in the file. That is the truth of the matter.

● (1430)

Mr. Stevens: Madam Speaker, I happened to be a party to the negotiations between the Government of Canada and the government of the province of Ontario to which the minister has just referred, and I can assure the minister that it was a commitment to extend $10 million of assistance per year for three years to the government of Ontario. Based on that, would the minister kindly stop trying to rationalize his reneging of that promise and tell us whether he will honour the commitment of the federal government to the government of Ontario to help the commuters of Toronto with a problem which has become not only chronic but also urgent?

Mr. Pepin: Madam Speaker, if it was a commitment, it was a political and moral commitment. However, there is no reference to a Treasury Board submission or approval of it.

Mr. Stevens: But it was.

Mr. Pepin: There is no reference to it in my file. I would like to see it. There is certainly no reference in my file to a cabinet decision on that subject. So what Mr. Snow asked of my predecessor was $30 million of UTAP money, and that is what he is getting.

Mr. Stevens: Nothing to do with it.

INQUIRY WHETHER COMMITMENT TO ONTARIO WILL BE HONOURED

Mr. John Bosley (Don Valley West): Madam Speaker, I would like to pursue that matter with the Minister of Transport. Before we get too far off the track on this, I might remind the minister that when the government gave Ontario its freedom to spend money on urban transit out of the grade separation program, at the same time it reduced Ontario's grade separation money, thereby putting Ontario in the position where it had to choose between spending less money to save children or helping transit.

Would the minister please advise this House very clearly—because he has not yet done so—whether he proposes to honour the commitment to give Ontario an additional $30 million to help it do something about transit for the first time, or whether in fact he proposes to continue not only the reduction in grade separation programs but also to cancel the $30 million to Ontario, thereby making sure it never gets a penny out of this government for urban transit?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I will repeat what I have already said. The program is one which allows the provinces to decide in which way they are going to spend their UTAP money. They can spend it on railway grade separation, overpasses and so forth. They can

spend it on buying buses or for other worthwhile urban transportation objectives.

This is one of the difficulties of the federal system, if I may say so in a reflective mood. If a province decides to use a federal program in a certain way, all the other provinces are bound to ask for similar use of the same program even if they are given the full freedom to use the money in a different fashion. This is a way of adjusting regionalism in this country. It is not always easy, as illustrated by the present series of questions.

Mr. Bosley: Madam Speaker, since we have received a reflective answer, I will ask a question which might draw another. Because this matter is critical. I should point out that this is the first time in the history of any government that a promise on urban transit has been broken twice.

Will the minister explain to me, to Toronto and to Canadians why it is justified to reduce the amount of money for grade separation, to produce no money for urban transit support and to produce a budget which will reduce social spending, all of which means that municipalities must bear an ever greater burden using the less progressive tax system which they have to use? Can the minister justify this in the context of a budget which goes to $80 billion in spending which spends $50 million on more advertising to tell us how good we should feel and which spends less on matters which will help solve the problems we already face?

Mr. Pepin: Madam Speaker, as I said in the interview which is referred to at this time, there is no doubt that way back in 1977, or even earlier than that, there was a certain overenthusiasm on the part of the government of the time about the belief that it could spend great amounts of money on urban transportation.

There is no doubt that there is a great need. At the moment, for example, the trend is toward relocation of railway lines. There was a time in the ninetheenth century when it was a status symbol to have a railway line right in the centre of town. The mood of the people has changed; they would like to see it way out of town now. All this is to say that the amount of money which can be allocated to urban transportation is really not unlimited. I will do my very best to increase this amount, knowing full well that it will not go a third of the way to what might be useful.

Mr. Bosley: Madam Speaker, it is difficult to increase what you have never spent on urban transit. The point is that in 1977 the government took Ontario's share of grade separation funds down from $18 million a year to $16.5 million, and the government said Ontario could spend some of that on urban transit. The effect of this government action is either no funds for urban transit or fewer dollars to help at railway crossings where children are killed.

Can I now have an assurance that, contrary to what some of us believe, the grade separation fund will not be further reduced but will in fact be increased and will be used for its primary and proper purpose, that of saving lives?

Mr. Pepin: Madam Speaker, that is exactly what I am trying to say. There are different views as to what is needed under the label of urban transportation. Some people say that this is essentially railway separation or overpasses. Ontario believes that. There is less of a need for that in Prince Edward Island, for example. There are fewer railway crossings there, so Prince Edward Island is using the money for other purposes such as buying buses and building some types of sidewalks occasionally. The program was aimed at allowing maximum flexibility to the provinces for what they considered to be important in urban transportation. Previous to that I am the first to admit that Ontario was getting more for railway crossings; but what Ontario considered then to be fair, that is, having 58 per cent of the money under this program, was considered by other provinces not to be fair, so the federal government at the time decided to give for each province an equal amount depending on its population. Some people will consider that fair, others will not.

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RESEARCH AND DEVELOPMENT

OWNERSHIP OF TECHNOLOGY DEVELOPED IN CANADA—GOVERNMENT POSITION

Mr. Edward Broadbent (Oshawa): Madam Speaker, I have a question for the Minister of Energy, Mines and Resources. On Friday I made public copies of certain correspondence between the Exxon Corporation in the United States and its subsidiary here, Imperial Oil. I understand that the minister himself has copies of that correspondence. In it it is made clear that technology and other patentable information that is developed in Canada by Imperial Oil will reside in its final ownership form with Exxon in the United States. Considering that over the weekend, an official from Imperial Oil confirmed the existence of this arrangement, I would like to ask the minister what steps the government plans to take to reverse this totally unacceptable situation in which Canadian taxpayers are financing a project which ultimately ends up in the United States.

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I contacted the president of Imperial Oil this morning to discuss with him the point the hon. member raised last Friday in order to obtain whatever information is available at this time. I am advised that Imperial Oil modified the policy somewhat in 1979 and that the patents are now issued in Ottawa in the name of Imperial Oil of Canada. However, the arrangement for the pooling of the research remains integrated under Exxon and, obviously, this is a source of concern for Canada not only in the oil and gas industry but also with regard to research and development generally for all firms in this country.

In a review of industrial policy the Minister of Industry, Trade and Commerce is examining very carefully this whole question of research and development and the assurance that Canadians will first benefit from research and development

undertaken in Canada. I have this preliminary information. We, as a government, have stated that we believe there is not enough research and development undertaken by the oil and gas industry inside Canada. We have stated that quite clearly in our energy program and I have done so in several speeches I have made. That is one of the reasons for our program of increasing Canadian ownership to over 50 per cent and ensuring that a significant number of the large oil and gas firms will be Canadian controlled. These are steps which are in the direction of ensuring that we will have large firms in Canada which will conduct research and development in this country.

● (1440)

Mr. Broadbent: Madam Speaker, I will have something to say about the minister's latter point later today when the debate on that important topic resumes. I noticed the minister said that Imperial Oil somewhat modified its policy as of 1979. Since my information is that the Prime Minister was made aware of the policy of Imperial Oil in May, 1976, could he tell us what the government has done in the four-year interval to reverse this totally unacceptable policy? Could he tell us if it is just Imperial Oil which practises this kind of arrangement with its subsidiary, or are Shell, Gulf, Texaco and all other multinationals carrying on the same kind of process?

Mr. Lalonde: Madam Speaker, as far as the first question is concerned, obviously I am not in a position to answer whether or not the Prime Minister received a particular representation. The only thing I have seen is an unsigned letter, and I am not in a position to know whether it was ever received by the Prime Minister.

As to the second point, it appears that it was an anonymous letter which was sent. I checked at a meeting last week with Suncor as to what was happening with the technology which had been developed. For instance, if one takes the case of Suncor, I was assured that the technology and the patents belong to Suncor of Canada and they are here in this country. But one must realize that if a company is 100 per cent foreign owned, even if the patents are held by the Canadian subsidiary in Canada, the patent will belong to the foreign multinational which controls it 100 per cent. This is why our policy of Canadianization of the oil and gas industry becomes so very important, and I hope we will get the support of hon. members opposite for this policy in the next few months and years to come.

Mr. Broadbent: Madam Speaker, my party has been calling for that policy for more than 20 years, so we do not need to take any lessons from the Liberals.

Some hon. Members: Hear, hear!

Mr. Broadbent: Since the Shell corporation, to the surprise of no one, announced on the weekend that it was following the noble example of Imperial Oil by cutting back on its northern project commitment for 1981, saying that it was not going to proceed with some $200 million of intended spending until they too had a meeting with the minister like the one held between the minister and a representative of the Imperial Oil company, I should like to ask the minister for two assurances this afternoon: first, that not one additional penny will be granted to Shell; and second, since we have Petro-Canada and the minister is so proud of Petro-Canada, will he finally tell Imperial Oil and Shell that we do not need them in the north, that Petro-Canada can do that development for us?

Some hon. Members: Hear, hear!

Mr. Lalonde: Madam Speaker, I am advised that the Shell group, the Alsands group, does not require any financial loans or arrangements; they are not asking for this. They have an agreement which expires at the end of December. They are concerned that they should know by then what the rules of the game will be, if they have to carry on any further or whether the agreement expiring at that date will become null and void. They have asked to meet with me again. I met with them a few weeks ago. Certainly I will be available to talk with them further and advise the hon. member as to the results of those talks.

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NATIONAL ENERGY PROGRAM

OPPORTUNITIES FOR CANADIAN ENTREPRENEURS

Mr. F. Oberle (Prince George-Peace River): Madam Speaker, my question is for the Minister of Energy, Mines and Resources. No doubt at this point he is aware that very many small Canadian oil exploration companies are leaving our country, for the United States particularly but for other parts of the world as well with more hospitable political climates. Many of these companies have already left and have taken with them Canadian expertise, technology and equipment. Since the minister appears to have discovered a mysterious fountain of wealth from which he is drawing $40 million to secure Imperial Oil's confidence in Canada's energy future, what measures does he have in mind to convince Canadian entrepreneurs that, instead of their assets being confiscated, they will be allowed to operate in their own country under fair and equitable rules in comparison to those by which the game is played in other parts of the world?

Mr. Waddell: Try Norway or Mexico.

Mr. Clark: You try it, Ian.

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, the hon. member's question was rather long and convoluted. I should like to remind him that indeed such a policy was put forward in the national energy program. It is totally oriented toward giving advantages to Canadian-owned and controlled companies.

Mr. Clark: That is why they are all leaving.

Mr. Lalonde: Once those companies have examined the program and the implications of the budget, they will realize—

and more and more of them are realizing it at the present time— that indeed the program will be extremely beneficial to them. I can tell the hon. member that we have had discussions with a large number of Canadian-owned companies that consider the program put forward very much to their advantage.

An hon. Member: Name them.

Mr. Lalonde: There is no question about confiscating anything. It is a matter of helping Canadian firms grow and enlarging the Canadian control of that particular industry over the next few years.

Mr. Oberle: Madam Speaker, despite what the minister said and his assertion that all is well, the fact remains that there is a mass exodus from western Canada not of multinationals but of Canadian companies to other parts of the world, the effects of which are not only disastrous to our energy future but to the economy in general, particularly in the producing areas of our country where small companies and businesses which service the oil patch are going bankrupt at unprecedented rates. Has the government given any thought to helping these areas most directly affected by the recent budget to overcome this incredibly stupid experiment in energy politics?

Mr. Lalonde: Madam Speaker, by his own rhetoric my hon. friend is weakening his argument very much indeed. We believe the program is a fair one and compares very favourably with the treatment given to the oil and gas industry almost anywhere else in the world.

As I have said, as far as the program itself is concerned, it is built in a way to give advantages to Canadian firms. We are convinced that those Canadian firms will profit from those arrangements put forward in the national energy program.

Mr. Baker (Nepean-Carleton): Shorten up your answers, Marc.

Mr. Lalonde: As to the last point raised by my hon. friend, I ask him to compare the take of the national government of this country with the takes of national governments in any other country in the world. He will find that the national government in Canada is getting less.

An hon. Member: Fifty per cent.

Mr. Lalonde: It is getting a lot less, as much as half that of any other national government in the world. I suggest the hon. member should look around, because he will find that the national government of Canada is providing a very fair deal to the industry.

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NATIONAL PARKS

NOTICE TO LEASEHOLDERS PUBLISHED IN PRESS

Mr. Blaine A. Thacker (Lethbridge-Foothills): Madam Speaker, in the absence of the Minister of State for Science and Technology and Minister of the Environment, I should like to direct my question to his parliamentary secretary. On November 8 of this year the minister caused to be filed in *The Globe and Mail* of Toronto a notice directed to leaseholders in national parks. The leases were on property in British Columbia, Alberta, Saskatchewan and Manitoba. Why was the notice put in the paper rather than sending a letter? Secondly, why was it in *The Globe and Mail*? Perhaps in his answer the minister could confirm that there are newspaper companies in Western Canada. Why would this notice have been placed in view of the fact that the matter is before the courts in the province of Manitoba?

● (1450)

Mr. Roger Simmons (Parliamentary Secretary to Minister of State for Science and Technology and Minister of the Environment): Madam Speaker, the advertisements to which the hon. member refers were placed to ensure that any person affected who had not received a direct letter—and to our knowledge a direct personal letter went to all persons who were affected—might be reached through the public media. That is the purpose of the advertisement to which the hon. member refers.

Mr. Thacker: Madam Speaker, the parliamentary secretary has not answered the question. Why was it in the Toronto *Globe and Mail*? Why was it put in that paper in light of the fact that the matter is before the courts? Would he please answer those questions?

Mr. Simmons: As the hon. member has indicated, the individuals involved have the right of appeal and some of them have been exercising that right. But that aside, the policy is in effect and there is nothing wrong with publicizing the policy while individual appeals may be ongoing. What the member has against Canada's national newspaper, I do not know. For his information I will undertake to see what other papers the ads were placed in.

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FOREIGN INVESTMENT REVIEW AGENCY

APPLICATION OF "DEEMED APPROVED" STATUS

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, I have a question which I would like to address to the Minister of Industry, Trade and Commerce about the Foreign Investment Review Agency. Generally speaking, in order to obtain approval from the Foreign Investment Review Agency, any person or company wanting to locate or to purchase in Canada must prove that there will be a significant benefit to Canada from the sale or location of the business. How could that be applied in the cases which are simply "deemed approved", given that all that is required is that the agency has not dealt with the application for 60 days in order to achieve "deemed approved" status?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, the concept of deeming is simply an alternative to formal order in council approval. When cases are deemed, there is still the assessment by the agency and the negotiation of undertakings, along with consultation with other government departments and provincial governments. So deeming does not mean that there is not the seeking and obtaining of significant benefit to Canada. It is obtained there, just as it is in the case of order in council approval.

Mr. Deans: In the proposal put forward by Midland Pipe (Canada) Corporation of Calgary in which they were given approval deemed to have been dealt with by the agency to locate a warehouse to import, to gather and to distribute steel oilfield tubing and casing, can the minister explain to the House how the decision was arrived at that they should be allowed to locate this particular operation in Canada, given that there are already at the moment in Canada a large number of companies manufacturing those exact products in western and eastern Canada which are not operating to full capacity? They could use the work and create employment in Canada and they are obviously going to suffer as a result of action by the Foreign Investment Review Agency.

Mr. Gray: Madam Speaker, the existing confidentiality requirements of the law, which I hope to have changed over time, prevents me from giving—

Some hon. Members: Oh, oh!

Mr. Gray: —the kind of detailed answer the hon. member is seeking. I simply want to repeat that even when deeming takes place the process involving the Foreign Investment Review Agency is carried out all the same.

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FISHERIES

QUALITY OF FISH EXPORTS

Mr. Thomas Siddon (Richmond-South Delta): Madam Speaker, my question is for the Minister of Fisheries and Oceans. A few days ago the minister of fisheries announced the implementation of an export licensing system whereby the federal Department of Fisheries would use its definition of product quality as a basis for approving or denying any request to export a quantity of fish to a foreign purchaser. Does the minister have any evidence at all to suggest that Canadian fishing companies are exporting substandard fish products to foreign markets? If so, will the minister name those companies so that all members of the Fisheries Council of Canada may know who these unscrupulous operators are?

Hon. Roméo LeBlanc (Minister of Fisheries and Oceans): Madam Speaker, there is a problem of consistency of quality and it is in trying to deal with this problem that we are looking at the possibility of grading products before they are exported so importers would know if they are dealing with an A or B quality product. That is not unusual in this type of industry. In fact, the industry itself has been requesting that we put more stringent measures on the end product and that we put forward a grading system.

Mr. Siddon: Madam Speaker, my information, obtained from the members of the Fisheries Council, does not concur with the minister's answer. Perhaps he ought to add the Freshwater Fish Marketing Corporation to his list of shyster companies, in view of their recent multi-million dollar sale of wormy Lake Winnipeg whitefish to Poland in exchange for granting Polish trawlers a quota of Atlantic squid, which Canadian fishermen were not allowed to catch. Be that as it may, why is the minister imposing another bureaucratic burden upon Canadian fishing companies? Will he indicate if export licensing is only the first stage of an orderly marketing philosophy of his which will ultimately lead to a federal monopoly in the marketing of saltwater fish, patterned along the communistic lines of the Freshwater Fish Marketing Corporation?

Mr. LeBlanc: Madam Speaker, some of the hon. member's assertions boggle the mind. I am not sure if they boggle his mind, but they certainly boggle mine. He starts his question with a gratuitous insult to a Crown corporation which is seen by the fishermen of the freshwater area as having served them well.

Some hon. Members: Hear, hear!

Mr. LeBlanc: In fact, it is a corporation which is seen by the provincial premiers and provincial governments as beneficial. It was asked for by them a few years ago, during my predecessor's term of office, and they have not asked that it be abolished or changed radically even when I offered them the opportunity to do so. We are trying to make Canadian fish the highest quality fish exported in the world. I hope hon. members in this House will join with me in this crusade.

* * *

EXTERNAL AID

ASSISTANCE TO VICTIMS OF ITALIAN EARTHQUAKE

Mr. Marcel Prud'homme (Saint-Denis): Madam Speaker, in view of the resolution presented earlier by the hon. members for Brampton-Georgetown, Nepean-Carleton and Saint-Denis with the approval of all political parties in the House concerning the devastating earthquake which has struck the Naples-Salerno area in southern Italy, would the Secretary of State for External Affairs care to outline to the House what action the Canadian government is prepared to take to assist the earthquake victims?

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, the Italian government has not yet asked for any international assistance with respect to these victims but the Canadian government has set aside $100,000 as an initial contribution in the event that such assistance is requested.

Given this opportunity, I would like to say to Canadians in general that we would join with the Red Cross in encouraging Canadians to respond with contributions of cash rather than kind. This would enable the local Italian relief workers to purchase quickly the appropriate supplies needed urgently to meet local needs and not impose our priorities on them.

* * *

TOURISM

PROMOTION OF TOURISM—SUBCOMMITTEE REPORT

Mr. Girve Fretz (Erie): Madam Speaker, my question is for the Minister of Industry, Trade and Commerce, in the absence of the Minister of State for Small Business, who is responsible for tourism. Given that tourism generates income in the range of $11 billion a year in Canada and provides jobs for more than a million Canadians—it is Canada's sixth largest earner of foreign exchange—and given that there is a subcommittee comprised of representatives from customs, immigration CGOT and transport who are looking into ways in which government officials can help welcome tourists, which subcommittee was to report a year ago to Parliament, may I ask the minister when we can expect this report?

[*Translation*]

Hon. Charles Lapointe (Minister of State, Small Businesses): Madam Speaker, I feel that if the hon. member recognized the minister who is responsible for tourism at first glance, he could join me in promoting even further the interests of that very important industry. As the hon. member is probably aware, at the end of August I had occasion, jointly with my colleague the Minister of National Revenue, to announce the setting up of a new program, at ports of entry, with regard to a brochure that port officials are asked to hand out to our American visitors welcoming them to Canada and advising them of the various programs and addresses which can be of interest and use to them. That is a result of the interdepartmental committee that was set up. I shall enquire about exactly when that committee will report to the House, as requested by the hon. member.

● (1500)

[*English*]

Mr. Fretz: Madam Speaker, I appreciate the information given by the minister. In view of the circumstances outlined in my first question, will the minister now give this report the priority it deserves?

Mr. Nielsen: Where is it?

[*Translation*]

Mr. Lapointe (Charlevoix): Madam Speaker, I have just advised the hon. member that I shall enquire about exactly when that report will be ready and let him know as soon as I have had a reply.

* * *

[*English*]

NATIONAL DEFENCE

PROGRESS OF FRIGATE PROGRAM

Hon. Allan B. McKinnon (Victoria): Madam Speaker, my question is for the Minister of National Defence. Last week it was reported that the U.S.S.R. has launched a new submarine with a weight of 30,000 tons and capable of travelling 40 knots 4,000 feet below sea level. Is the minister able to assure the House that Canada's contribution to anti-submarine warfare, the frigate program, will now move promptly to cabinet and through cabinet?

[*Translation*]

Hon. J. Gilles Lamontagne (Minister of National Defence): Madam Speaker, I believe that I can reassure the hon. member for Victoria by saying that the frigate program is now under way. Our government has approved the program in principle and I can assure the hon. member that it will go forward as soon as possible. We are now assessing or analysing the evaluations made by our department and the Department of Supply and Services so that we may make our choice as soon as possible and move forward with this program.

[*English*]

Mr. McKinnon: Madam Speaker, my supplementary question is for the same minister. This submarine of the U.S.S.R. represents a quantum leap forward in technology, particularly in the use of titanium and the depths to which it can submerge. Would the minister assure the House that none of these innovations is due to the sale of Canadian underwater vehicles to the U.S.S.R. over the past few years? Also, has the minister approved any export permits since he took office some eight months ago?

[*Translation*]

Mr. Lamontagne: Madam Speaker, I can assure the hon. member for Victoria that the fact that the U.S.S.R. have a submarine of this size is certainly not due to any technological assistance from Canada. I can assure the former minister that this is impossible.

As for the frigates, I would like to remind him that he was probably ready to make a decision when his party was in power, but that the decision was not made at that time. For our part, we shall make this decision in the very near future.

[*English*]

CANADIAN NATIONAL RAILWAYS

CLOSURE OF EXPRESS OFFICES—REQUEST FOR MEETING WITH PRESIDENT

Mr. Maurice Harquail (Restigouche): Madam Speaker, I direct my question to the Minister of Transport. In view of the recent public statement by CN Express with regard to cutbacks, lay-offs and, indeed, the close-out of certain express offices, particularly in the Atlantic region, and in view of the adverse effects these announcements and cutbacks will eventually have on the economy, unemployment and regional development, particularly in northern New Brunswick but also in other areas of the Altantic region, would the Minister of Transport give us the undertaking that he will request the president of CN, Dr. Bandeen, and other CN Express officials to come to Ottawa and meet with hon. members so as to ascertain the precise reasons CN is taking these moves and, indeed, better to inform us of the heavy-handed attitude of CN in recent times in terms of cutbacks, lay-offs and the closing down of certain vital services in the country?

Mr. McDermid: He will be in the estimates committee this week.

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I was about to say that Mr. Bandeen will appear before the comittee on transportation this week where hon. members will have an opportunity to ask him to justify why CN Express must retrench in this particular manner, and perhaps the opportunity to question him further on CN's program on relocation, retraining and the general fate of employees. A tremendous effort will be made to reduce the inconveniences and setbacks to permanent employees.

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ENVIRONMENTAL AFFAIRS

POLLUTION OF WATER BY FISH PLANT WASTE

Mr. David Orlikow (Winnipeg North): Madam Speaker, I wanted to ask a question of the Minister of Indian Affairs and Northern Development with regard to a study by Environment Canada which indicates that 28 of the reserves in northern Manitoba have contaminated water because of the inadequate disposal of human and other wastes. In his absence, I would like to address a question to the Minister of Fisheries and Oceans.

According to the chief of the St. Theresa Point reserve situated on Island Lake, a large part of the contamination of drinking water of that reserve comes from a fish plant which operates on the lake and which processes one million pounds of fish each year and disposes of the waste in the lake. Would the minister indicate whether or not he will see that the fish plant finds alternate sources for disposing of the fish waste which is now polluting the drinking water of that reserve?

Hon. Roméo LeBlanc (Minister of Fisheries and Oceans): Madam Speaker, I will look into the matter. I am not familiar with the problem, but I will try to give the hon. member some information within the next 24 hours.

* * *

ECONOMIC COUNCIL OF CANADA

RECOMMENDATIONS RESPECTING GOVERNMENT POLICIES

Hon. John C. Crosbie (St. John's West): Madam Speaker, in view of the absence of the Prime Minister, who is still somewhere or other, and the Deputy Prime Minister, I will ask a question of the Acting Prime Minister. A report by the Economic Council of Canada on the province of Newfoundland reveals a very serious situation. One-twelfth of all personal income is from unemployment insurance compared to one fortieth in Canada and the average earned income in Newfoundland was only 53.6 per cent of the national average in 1978.

Some hon. Members: Oh, oh!

Mr. Crosbie: We hear from those on the left who have been in power and have done so much during their years in power.

Mr. Waddell: You were in power in Newfoundland.

Mr. Crosbie: The Economic Council of Canada has recommended that the government be prepared to change a wide range of government policies to overcome problems in the economy of Newfoundland. Would the Acting Prime Minister tell me whether or not his government is prepared to change a wide range of government policies, and will it consider changing its policy with reference to the offshore mineral resources of Newfoundland and Labrador and perhaps confirm the province's ownership and control of those resources in an attempt to overcome these deplorable and depressing figures?

[*Translation*]

Hon. Pierre Bussières (Minister of State, Finance): Madam Speaker, the report which has been published and to which the hon. member has referred is extremely important and the government is examining it very carefully.

The hon. member asked whether the government is willing to change some of its policies. The flexibility of this government is well known, and so is its willingness to adjust and adapt its policies to the problems of the Canadian society, and this same flexibility will be shown in the particular case of Newfoundland.

As for the constitutional problem mentioned in the second part of the question asked by the hon. member, he is well aware of the great flexibility shown by this government in its wish to renew the Canadian constitution, and specific action has already been taken by this government and steps have been initiated to patriate the constitution and entrench the charter of rights. Such endeavours have been made in a spirit of flexibility and adaptability, as the hon. member and the House know full well.

[*English*]

ENERGY

HYDROELECTRICITY—DEVELOPMENT OF LOWER CHURCHILL PROJECT

Hon. John C. Crosbie (St. John's West): Madam Speaker, my supplementary question is for the Minister of Energy, Mines and Resources, not to the thirty-sixth acting Prime Minister. Enough of this nonsense and gobbledygook when the province of Newfoundland has only 53 per cent of the average earned income of Canadians as a whole. The Newfoundland government has just tabled in connection with their new legislation a report that shows that Hydro-Québec has benefited by $2 billion since 1972 under the Upper Churchill power contract while the government and people of Newfoundland have benefited by an amount slightly in excess of $100 million net.

In view of the figures I used in my original question, will the minister give the people of Newfoundland a guarantee that he will take steps immediately, first, to use his powers to ensure that Newfoundland can develop the Lower Churchill project and transmit electricity across the province of Quebec, particularly the powers under section 92(10) of the BNA Act; and second, will the minister use his powers to assist the province of Newfoundland in righting this imbalance of income of $2 billion as compared to $100 million, from the Upper Churchill project, a contract which was instituted by a fellow Liberal, Mr. Smallwood, in his heyday in Newfoundland?

● (1510)

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, on the first part of the question I am very happy to tell my friend that not only do I stand ready to correct this situation, or to give the assurance with regard to the transportation of electricity, but the Prime Minister himself is on record as saying, in a letter he wrote to Premier Peckford in October:

> In my letter of July 29, 1980, to you I indicated that the federal government stood ready to act if it could clearly be demonstrated that the exportation of electricity from Newfoundland was in fact being prevented by Quebec. This, as you will recall, was also the essence of my comments to you when we discussed the matter at the recent Conference of First Ministers on the Constitution.

So we are on the record in that respect, Madam Speaker.

As far as the second point of the question is concerned, I want to stress to the hon. member that what we are facing is a contract between Québec-Hydro and, I believe, Rio Tinto, a private British corporation at the time. If the hon. member can tell me what constitutional means there is in the hands of the federal government to cancel a private contract entered into in that way, I will certainly be very happy to examine this.

In addition, I said last week that I had indicated to the government of Newfoundland that if it felt that the federal government could be of any help with respect to this contract—we would be very happy to sit down with them and the government of Quebec and see whether any modification or improvement could be made. We still stand ready to help if the two parties concerned are willing to have us sit at the table with them.

* * *

COMMUNICATIONS

ATTACHMENT OF IMPORTED TELEPHONE EQUIPMENT TO CANADIAN LINES

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Madam Speaker, I have a question for the Minister of Communications who will be aware that on August 5 the CRTC announced a policy which would allow customers of Bell Canada to purchase their own equipment to be attached to Bell's lines although that decision did not require that the equipment used should originate in countries which allowed Canadian equipment to be attached to their lines. In view of the fact that some 6,000 to 7,000 jobs are involved in this vital sector of the Canadian manufacturing economy, will the minister respond favourably to the request made to the federal government by Bell Canada and by the government of Ontario that only equipment from those countries which allow Canadian equipment to be attached to their lines should be allowed to be attached to Canadian lines?

[*Translation*]

Hon. Francis Fox (Secretary of State and Minister of Communications): Madam Speaker, I thank the hon. member for his question, which clearly is very important to the communications industry. As he indicated, the CRTC issued a decision on August 5. Since then a number of applications have been received from provincial governments—the hon. member referred to the Ontario government—and the private sector, on the one hand, to put the CRTC's decision aside, and in other cases to uphold that decision. A number of companies now manufacture in Canada telephones that meet the standards of the FCC in the United States among others and they support the decision. I would also like to point out that, since the initial decision by the CRTC, there has been a significant reduction to the consumer in the price of telephones. But, in any case, we are now reviewing all the questions arising from the petitions before us. My officials have had important discussions with those in the Department of Industry, Trade and Commerce, to look at the possible implications, and I hope to be in a position to come up with a proposal for a possible solution to those appeals before my cabinet colleagues within a week or two.

[*English*]

ACTION TO SAFEGUARD CANADIAN INDUSTRY

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Madam Speaker, my supplementary question is for the Minister of Industry, Trade and Commerce. In view of the fact that the vast majority of the cheapest telephones being attached to Canadian phone lines come from Japan, a country with a state-owned national telephone system which does not allow

Canadian telephone equipment to be attached to its lines, what action does the Minister of Industry, Trade and Commerce propose to take to ensure that the jobs of 6,000 to 7,000 Canadians involved in this sector of our manufacturing industry are not threatened by the government's decision?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, when I was in Japan in August one of the issues I raised with the Japanese authorities was greater access to the Japanese telecommunications company of Canadian products, and we are certainly pursuing this. I want to add as well that the issue my hon. friend raised is certainly of concern to us. It is something I am reviewing not only with the Minister of Communications but with the Minister of National Revenue to ensure that our laws with respect to imports are respected.

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CANADIAN BROADCASTING CORPORATION

LACK OF COVERAGE OF EUROPEAN CONFERENCE

Mr. Jesse P. Flis (Parkdale-High Park): Madam Speaker, my question is for the Secretary of State and Minister of Communications. I have just returned from the Conference on Security and Co-operation in Europe, held in Madrid, involving 33 European countries, the United States and Canada. Since this conference is stressing human rights, economic co-operation, détente in Europe and disarmament, would the hon. minister please indicate to this House why the Canadian Broadcasting Corporation, a Crown corporation, did not have at least one reporter attending this conference; and will he assure Canadians that the remainder of the conference, which will continue to sit until March 31, will get better coverage by CBC than it has during the first two weeks of its deliberations?

Hon. Francis Fox (Secretary of State and Minister of Communications): Madam Speaker, the hon. member is quite right in stressing the importance of the conference that is going on in Madrid. As the hon. member had the courtesy to give me notice of this question just before entering the House this afternoon, I have had the opportunity of checking back with the CBC. The CBC informs me that there has indeed been a good deal of coverage of the conference on the CBC in Canada. However, they decided in pursuing the coverage of this conference to enter into agreement with Visnews, which as I understand it is a European news-gathering agency. I have brought the concerns of the hon. member to the attention of the CBC, and I will pursue the matter with them.

Introduction of Bills

BUSINESS OF THE HOUSE

ADJOURNMENT DURING FUNERAL OF FORMER GOVERNOR GENERAL LÉGER

Mr. Pinard: I rise on a point of order, Madam Speaker, concerning the funeral on next Thursday of our former Governor General. There have been discussions, and we have agreed not to sit on Thursday afternoon, so I think there is unanimous consent to the following order:

That, notwithstanding any Standing Order, on Thursday, November 27, 1980, the House shall sit only from 8 to 10 p.m.;

That the only item of business to be considered at that time shall be a motion pursuant to section 52 of the Petroleum Administration Act; and

That the said day shall be included as one of the three days designated by the said section of the said act.

Madam Speaker: The House has heard the terms of the motion. Does the minister have the consent of the House to present the said motion?

Some hon. Members: Agreed.

Agreed and so ordered.

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POINT OF ORDER

MR. BAKER (NEPEAN-CARLETON)—REQUEST FOR TABLING OF LETTER

Hon. Walter Baker (Nepean-Carleton): The Minister of Energy, Mines and Resources (Mr. Lalonde) did in fact refer to a letter to the Prime Minister (Mr. Trudeau)—and he quoted from it. In anticipation of that part of the order paper dealing with tabling of documents, would the hon. gentleman prepare himself to table that letter?

[*Translation*]

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I am pleased to table the letter in question. My hon. colleague will understand that the letter is in English only. I do not have the French translation so I will table it as it is. I could table it immediately if the House agreed.

ROUTINE PROCEEDINGS

[*English*]

PEST CONTROL PRODUCTS ACT

MEASURE TO AMEND

Hon. E. F. Whelan (Minister of Agriculture) moved for leave to introduce Bill C-45, to amend the Pest Control Products Act.

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

* * *

● (1520)

MEAT IMPORT ACT

MEASURE TO REGULATE IMPORTATION OF MEAT

Hon. E. F. Whelan (Minister of Agriculture) moved for leave to introduce Bill C-46, to regulate the importation into Canada of fresh, chilled and frozen meat and to amend the Export and Import Permits Act.

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

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 1,134, 1,556, 1,658, 1,733 and 1,737.

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

[*Text*]

MISS HAZEL EAGLESOME—PETITION

Question No. 1,346—**Mr. Cossitt:**

1. Is the government aware that Miss Hazel Eaglesome has been collecting signatures on a petition against sculptures erected in Rockcliffe Park by the Canada Council?

2. Did Mr. Larry Sobovitch of the Canada Council refer to Miss Eaglesome as "She's obviously no one of importance" and, if so, did the government take any action in regard to the statement and, if so, to what extent?

3. Is it government policy to permit public servants to make such remarks about a citizen exercising their right to petition the government?

Mr. Peter Stollery (Parliamentary Secretary to Secretary of State and Minister of Communications): In so far as Secretary of State of Canada and the Canada Council are concerned: 1. The government is aware that signatures for a petition against the sculptures in question were collected by Miss Eaglesome.

2. No. Mr. Sobovitch was quoted incorrectly and out of context. He was asked in informal conversation whether Miss Eaglesome was "anyone important in the field of contemporary art" and replied that, as far as he knew, she was not.

3. Employees of the Canada Council are not members of the public service and are therefore subject only to the internal policies of the Canada Council. Further, the response of the council to question two indicates that Mr. Sobovitch was quoted incorrectly and out of context.

CIDA—AID TO SOMALIA

Question No. 1,556—**Mr. Wenman:**

Has the government made any plans to reassess CIDA's bilateral and priority aid list with the view of making Somalia a target country for aid and, if so (a) does the government have any immediate plans for dispatching emergency food supplies to Somalia above the initial 6,300 ton wheat commitment (b) has the government considered any specific policies for encouraging and assisting Canadian non-governmental organizations in establishing humanitarian relief and development projects in Somalia (c) has Canada any intention of taking initiatives at the United Nations to focus international attention on the suffering in Somalia?

Hon. Mark MacGuigan (Secretary of State for External Affairs): Canada regularly reviews countries' eligibility for Canadian bilateral assistance. Eligibility is determined by a number of factors, among them the major are—developmental need, political and commercial implications, etc. To date, Somalia has not been deemed eligible for Canadian bilateral assistance, although Mission Administered Funds ($25,000 annually) and Canadian Bilateral Food Aid ($3.0 million—1980/81, $5.0 million in 1974/75 and 1976/77) have been provided. During next year's review of aid eligibility, the Somalian case will be reconsidered.

(a) No, not at present, although Canada is constantly investigating the situation to determine if further involvement is warranted and can be accommodated within budgetary constraints.

(b) Canadian NGO's are involved in relief work without assistance from CIDA. CIDA does assist, however, in NGO's rehabilitation efforts (including all second line operations, e.g. logistics support, health care, water, etc.)—in support of humanitarian relief activities. The Canadian Government responds to requests for funds from NGO's and has no specific policy which encourages the NGO's to request funds for country-specific needs. In September-October 1980, however, a group of Canadian NGO representatives participated in a one and a half week mission to Somalia to gain a better understanding of the current situation and how they might best assist in Somalia. Involved in this mission were the CCIC (Canadian Council for International Co-operation), the Overseas Book Centre, the YMCA, and L'AMI (L'assistance médicale internationale). CIDA supported this mission by providing matching funds and by providing briefing assistance to the mission members. CIDA anticipates that NGO projects will be developed in Somalia as a result and that CIDA will be approached for financial assistance to these projects.

(c) Canada has supported the resolutions of the UN General Assembly concerning the refugee problem in general. It is well recognized by all, including Canada, that the Somalia case is one of the most serious today.

CANADIAN PENSION COMMISSION—CLAIMS FOR FUNERAL AND BURIAL GRANTS FOR VETERANS

Question No. 1,658—**Mr. McKenzie:**

1. Are claims outstanding, under section 33 of the Pension Act, with respect to funeral and burial grants for veterans and, if so, how many?

2. How many such claims were received by the Canadian Pension Commission in (a) 1977 (b) 1978 (c) 1979 (d) 1980 and, what was the average (i) length of time required to settle the claims (ii) amount paid with respect to each claim?

Hon. J. Gilles Lamontagne (Acting Minister for Veterans Affairs): 1. Yes. 44—as at November 12, 1980.

2. (a) 1,478;

(b) 1,267;

(c) 957;

(d) 1,223—as at September 30, 1980.

(i) 5 weeks;

(ii) $575.

GAMES—"EXPLORATIONS" AND "CANADA II"

Question No. 1,733—**Mr. Wenman:**

1. (a) What was the total combined cost to produce the "Explorations" and "Canada II" games (b) are there any plans for making more of them (c) where were they made (d) what company was in charge of producing them (e) was there any bidding on the contract to produce them?

2. Are there any plans for producing other types of such games?

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): The Commissioner of Official Languages reports directly to parliament and not through a minister. Questions can be made directly to him.

"OH! CANADA 2"

Question No. 1,737—**Mr. Neil:**

What was the cost for the 300,000 copies of "Oh! Canada 2" and what was the name of the company who manufactured the game?

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): The Commissioner of Official Languages reports directly to Parliament and not through a minister. Questions can be made directly to him.

[*English*]

Madam Speaker: The questions enumerated by the parliamentary secretary have been answered. Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

Petroleum Administration Act

GOVERNMENT ORDERS

[*English*]

PETROLEUM ADMINISTRATION ACT

PETITION TO REVOKE PROCLAMATION

The House resumed, from Friday, November 21, consideration of the motion of Mr. Waddell:

That the proclamation laid before the House on Wednesday, November 12, 1980, pursuant to subsection 35(2) of the Petroleum Administration Act, as proclaimed in PC 1980-2915, be revoked.

Mr. Arnold Malone (Crowfoot): Mr. Speaker, I am rising today to speak on the Petroleum Administration Act. Following the short comments I was able to make on Friday last, I wish to underscore again at the beginning that this is a piece of legislation which strikes at the sensitivities of confederation. It will be viewed in western Canada as yet one more attack upon the authority which is granted to us through the British North America Act over the resources of that region.

What we are witnessing at this very moment of our history is a very serious grassroots movement. It has come to the state of vocalization that it has largely on the basis of the constitutional proposals of the federal government, on its energy package, and now because of the decision to establish unilaterally the price of petroleum products. Not only that, but this particular legislation has been brought to the House marinated in the myth that somehow there will be a lack of co-operation among provincial legislatures. What we find is a tremendous lack of will on behalf of the federal government to meet with the producing provinces in a negotiating forum.

Meetings have taken place, but anyone who is following precisely what has been happening knows full well that documentation, one piece after another, from ministers and from the federal government is not in each of those instances a negotiating forum. It is fair to say that by and large, in those meetings that took place during the late summer and fall of this year, the federal government did not negotiate. Yet today we are into this milieu of the federal government pointing to a province, and claiming that in provinces west of Ontario there is ill will in the Canadian family. There is a view that somehow there are partnerships in the family of confederation that are not behaving in the way the federal government wants, and the federal government now wishes to bludgeon them with its own will.

It is imperative upon us all to recognize that we should take a view of what would happen to Canada if the provinces of Alberta, Saskatchewan and British Columbia could be given their free opportunity to be able to play their fair and constructive role in confederation. So often it has been portrayed, particularly by the Minister of Energy, Mines and Resources (Mr. Lalonde), that somehow the motives of the western provinces are those of greed. I submit to you, Mr. Speaker, that in any careful study of what would happen with greater production in western Canada, there would be an immense benefit to families in central Canada and throughout all of Canada, along with more jobs.

I ask hon. members to take a look at just one rather remote situation, that of Dome Petroleum, which is presently exploring the north slope of the Arctic. In Dome's estimated spending of $40 billion between 1980 and 1990 to develop five oil fields on our north slope, at least 60 per cent of those dollars, putting together the multiplier effect of some $120 billion, would be spent in central Canada for barge-mounted production facilities, ice breakers and tankers. On this project alone, annual direct and indirect employment would exceed 150,000 man years. It is estimated that the majority of those jobs would be in central Canada.

I say that when the Minister of Energy, Mines and Resources tends to perpetuate in his statement, which I view as being false, that somehow there is a position of greed in some part of this region, or that there is a lack of will in some provinces to play the role of good Canadians, he is really exacerbating the situation for his own political gain. I want to underscore that in the developing and producing provinces people are attempting to bring forward proposals by which we would have enhanced development of our petroleum products in Canada. By doing this we would be adding tremendously to the economic and social benefits throughout the whole of Canada.

I want to speak again in direct terms of what happens as we develop each of the tar sands or heavy oil plants. It should be noted that through the 25-year lifetime of a tar sands plant there would be an expenditure of between $60 billion and $65 billion to sustain the investments. There would be another $20 billion for the operation of a particular plant throughout the 25-year period. That gives us a figure of some $85 billion. If we take the Canadian Petroleum Association multiplier effect of 3.4 we find that $290 billion will be pumped into the Canadian system in the next 25 years, over 40 per cent of which would be spent in the province of Ontario. Those numbers should not be jocularly set aside.

Almost half of this $290 billion would be spent, in interesting ways in the province of Ontario. For example, some $800 million would go into iron and steel production. Another $370 million would go into metal fabrication and machinery. Another $325 million would go into transportation equipment. Another $740 million would go into manufacturing and processing. Another $370 million would be for financing from banking institutions, and for trade and services another $750 million. The list goes on.

I find it very perplexing, as one who comes from a part of the country which desires very much to be a member of the Canadian family, to find pressure leaning very heavily upon us to fall into some whip line of doing that which the federal government thinks is right but in fact is counterproductive. In all of this view of Canadianization, and "let the federal government do it," what is the end result?

I phoned the Sweetgrass, Montana, border crossing to ask about the number of Canadian rigs leaving the country. I was told they simply could not keep up with the daily processing of rigs. One man told me they were leaving in droves. Another said that never in his life had he seen so many Canadian oil rigs leaving this country as he has seen since the last federal budget. On one hand we have the minister, in his sinister way, telling Canadians that he is attempting to Canadianize the oil industry. On the other hand he chases that very industry out of the country.

● (1530)

The situation is even worse than in 1974 when we had 22 taxation policy changes in one fiscal year. At that time they chased 30 per cent of the Canadian-owned oil drilling rigs out of Canada and into other countries.

Let us look at what is happening under this disguise to convince Canadians that the federal government has their interests at heart. The people of central Canada are losing jobs. Manufacturing has to slow down its production. People in all parts of the country have to bear the burden of increased federal debt because the money is not circulating here. We have, instead, a mentality which says that by the middle of this decade $8.5 billion will be taken out of Canada for the purchase of oil from some foreign country for use east of the Ottawa Valley line. By taking these billions of dollars out of Canada and giving them to some foreign country, not a single job will be created in this land. All that you do is make some other nation rich, whether it be Mexico, Venezuela, or the Middle East. While some of those nations may need extended wealth, it is not necessarily the obligation of Canada to provide it. We have the wherewithal, but we need a sense of co-operation from the federal government to put together a petroleum package which will sustain itself and work to the advantage of all Canadians.

The Prime Minister (Mr. Trudeau) is now spending his 40 days and 40 nights in the desert getting $40 a barrel oil. I submit that one tar sands plant would produce more daily oil than he contracted for in Saudi Arabia. Somehow he is over there talking about security of supply. What a nonsensical statement from the leader of this country. With one tar sands plant we would have greater security of supply than by travelling to some foreign land looking for security there. What absolute rubbish, to try to make Canadians think somehow we can have greater security from the Arab nations than from our own provinces. If one would analyse the situation, one would not believe that there is such a shortage in our nation today that we could not have security of supply from within our own borders.

I know that these points I am mentioning are very distressing to western Canadians. The word separation is certainly being used all too often in my part of Canada. When I heard the word being repeated last summer with ever-increasing frequency, I became very much alarmed. I thought there might be a will within my constituency that they could somehow go it alone. If you talked to someone for five minutes, that might be his view. However, if you talked to any of them for an hour, you soon find that it is not Lake of the Woods, Summerside, Shawinigan, old Quebec City or other parts of the country about which they are disgruntled. It is the Prime

Minister, the Minister of Energy, Mines and Resources, and this federal government from which they want to separate.

The government is trying to create the myth that there are bad Canadians, and enemies that we have to set other Canadians against. The will of the provinces of Saskatchewan, Alberta and British Columbia has always been to play their role. We live in a milieu of distortion. Because it is in power, the federal government, with its own poisonous thoughts, thinks it can do everything better than the regions.

Let us look at the notion that oil companies will become 50 per cent Canadian owned. Canadians should know that they are not talking about Canadian ownership. There will not be a single Canadian owning one share in a Canadian oil industry if this government has its way. They are talking about government ownership.

We in western Canada have reason to be suspicious when the federal government, not the citizens of Canada, wants a share of an industry which affects only one or two provinces. Is that not reason to suspect it is not in the interests of Canadians but in the interests of protecting the power of the federal government? Should it not raise the eyebrows of people west of the Ontario-Manitoba border when they hear that the oil industry, which is a multinational, ought to be 50 per cent Canadian owned? The federal government did not choose all multinationals, it singled out some of them.

This year Chrysler Corporation is to receive $240 million in guaranteed loans, and a study is being made into Massey-Ferguson to see whether the federal government can help that multinational corporation. Why is the myth being created that multinationals are good in one region of the country but bad in another region? Surely the criteria must be extended beyond that. There should be a criterion for all multinational corporations in Canada, so that Canadians have the right to buy the shares.

The government must not take the view of singling out multinationals for government control simply to pick on a particular region. Canadians ought to rise up and say that is unfair and unjust. They must take a stand against a government which takes the position that, as the arbitrator operating out of the population basin of the country, it will make and impose decisions upon the regions regardless of their desire to play a part in the fulfilment of Canada's wishes and needs.

In my part of the country, the province of Alberta, there is a strong desire to play a greater part in the building of a better Canada. We can do that by developing upon the strength that is ours. Rather than send billions of dollars out of the country to purchase offshore oil, we should develop our oil here which will create spinoff jobs and great employment opportunities in virtually every region of this land. If we can capitalize on our strengths and build on them, what a great country we would have.

We must be the laughing stock of virtually every nation in the world. In Japan the only resources are fish and tin, yet they have one of the strongest economies in the world. Here we have virtually every resource a country could want. We have ambitious and educated people. We are lacking only because we have a Liberal government which goes to other countries to purchase, and therefore creates employment there.

● (1540)

This government has failed to commit the people of Canada to the development of what we have here because, for the purpose of re-election, this government would rather create enemies in the family, gather a few of the partners together and point fingers. Once the government has finished pointing fingers it creates a group which says, "In this atmosphere of fear we will rise up and resist those who are branded as enemies". If this attitude continues, the grassroots movement operating today in western Canada without a leader may well find a leader.

This government may seem to be destroying this country with its desire to stay in power, but there is a will in every part of this country to serve this country. Those who display a different attitude and try to persuade Canadians that there is not that will, are simply not speaking the truth. Starting now, I submit that every Canadian should travel more extensively in this country to find out how very much it is the government which is wrong. There are great opportunities for employment in all the regions of Canada. How can we possibly justify a government which destroys those opportunities for work?

Let us discuss just a few of the companies whose positions would be enhanced if we had policies which allowed them to go forward. Canadian Fahramet has four plants in Orillia, Ontario. The company manufactures heat corrosive and abrasive resistent castings used in the petrochemical industry, and equipment for oil rigs. Last month it laid off 33 of its workers. There was a total of 500.

As a direct result of the last budget a Stratford manufacturing firm withdrew a half million dollar contract and rescheduled orders amounting to several million dollars. The company is indifferent as to completion dates.

A drilling company, Simmons Drilling Company of Calgary, purchased $180,000 worth of new cars and trucks last year. Because of the budget ten of its 17 oil rigs have now moved to the United States. The president of Simmons estimates that there is probably a need for three times that number of vehicles this year. Unfortunately, those vehicles will now be purchased in the United States. Let us remember that last year the company purchased $180,000 worth of vehicles in Canada. It now needs three times that number, and because of the budget of this government those vehicles will be purchased in another country.

The Acting Speaker (Mr. Ethier): Order, please. I must inform the hon. member that his allotted time has expired. Nevertheless, he may continue if there is unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Malone: Mr. Speaker, I want to extend my appreciation to hon. members for their courtesy, even though it is my choice not to extend my remarks but only to conclude.

I say in all sincerity that there is a will amongst the partners in confederation. We believe that resources belong to the provinces. It has worked that way for 113 years for Ontario, Quebec, New Brunswick and Nova Scotia. It has worked that way throughout confederation. The tables have turned and another region now has resources, in this case petrochemical resources. That region is saying to Canadians that they can have that resource at 75 per cent of the Chicago composite price, in spite of the fact that the Minister of Energy, Mines and Resources talks about selfish people talking about the world price. I say to the minister that that is utter nonsense. That has never been the position of western Canada. There is a 25 per cent advantage over the United States price guaranteed ad infinitum. That is the package from the provinces, yet government members continue to say that there is greed.

Throughout history the west has bought virtually everything at above world prices. Not only do we pay world prices but we also pay discriminatory freight rates. Automobiles, farm machinery and anything manufactured, have been purchased at prices higher than world prices. Today the province of Alberta sells its oil at below the world price. Its contribution to confederation is now in excess of some $20 billion, yet there is the feeling among government members that this should be dismissed and that prices should be cheaper yet.

If hon. members opposite say that the west is making too much money on light and medium weight crude, perhaps there could be some argument. However, the availability of light and medium weight crude will be zero in eight years. At that time we will have a supply of secondary recovery, offshore, north slope, heavy oils and tar sands. The method used to extract each of those is enormously more expensive. We are now receiving $16.75 for oil when it costs us $22 to produce tar sands oil. If there is to be a guarantee of supply, we need an enormous commitment to get plants in place.

Just this year we have lost a $7 billion plant which was ready for construction. The company involved said it could not operate with this government. Just last week another $8 billion plant closed down. The company said that with this government in power it cannot operate. This government is guaranteeing Canadians cheaper oil, when it is very uncertain whether there will be any oil at all. This government is destroying the industry. It is removing incentive and the potential for discovering new methods. I could go on about this for quite some time.

We have no energy crisis because we have very ample supplies of petroleum and coal. Each could last hundreds and hundreds of years. We do not have an energy crisis today, but we have a systems crisis brought on not by the greed of westerners for money but very much by the hunger of a Liberal government for power. This is not a question of supply or of dollars. It is a question of power. The federal government is trying to wrench power from the provinces, to the detriment of the fabric of Canada. Canadians should realize that, and if they do they will understand the views of westerners who say that throughout the course of confederation one set of rules has applied, and now there is a new wealth in their region. Because of this the federal government wants to change the rules of the game, even though in the spirit of co-operation the western provinces have said that they will take only 75 per cent of the Chicago composite price.

I will conclude by saying that we ought not to underestimate the grassroots movement of western Canada. We can have a better Canada if we change disruptive policies. However, if we continue with this Liberal government, I very much fear that we could end up with no Canada.

● (1550)

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, first of all I want to make a couple of comments about some of the remarks of the hon. member who spoke before me. I am sure he does not want to leave the impression that it was because of eastern Canada and its industrial base that he said Canadians paid more for farm machinery. Farm machinery has been subjected to no tariff since the 1930s. One can bring in farm machinery from the western United States that was made in the United States. The bulk of it is moved from central Canada to the United States, to the huge assembly plants and fabrication plants in that part of the world. There has been no duty on farm machinery coming into Canada since 1944 or something like that. I do not have the correct date, but there has been no duty for many, many years.

Mr. Knowles: Since 1944.

Mr. Whelan: Yet we continue to hear that they have paid more. Let us be factual, because they have not paid more for farm machinery. They have paid the same as their American counterparts across the border. They can go over and get it, drive it home or put in on a truck. They can do anything they want. There has been free trade coming into Canada, but there has not been free trade in farm machinery parts, for instance, going into the United States. Farm machinery parts come into Canada free, but going into the United States it was as high as 10 per cent at one time. Even the recent Geneva trade negotiations did not lower the cost of farm machinery parts going into the United States; they did not remove the duty.

The hon. member talked about getting to know the people of Canada, getting out into the country and meeting them. I do not think anyone does it any more than I. One of the member's colleagues criticized me the other day for doing just that. I do not find Albertans that much different, that is, the real, ordinary Albertans, the vast majority of Albertans. When they talk about Canada and sharing their resources with the rest of Canada, they are willing to do it. They are willing to do it when it is explained to them properly and honestly. They understand that the resources the federal government takes are the least of any federal system in the world.

Let us make comparisons. The former arrangement for industry was 45 per cent for the provincial government and a magnanimous sum of 10 per cent for the federal government.

Was that a tremendous sum? Let us move down to the area south of the border. The hon. member knows as well as I that a lot of the rigs go there because the weather is better for them. It is not just the economic weather about which he talks, but the general trend is the movement of rigs back and forth, a seasonal movement.

Under the new national energy program we are proposing 43 per cent for the provincial government, which is a lessening of the amount by 2 per cent. Certainly that will not greatly lower the billions of dollars or the tremendous amount in the provinces of Alberta or Saskatchewan. We are suggesting the tremendous amount of 24 per cent for the federal government! We are suggesting 33 per cent for the industry.

Now let us move to the state of Texas where they do things really big in their great free enterprise system. In the state of Texas 48 per cent goes to the producers, that is, if one just happens to live above it, 48 per cent goes to the producing company, and 17 per cent goes to the great state of Texas. It is not 43 per cent nor 45 per cent, it is 17 per cent going to the state of Texas, and 35 per cent goes to their federal government. It is not 24 per cent, but 35 per cent that goes to the United States government.

We could move into the other states south of the border and we will see that they never transferred the resources to the states where those rigs go. They practically all belong to the federal government in that area.

Then we could move to a fellow Commonwealth country like Australia. We have talked about the Commonwealth and how we must work together. We have talked about how we have so much in common. Let us talk about the common wealth of these two nations and how they share the common wealth of their own nations. In Australia 37 per cent goes to the producers, 15 per cent to the state government or the equivalent of a provincial government, and 48 per cent to their federal government. That is in the Commonwealth country of Australia. They have something in common with us because we belong to the Commonwealth, but we do not have much in common when it comes to sharing the wealth.

I say to members from western Canada that they should say it like the mayor of Saskatoon did when we were in Saskatoon, Saskatchewan, last Saturday evening. He was talking about sharing when he stood on the platform in front of 750 people at a banquet and said, "No one will rip my country apart. Our country was built by sharing these things in an equitable fashion". That is what the mayor of Saskatoon said when talking about those matters.

Some hon. Members: Hear, hear!

Mr. Whelan: On Friday I was in Lethbridge talking to a group of farmers, a group of potato growers in the potato commission. When I talked about Canada, they said, "Don't you worry, Mr. Minister, about us. We are Canadians, and we understand because we are people from the rural parts. We understand how this nation was built and we are going to continue to see it done in that fashion".

Hon. members opposite talk about things being done in a unilateral fashion. Let them remember how we transferred the resources to the western provinces—that terrible federal Liberal government did it unilaterally without discussing it with the rest of the provinces! They just handed over the resources.

When we talk about doing some of these things now, like bringing the constitution back, we are bad fellows. But we were good fellows when we transferred the resources unilaterally without discussing it with the other provinces. One province may have objected to it at that time, but the federal government did it in that instance.

I find it difficult to accept some of the remarks of the hon. gentleman when he talked about what is going on. He referred to that "federal group in Ottawa". One would think we did not represent the people of Canada, and one would think that we are holding the money inside the Parliament buildings in some kind of heritage fund and not spreading it around. The federal government's responsibility is to see that there is some economic equity and a distribution of it in the nation For instance, 34 per cent of the federal budget is for social services in Canada. Some members have been suggesting that some parts of Canada will be so much better off because there are no taxes on certain things. They call themselves Canadians within an economic democracy and say that they will have the same economic rights and privileges. They will not have that. Even with the little bit we are suggesting should be shared in a better fashion, one would think we are the destroyers of the free enterprise system.

An hon. Member: You said it.

Mr. Whelan: When one checks the multinationals, one will see that they are not sharing as fairly as they will under the policy we are proposing at the present time. So, I do not understand how they can say that it will be the same and that we do not represent the people of Canada.

Let us look at the voting pattern in the province of Alberta. Less than 50 per cent of the people of that province voted in the last election, and less than 50 per cent of them voted for the administration. So, one-quarter of the people with the right to vote voted for the present government of Alberta.

Mr. Waddell: You will be the next minister of finance.

Mr. Whelan: That is approximtely the same vote as my party has in western Canada. Out of those who voted 27 per cent voted for us, and we must remember that 32 per cent is the most that we have ever had voting for us in western Canada.

They talk about democracy and that type of thing. They talk about socialistic ownership. How can someone who is a member of the House of Commons from the province of Alberta talk about socialistic ownership in the tone of some of them?

The most socialistic province of all is the province of Alberta. They own more of the land, more of the resources—the airlines and trust companies. Saskatchewan looks like a "little

bitty" chicken alongside Alberta when it comes to socialistic ownership. They come on with the strong stand that we should not travel Air Canada because it is a Crown corporation. What in the hell is Western Pacific Airlines, on which I flew last night from Saskatoon to Winnipeg? It is owned by the province of Alberta, that great bulwark of a free enterprise system! They just bought it up and gobbled it up like some kind of an economic monster. Nobody could compete with them, because who in the hell could compete with those resources? They could make up their minds to buy anything, as far as that goes.

Mr. Knowles: Order.

Mr. Whelan: I am sorry. Who in heaven's name could compete with them? Some people may be better off in heaven, and in the other place, as far as that goes.

● (1600)

When talking about sharing the energy and the resources of this land I am told that no matter which part of Canada you go to the people recognize the way that this nation was built. It was by sharing. Some people can point out the unfairness, etc., some people can point out how poverty was suffered—my God, everybody, during the dirty thirties no matter where you lived, in what part of Canada, if you can remember those days, suffered. But as the Mayor of Saskatoon said the other day, "We are not have-not provinces any more. Some of the provinces have more but we are all provinces that have some".

Even when we compare the poorest people in Canada with people in any other part of the world we see that we are very rich, as far as those things go. When we talk about the sharing in resources we use these old stories, and I come back to farm machinery and cars and everything. Sometimes I wonder if we have ever studied any of the facts. I run into that every now and again.

I remember about a year or so ago when I was up in the Peace River district and someone said that his combine cost him about $1,500 more than it should have and I asked him why. He said it was because it came from the east. But his combine came from down in Wyoming some place, I believe it was, and there was no duty whatsoever. There is exchange on the money. That has been the best thing for agriculture Canada has ever seen.

This year our agricultural exports will be $2 billion more than they were last year and they will say, "Yes, but you imported a lot", but not nearly as much as before. Last year it was $4.7 billion and this year it will be about $5.3 billion, which is an amazing thing and a wonderful trend for us. The hon. member opposite is shaking his head. He knows full well it is because of some of the things we just did, like on saving energy, so that trucks would not go to the United States and bring in apples. We made an arrangement in our government—

Mr. McDermid: I wrote you a letter and thanked you for it.

Mr. Whelan: —and we acted in a responsible fashion. That is how they worked it out by making a little representation about it. We went to work with the Ontario people, the Quebec people, and the maritime people. They agreed to work with that. All we did was participate with about $500,000 to offset transportation costs. But every bit of cider and apple champagne will be Canadian because they are not importing thousands of tons of apples. That was worked out in the true spirit of confederation, which we are supposedly working in to sort out these problems, in a moderate, considerate, co-operative way.

I never got a thank-you note from you, either—

Mr. McDermid: You should read your mail.

Mr. Whelan: I appreciate those gestures of kindness. I believe I acted on your behalf at least twice in the last month—

Mr. McDermid: No, the last year.

Mr. Whelan: I do not think you made any requests before the one last month. Mr. Speaker, on the two that he asked of me, I acted almost right away.

So when we talk about the energy, the sharing and how we will develop the country and the total energy policy, I return to agriculture where we talk about priorities for energy. It is a difficult thing if you have to have gasoline, diesel fuel or heating fuel for energy in agriculture. These are most important types of fuels and could be the ones that there could be a shortage of in the future.

The total food and beverage industries are classified in one class at the present time. The beverage industry that makes the soft drinks, soda pop, bicarbonated sodas, the wines, the beers and the candy shops—do we give them that high priority classification that we all feel is so necessary for food production on the farm, the primary producer, the food processor and the person who is going to transport the food that you and I need? I think there has to be a different kind of classification in those categories. You cannot lump them all in as one.

Those people who will use natural gas, under this program never have to worry about being in that category that will be restricted in the first place. We have an abundance of natural gas and propane, and this program encourages them to switch over to that. So those people who are producing flowers and other things which may not be classified as essential will be in a preferred area. Many of them are using that type of energy at the present time so they do not have to worry about what is going to happen to their production. In case a shortage of a product existed, as I said before, in the top priority fuels like diesel fuels, heating oil and gasoline, those would be the ones about which you would be concerned.

To date, we have heard about energy in its crudest form, and I say that with no pun intended. I would for a moment like you to consider energy in a more refined state—the energy that fuels the body, food. The raw material that provides the food is also a natural resource. It is also a renewable resource.

Canadian farmers have been totally unselfish in their attitude and in the mustering of their energies in order to supply that most important source of energy—food—to their fellow Canadians, for many decades, at reasonable cost. They have performed their tasks efficiently and proficiently to a point at which their achievements are now the envy of the world—and I mean the world, regardless of whether it is communist, socialist, free enterprise, or whatever.

There is no country that works as closely in harmony as we do in providing that source of energy, food, throughout the total food industry. That is probably closer to the true concept of confederation than anything else. It is interesting, when you look at the recommendations about changing the constitution, that not one provincial premier, or the federal government, has recommended any changes when it comes to authority concerning agriculture. It stands for itself that the Fathers of Confederation were far-seeing people who recognized that in order to make a success of it they had to work together.

Since the early 1950s the output for each agricultural worker in Canada has quadrupled, while his or her counterpart in the rest of the commercial sector has only managed to double their output. For example, between 1975 and 1978 the annual rate of growth in labour productivity for farming was a fantastic 4 per cent, while the non-farming sector increased by about 2½ per cent. This has continued. Now the average person who produces food energy for you and me has gone from the point 20 years ago where he only produced enough food to feed approximately 30 people to the point today where he is producing enough food for himself, his family, and 60 other people. If we look at what will happen by the year 2000 we will see that one Canadian farmer will be feeding as many as 150 to 200 people, mainly because of the use of energy.

When we talk about the conservation of energy in the food and beverage industry we see that they have proven to be some of the most conservation-minded people. In the last two years they have cut their energy consumption by 15 per cent, and in the next three to four years they will cut it by another 8 per cent. When we look at how and what we use our energy for, the people in agriculture probably use it more efficiently than any other part of our society. This is argumentative, but I do not mind arguing.

We harvest up to 6 per cent of the world's wheat and barley, 12 per cent of the world's oats, and we produce 2 per cent of the world's meat and milk products. We do not have that much of the world's land. We only have 3 per cent of the world's farmland compared to the world's land resources, yet each of our farmers is more proficient as far as production goes compared with nearly any other country in the world. When you compare our climatic conditions to any other part of the world you will see that we are the most efficient.

If you travel from coast to coast in Canada you will find that the average farmer produces nearly $3,000 worth more of food per farmer than the American farmer. That is going right from Cape Breton Island through to Vancouver Island and Port Hardy.

Not only have our farmers been performing amazing feats in the fields, the work has been accomplished with great energy efficiency as well. Only 3 per cent of the total energy consumed in Canada is used by the agricultural producers, while the car gobbles up more than 25 per cent. It takes equal amounts of energy to produce one pound of wheat as it does one pound of steel. That is taken in the context of planting the seed, tilling the soil, harvesting the crop, processing the product, and getting the product to market. Canadian farmers do not have to apologize to anyone for their use of energy because, compared to their small consumption rate, their contributions to Canada and Canadians are great.

More than 100 years ago eastern farmers laid the groundwork for a national economy. A short time later, western farmers sowed the seed to one of the world's great granaries. The results of their dedication to the Canadian land are now a matter of record, and this tradition, I am sure, has been a source of inspiration to other Canadians from coast to coast.

I believe another one of the major strengths of the Canadian farmer has been the ability to seek security through self-reliance and self-sufficiency, while at the same time working in a spirit of co-operation and unity. These characteristics of self-reliance, self-sufficiency, co-operation, and unity perhaps place the Canadian farmer in a unique position. The amendments to the Petroleum Administration Act have been placed before this House to exact this kind of self-reliance and self-sufficiency for the whole Canadian economy.

• (1610)

Let us take a look at some of the facts. The pricing formula which is being presented now is in no measure as substantial as the increases which were contained in the December, 1979, budget, a move that was supported by the government of that day. In addition, the current amendments to the Petroleum Administration Act contain considerable incentives regarding conservation and alternative energy research.

The Canadian farmers' record for conservation achievement, as I have said, is a record to which one can pay tribute. The Canadian growing season, as hon. members are aware, is short, the climate harsh and the environment at times can play havoc with the orderly growing of our produce. Yet, faced with these odds, the Canadian farmer can still supply Canadian and world markets with food at competitive prices. For example, a tomato grown in a field feeding from the light and heat of nature requires less direct energy than one grown in a greenhouse with artificial light and heat. It takes about $40,000 worth of fuel to maintain one acre of greenhouse and, despite these costs, the Canadian product is still competitive in the market.

Another example is in the area of poultry, such as chickens or turkeys. In warmer environments producers do not need heated buildings or artificial drying procedures for the feed, which is the biggest cost to producers. Although it probably takes one bushel of wheat to prepare a turkey for market, considering the fuel-related additional costs, the Canadian producer is still competitive.

Many people do not realize that our cattle must be housed longer before they are ready for market. Practically all successful dairymen house their cattle 12 months of the year, leaving them outside only for exercise. The rest of the world is learning our methods in the fields of dairying and poultry. Our methods in poultry are some of the most efficient in the world and can compete on any terms. In spite of our higher costs for wages and energy, we can compete because of our efficiency and marketing ability.

If we are ever to reach self-reliance and self-sufficiency, the key words of the eighties must be conservation and energy alternatives. This perhaps is one area where Canadian farmers are in the most unique position of all, that of being able to produce energy on the farm from low grade wheat, or any product which does not meet the standards of human consumption. Some products, such as manure, can be recycled and, combined with proper conservation, these prospects could, in the very near future, enable the Canadian farmer to snip the umbilical oil cord to foreign supply.

There are many programs sponsored by the government to help people implement their ingenious ideas on energy conservation. Many such projects have been approved by the government as demonstration projects set up by farmers, businessmen, and people in general, who have ideas which they would like to put to good use for Canada. Nobody knows how many of these programs will be successful, but if these people are not given the opportunity to try their ideas we will never know how many of these ideas will be working for us next year or five years from now. Even if one tenth of the hundreds of projects which have been accepted are successful, it would be a tremendous contribution in the field of energy conservation.

Could it be that some day we will be growing energy alternatives as the ultimate resource, because it is a renewable resource? For example, there is wheat. Can we supply the technology to harvest enough energy from one acre, to farm that acre for ten more years while at the same time using the wheat in its traditional form as food? We would simply derive the food from the protein and the energy from the starch. There is also oil from oil seeds and alcohol production from cull crops. In short, it is the ultimate resource that not only fuels the body but would also fuel the technology of the eighties and the nineties. That is the ultimate self-sufficiency and self-reliance. This ultimate goal must be fed by research in order to provide, at a reasonable cost, energy alternatives.

It is in this area of self-sufficiency and conservation I know the Canadian farmer will show leadership to the direct advantage of other Canadians because, on a global scale, rising energy costs will bring about changes and will alter the competitiveness of different farm production and processing enterprises. It only stands to reason that imported foods which have high energy costs in production and transportation will not compete successfully against domestic products. That is another reason why these amendments are important as well as reasonable. They will help our producers use energy efficiently and keep down per unit costs.

Our farmers will be rewarded by a greater share of the domestic and world markets which will produce greater economic advantages. A healthy, growing farm economy means a healthy, growing Canadian economy providing thousands of jobs. At present, one of every four Canadians now works in a food-related job. In addition, every dollar taken in by farming is multiplied by three as it weaves its way through the economy. This year alone the gross farm income will surpass $15 billion. As all hon. members can realize, the impact of the Canadian farmer today is great, and the presence of agriculture in the economy will be felt in the future even more significantly.

I have drawn a number of parallels, Mr. Speaker, with Canadian agriculture, which include self-reliance, self-sufficiency, the economy, and, indeed, the very essence of development and prosperity, just to name a few. I have tried to offer a Canadian view without the flavouring to suit regional and parochial tastes and to speak on behalf of the Canadian agricultural community which is one element of our great society which spans from coast to coast. As I said earlier, these people perhaps understand and appreciate Canada a little more than many other people in the country.

Neither wheat fields nor livestock herds are restrained by provincial boundaries. All of us in agriculture are proud of our achievements, considering the conditions of adversity such as a northern climate and our battle with the elements which, once again, are a factor that affects all farmers from sea to sea, or for 4,000 miles from coast to coast. The Canadian farming community reaches the very extremities of our land and touches the lives of every Canadian to the benefit of the country. The final parallel, of course, is that the amendments to the Petroleum Administration Act will also reach into the very heartland of our nation touching the lives of every Canadian and benefiting all Canadians.

Canada is one of the greatest countries in the world. We are blessed with our resources, our people, and our tremendous opportunities and energies. The chairman of the American Gas Association who was recently interviewed in a television program in British Columbia, said that Canada has the richest resources of any country in the world. Some hon. members heard me mention my brother the other day. I believe he still belongs to another party. I do not know why he belongs to that party, particularly after the way in which he was treated by the Premier of Saskatchewan.

Mr. Knowles: He is the intelligent one of the family.

Mr. Whelan: He was fired.

He tells me not to worry too much about the resources of the provinces because the Northwest Territories and the Yukon have the richest motherload in the world and Canada will remain the richest land and the envy of the entire world. There are tremendous opportunities in Canada. Now is the time for us to extend the spirit of understanding, co-operation, good will and, above all, our unwillingness to surrender our search for a renewed vision of this great country.

I recently saw a televised speech by the Premier of Alberta. I read the breakdown of what he said in that speech to determine the real facts. I do not intend to go into those facts today because I do not have the time, but I would suggest to anyone who really wishes to understand what the Premier of Alberta was saying, that they obtain a transcript of what was said and compare it with the facts, because they are not exactly as the premier put them. Every person, especially in Alberta, should be aware of exactly what the premier said and exactly what the facts are. It would be a good thing if all Canadians had the same opportunity to learn what he said.

• (1620)

Mr. Speaker, we owe this to the traditions that have been established by our forefathers and, indeed, by the Fathers of Confederation, who moulded this nation. To do less would be a discredit to all who have worked so hard to create a home in Canada. We have all come from some other part of the world to create homes here, and to build a way of life which, as I have said, is the envy of the world. If there is a Utopia somewhere else in this world, I want to know where it is. I want to go there if it is better than Canada. In my world travels, as a member of Parliament and as a minister, I have seen nothing that compares to Canada. Wherever I go, average Canadians, whether they be from Alberta, Saskatchewan, British Columbia, Manitoba, Ontario, Quebec, or from the maritimes say to me, "We don't understand what the premiers are talking about. We don't understand what some of you are talking about, but we like Canada. We are proud of Canada and we want to continue to build it."

To continue to build, Mr. Speaker, we have to share things in a true Christian fashion, in the true Canadian fashion, which has proven to the rest of the world what we can build in this huge country with its small population.

Some hon. Members: Hear, hear!

Mr. Pat Nowlan (Annapolis Valley-Hants): Mr. Speaker, I am happy and perhaps a little sad to participate in this debate, in view of its nature. In view of the fact that I follow the ebullient and interesting Minister of Agriculture (Mr. Whelan), I should say that I am glad he finally spoke about agriculture and the farmer. I am glad that he mentioned gas and oil too. In view of his opening remarks, and long before he got around to dealing with the farm community and the farm industry, which he does know rather well, his title could have been changed to—and no personal reflection is intended—the "minister of fog" or the "minister of gas". His written remarks were a little more reasonable, rational, and better prepared.

In terms of what the minister said, long before he talked about agriculture, he was trying to answer the hon. member for Crowfoot (Mr. Malone) and others. In this whole debate, Mr. Speaker, there has been, not misrepresentation with intent, but misrepresentation through ignorance or mischief. I do not say the minister tries to mislead the House or anyone outside the House with intent, but the minister speaks in this House about gas and oil, and then fogs the issue by talking about the shares of Texas and Australia! This is a debate on the Petroleum Administration Act. That is what we are trying to talk about in this House. We are trying to register our disapproval of another unilateral move taken by this government which has a central myopia.

This is the first time this has happened in 113 years—in part because this is rather a new bill, I admit. The issue must not be fogged by the use of red herrings and smokescreens, or by the use of false figures. When the minister spoke of the shares he did not mention that in Texas, as in the Commonwealth of Australia, gas revenue is based on federal revenue. It is offshore. When he talked about the shares, the inference was that Alberta was being unduly greedy. I am not here to defend the details of the division of revenue between Alberta and the federal government or the companies, but I find all this most misleading. He pointed out to Alberta that in effect the state of Texas got 17 per cent, compared to Alberta's some 40 per cent, but he did not point out that in Texas, as in Australia, the federal government takes the lion's share because the federal government owns the resource. Until now in this country the resource was owned by the province, and that is where the rub is.

As far as I know, there is no complaint with the figures in Texas or Australia. Maybe they will debate that issue themselves. Under our constitution, however, the resources in the provinces belong to the provinces. That is why, until now, any division of that revenue has been done by agreement, and not by unilaterally invoking the provisions of the Petroleum Administration Act.

I must say, Mr. Speaker, that the Minister of Agriculture wandered even further away from the world of gas and oil when he tried to pervert the history of this land by saying that the four western provinces had made a big land grab, a revenue grab, a resource grab, in effect, in 1930. It was not a Liberal government that was in office at that time, however. I have not quite got it straight whether it occurred before Mr. Bennett came into power or not. I think it was when Mr. Bennett came to power in 1930. The resources were transferred to the four western provinces by an act passed in 1930.

It was not a great gift to those western provinces. They had been fighting for 20 years, ever since they came into confederation in 1905, to obtain the same treatment as every other province. That is the reality, Mr. Speaker, not these red herrings and camouflages and smokescreens and misleading facts that have been dragged into the debate.

In 1930, after 20 years of fighting in the four western provinces, they were put in the same position as all the other provinces in Canada, which was that the resources belonged to the provinces.

Some hon. Members: Hear, hear!

Mr. Nowlan: That is all that was done in 1930. It was not a nefarious plot by those greedy premiers out in the west, way back in 1930. It was not even done by a Liberal government, it was done by the then Conservative government.

The Minister of Agriculture has left the chamber, I see. I will pay him some respect for his interest in agriculture. I really do not know how much clout he has within cabinet, but if he really believes, as he said the other day, in the place of agriculture in the whole scheme of things within the world of his government, then why is there not, under the aegis of the Emergency Supplies Allocation Board, some decision on where the industry of agriculture fits if there is going to be an emergency in supplies of energy after they are allocated.

On November 12 the hon. member for Perth (Mr. Jarvis) asked the Minister of Energy, Mines and Resources (Mr. Lalonde) whether, in view of something published in *The Canada Gazette*, the industry of agriculture had yet received an allocation from the Energy Supplies Allocation Board. In the answer, reported at page 4591 of *Hansard*, the minister admitted that agriculture, which the Minister of Agriculture quite properly says is so important in the scheme of things, has not yet received a number or a letter—A, B, or C—to indicate its priority if an application to the Energy Supplies Allocation Board is necessary. Garbage collection is rated B in *The Canada Gazette* yet agriculture, which as far as I am concerned should be rated A and have first claim on energy, has no claim. This, I think, in a tender way refutes the rhetoric of the Minister of Agriculture, who certainly speaks long and loud about the importance of agriculture. I am much in favour of some of what he said. I wish he would sometimes throw his cabinet weight, if he has any, behind the rhetoric so that agriculture could be assured of finding its proper place when allocations are made.

That is all I really want to say about the Minister of Agriculture, because I have no disagreement with his remarks about the farmer and the industry and their contributions to the economy of the country. This debate is about the invocation of the Petroleum Administration Act whereby the federal government, for the first time in history, may unilaterally and arbitrarily set the price of oil and gas. This is a brand new situation and it is what the debate is about. It is interesting that it should occur at this time in our national history when we are debating something called the resolution to amend the constitution. I think it can be said objectively that this has created much debate, and certainly division and discord across the country. It is not necessary for the federal government to invoke the Petroleum Administration Act unilaterally in order to set prices now.

I am glad to have the opportunity to speak in this debate, which was prompted by the motions set down by the hon. member for Etobicoke Centre (Mr. Wilson) and, I gather, by the hon. member for Vancouver-Kingsway (Mr. Waddell). Both parties in the opposition are concerned by this unilateral act. This debate is to try to get the government to reconsider. But rather than taking another stick to the west, where the oil and gas are produced, the government should take the extra step and try to reconcile differences.

• (1630)

Following the last meeting in July of this year between the Premier of Alberta and the Prime Minister (Mr. Trudeau), the proposals and counterproposals set up then should be used as the base to resolve this problem by agreement rather than having a government act unilaterally. Obviously the numbers game is not in favour of the opposition. The power of numbers is with the government, to move straight ahead. The government may move straight ahead legally and technically, but that still does not say the action it takes tonight is right, or tomorrow, or any other day, because scar tissue is forming across this land.

As my good friend, the hon. member for Richmond-South Delta (Mr. Siddon) has said, it is basically wrong. That is why we are debating this issue today. I must say that a picture speaks a thousand words. I do not know how we can summarize the present state of Canada today in a serious way other than by reminding members of the famous picture which appeared on the front pages of most newspapers last week. I am speaking of our Prime Minister who was off in Saudi Arabia doing the Trudeau tango while this country is in the midst of problems. Never has Canada been more exposed to problems of division and discord with fault on all sides. Another colleague of mine says, "Better away". But, he is the Prime Minister. Picking this time to be offshore when there is a constitutional debate raging across this country, some might say is too pejorative. But now we add to that the debate on the unilateral imposition of prices.

This is the same thing as under a price control bill where the federal government can move and set prices unilaterally within a provincial domain, or set the wages of a worker. It is that type of petty principle that we are talking about when we have the central government moving unilaterally to set the price of gas and oil.

The Minister of Energy, Mines and Resources in his reply on Friday said, "You have to move some time". Unfortunately, we cannot complain in the sense that legally under our constitution there is the power to do this, but it has never been done before. With that picture offshore of Rome burning while Nero fiddled, which is analagous to the Prime Minister tangoing while Canada is in the midst of debate, of discord and division, which I do not think has ever occurred before, certainly not in my history as a member of Parliament, I say it is something for which the Prime Minister must take a great deal of responsibility.

I am afraid there is a blinker mentality in this House. I am afraid there is a blinker mentality within the cabinet on this whole issue, whether it is on the constitution or the price setting of oil and gas. It is misleading to say Canada is on the one side and Alberta on the other.

Before I became a member of Parliament I practised law for eight years in British Columbia. I have friends and classmates in all the western provinces. I went out west for about ten days this past summer. I spent the least time in Alberta. But there is a blinker mentality here. The Prime Minister, when he was in Regina, insulted not only the people in Regina who heard

him speak, but all those people west of the Lakehead who read it the next day. It was as insulting as the statement the Prime Minister made during one campaign when he threw wheat at a little kid and asked, "Who is to sell your wheat?" To equate the concern west of the Lakehead with what is going on in central Canada, either on the constitution or about oil and gas, with hysteria or paranoia, when the same type of concern in Quebec can be called patriotism or nationalism and not get a pejorative from the Prime Minister, will only serve to inflame issues.

I read the debate which occurred on Friday. I was not here because I had the flu. I was concerned with some of the suggestions, not only from the member for Vancouver-Kingsway, but also from across the way, of casting stones on federal members and their feeling for this country, and who is really responsible for adding fuel to the fire, if I might say it that way. Yet that type of statement made west of the Lakehead irritated and insulted Canadians, especially those west of the Lakehead, but I think also all across the country because there is a deep concern in this land.

I am not talking about separation. But no one helps the west by calling its concern hysteria when Quebec, for its legitimate reasons, in the 1950s and 1960s wanted to show that Quebec had grown. Quebec at that time wanted to have more growth culturally, and emancipation culturally. Quebec wanted to be treated with the respect and relevance it deserved. Just imagine the government moving unilaterally on oil and gas without agreement. Talk about the blinker mentality, or a double standard.

While you and I have been in this House, Mr. Speaker—although I will not go through the whole chronology of the different legislative acts in Quebec on language—we have experienced Bill 101. The federal government has the power to do something with a provincial statute if it wants, just as the federal government, under the constitution, can invoke the Petroleum Administration Act. The government has the power to move. As Kennedy said, "Its grace under power is the sign of leadership". You may have the power within a constitution, but it might be for the better of all circumstances that one does not invoke that power. The Prime Minister and the government of the day, for their reasons, and they may be judged legitimate reasons in terms of Quebec—I am not judging the issue—on something which was as fundamental to Quebec as language, did not invoke the power. Some people did say that the Prime Minister could invoke power under the constitution by calling for disallowance of an act which discriminated against Canadians who live in the province of Quebec in terms of language. For government reasons of the day there was no indication of the power it had under the constitution because it was felt this would not help the situation and could well exacerbate it.

We had questions from the opposition and from citizens. People asked if the government was not going to disallow an act, would it become a party to the stated case in the Supreme Court and a party to that action in challenging that act and lending the weight and office of the Government of Canada to the challenge. We had the answer of the Prime Minister here. I remember it well. He said, "Look, we are not going to get involved with that. If the citizens of Quebec want to challenge one of its acts, let them challenge within the courts of Quebec and let the courts decide on the constitutionality of Bill 101."

• (1640)

In one action the citizens did challenge the constitutionality of that act. It went to the Supreme Court where certain offensive sections were declared unconstitutional. That is on one side. On the other side you have a federal government with the power to invoke the Petroleum Administration Act provisions and unilaterally set prices. It moves ahead like a steamroller, even though there is a constitutional debate going on which is stirring up the passions, emotions and feelings of Canadians from coast to coast.

My point is that it is not just centred. Any member who thinks that the negative feeling in the west about the federal government is only centred in the province of Alberta, the tycoons, and now Lord Fauntleroy, the member for—

Mr. Knowles: Winnipeg-Fort Garry.

Mr. Nowlan: Winnipeg-Fort Garry (Mr. Axworthy). He was reported in the press today as saying that the reason things are happening in the west in terms of movement is that they have been bankrolled by the high rollers in the boardrooms of this nation. I was not talking to any high rollers from the boardrooms of this nation in that ten-day period, primarily in British Columbia.

Whether in Manitoba, Saskatchewan or British Columbia, I have never before run into the negative feeling about the capital of this land and the state of this country that I did this summer. People are deluding themselves if they think this is fabricated because there are certain funds in Alberta. It is much deeper, wider, and more fundamental than that. What is being done today under the invocation of the Petroleum Administration Act does not help that situation which is really straining the fabric of this land. I will leave it at that. At a time when leadership demands a national act of reconciliation, why is there this extra stick to beat the favourite whipping boy, Alberta, in effect suggesting that the whole west is a little off centre, but everything is right and correct in the central part of the land where the sun normally shines? How did we get to this state where we have verbal division and discord that we have not seen across this country for a long time?

As I said, I do not speak with a vested interest, coming from an area which has economic might. However, I can sympathize because my area of Atlantic Canada has always had grievances. The difference between us and western Canada is that we had the grievances in the past which they now have. Now they have an economic emancipation and emergence that we are on the threshold of reaching if we discover gas and oil off our shores. Really, I can speak almost as an honest broker here.

I cannot understand the Prime Minister and some of his ministers who have been extra sensitive to the quiet revolution

in Quebec, and its desire for cultural emancipation to show that it is not like the other provinces and that it may need a few powers which the other nine provinces do not need. How can the federal government be extra sensitive to that demand from a very important part of this country, and be so blind toward another section of the country which is not having a cultural emancipation but an economic emancipation and, in effect, is asking for its fair due?

I have tried to figure out how we have come to this sorry state, be it on the constitution or here today. I really have to put it down to the federal government which has now been in power for 12 years less eight months. We have a flawed federalism which is blinding the present government to "damn the torpedoes, full speed ahead" action.

The flawed federalism is based on four points. First, it is based on a federal-provincial balance which is out of kilter. Second, it is based on a House of Commons that has never been more unbalanced with regard to representation. Third, it is based on a cabinet of that House of Commons which has never had a more narrow perspective. Fourth, and this ties in with the other three, this has happened at a time in our history when we are moving to "one paper towns". The vacuum created by those one paper towns has been taken up by polls and propaganda, and the manipulation of both.

As far as the first point is concerned, I am not going to cast stones against any one or all the premiers. They together have to accept the blame. The Prime Minister, being Prime Minister of this federal union, obviously has to accept the majority of the blame. Prior to the last several federal-provincial conferences, historically at those conferences there had always been a balance and counterbalance. If the federal government was moving too fast, too far, or too strongly in one direction, historically there was always Quebec and/or Ontario which gave a counterbalance to the strong federal presence that has always been there.

We have heard debates in this House of Commons that this country is too centralized or has never been more decentralized. The fact is that any student of history knows that, depending on the emergency and/or a few wars, regardless of what the Fathers of Confederation felt, certainly with interpretations of the judicial committee of the Privy Council thwarting the original intent of the Fathers of Confederation, the Government of Canada, under any political colouration, has some very strong powers. However, there has always been a counterbalance to the over-use of those powers by the historical counterbalance of the province of Quebec or Ontario, or of both.

Since 1976 and the election of the Parti Québécois government in Quebec, we no longer have the counterbalance from that province. They, for their reasons, perhaps do not really care what happens to this federal union.

An hon. Member: That's not true.

Mr. Nowlan: Someone says that is not true. I am talking about the Parti Québécois government of the province of Quebec. I agree I only speak as an outsider, but the government of Quebec does not have its traditional concern to be a counterbalance in a federal union. That government would like to see it changed. There was a referendum in May which was treading on that road.

What I find more difficult to understand, for whatever the reasons, is that the government of Ontario recently has not exercised its historical counterbalance to the federal government moving too far, too fast down a one way street. The two senior partners of confederation, Quebec and Ontario, for their own reasons have not exercised a counterbalance to a strong federal move. Combine that with a new ingredient in the equation of balance, the fact that now in the west there is the emergence of a very real part of this country with an economic clout that demands to be heard, and this has aggravated the situation.

● (1650)

There is the second ingredient of a House of Commons which has never been more unbalanced in representation. The Conservative party has only one member from Quebec. That is obviously not good for the Conservative party or for the country. The government party has only two members west of the Lakehead. That is equally as unbalanced and equally as bad for the country. In addition to that, other than the Minister of Finance (Mr. MacEachen), we do not have a cabinet minister with a strong regional voice to be heard in cabinet circles. This causes an imbalance which allows the Prime Minister to begin on a one-way course.

There is really no one with enough weight or political clout in the cabinet or the House of Commons—there are only two within his ranks—to say, "Whoa, Mr. Prime Minister, are you really helping the nation by invoking the power you may have under the constitution, or are you going to hurt the nation in the long run?" You do not remedy that deficiency in cabinet by appointing some recycled ministers who have no political base in the provinces from which they come, even though they come from the west. That does not help the situation.

The situation is compounded when the only ministers western Canada sees—the active, verbal ministers who deserve a lot of credit—are the Minister of Justice (Mr. Chrétien), the Minister of Energy, Mines and Resources, and the Minister of Transport (Mr. Pepin). These three ministers are fine Canadians, but their perspective of the country comes from a narrow base.

Mr. Stewart: One province.

Mr. Nowlan: I say that in an objective way, because all three of those ministers are personal friends of mine. There was a meeting at the weekend in Saskatoon or Regina at which the Minister of Justice spoke about the flag debate. The constitutional debate cannot be compared with the flag debate. I will not go off on that red herring, but if the minister has to invoke the flag debate to justify moving unilaterally on the constitution or the Petroleum Administration Act, then he and the government are in a really sick, sad state.

Unfortunately, I suppose that my time is almost up. I will conclude. When we have these ingredients in a federal-provincial system, which I think is out of balance historically, and when we have a House of Commons which is out of balance in representation and a cabinet which comes from too narrow a base, and we put those together—

The Acting Speaker (Mr. Ethier): Order, please. The hon. member's time has expired.

Mr. Reid (Kenora-Rainy River): Mr. Speaker, on a point of order I would like to inform the hon. member who is just taking his place that there are three Liberal members west of the Lakehead.

Mr. Paul E. McRae (Thunder Bay-Atikokan): Mr. Speaker, I suppose it was last Wednesday or Thursday when we had about 20 votes on the bank bill, and I was looking at the amendments as we were voting on them.

An hon. Member: There were only 11.

Mr. McRae: Were there only 11? It felt like 20.

Mr. Knowles: Typical Liberal inflation.

Mr. McRae: It seemed that we were here a long time, but it also seemed that we followed a pattern in this House which we have followed for a long time. One party, the New Democratic Party, was saying that we should do more, and the other party, the Tory party, was saying we should do less. Then when I looked at these two motions, one from the NDP and one from the Tory party, I thought that the debate would follow along that pattern. The NDP is saying we are not doing enough, that this bill should go further and that it is opposing it for this reason. The Tories are saying that the bill goes too far.

I have been on the energy committee since early 1973, nearly eight years, and I recall debates on this act, the administration bill and on the allocation bill. There were two allocation bills. I recall the debates on the Petro-Canada bill and on the monitoring bill. With regard to all those debates the parties opposite went along in the same fashion. The NDP thought we should take more control and do more, and the Tory party opposed us violently for doing what we were doing. Most of those debates were long-drawn-out.

However, I was amazed when I heard the first spokesman for the NDP in this debate. He did not take the position I thought he would. He took an opposite position by saying that a section of this act goes too far and that it should be abolished. In looking back on the debate of 1975 I was interested in what the then energy critic of the NDP had to say. He said, and I quote from page 5351 of *Hansard* for April 30, 1975:

> I think, therefore, the government requires the power in the event there is no agreement with the producing provinces to set both the price of oil and natural gas. We express the hope, however, that in setting the price the government will keep in mind that the position this party has taken for a long time, and which we emphasize now, is that there is no justification for increasing the price of crude oil on the basis of operating costs or the financial position of the oil industry.

Then he said:

> Therefore we are prepared to support the bill and see that it receives speedy passage.

I find myself looking at something new about the NDP, a party with which I have had affiliations in the past. I was a member of it for many years, and I see it changing in a way which surprises me a great deal in just one respect. When he spoke, the hon. member for Vancouver-Kingsway (Mr. Waddell) severely criticized the Prime Minister (Mr. Trudeau) for going to Saudi Arabia at this particular time or, for that matter, at any time. I found that very strange because the basic problems of the Middle East are the problems of the whole world. I am sure former energy critics as well as present members of the NDP must have squirmed a little bit when they heard him say that, because the NDP has always been a party which has been concerned about world events.

The NDP should be the party which is supporting the North-South talks. This was one of the very strong reasons why the Prime Minister went to Saudi Arabia. I am surprised when he is criticized for doing this by the hon. member for Annapolis Valley-Hants (Mr. Nowlan), who made the same point. He must know that the reason we need this extra 100,000 barrels of oil a day, a secure supply from the most secure country in the Arab world, is that we need to supply the east coast, the hon. member's region. He should be very happy that we have this commitment from the Saudi Arabian government. I think all of us should be aware that the Saudi Arabian government and other governments in the Middle East are embarking on very large expansions of their own economies and that Canada is one of the nations which will be supplying goods, services, jobs, and a whole raft of things to these countries. This kind of trade is what we want to encourage. The Liberal party is concerned about jobs. The jobs which will be created by this trip alone will be very significant.

I was also concerned when the Leader of the New Democratic Party (Mr. Broadbent) went to the Atlantic provinces, to Newfoundland, and said we should turn over the rights—

The Acting Speaker (Mr. Ethier): Order.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Ethier): It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Winnipeg-Assiniboine (Mr. McKenzie)—Canadian Pacific Railway—Winnipeg—Inquiry whether permit to build overpass will be authorized; the hon. member for Richmond-South Delta (Mr. Siddon)—Energy—Reported establishment of western energy development fund; the hon.

member for Churchill (Mr. Murphy)—Public Service—Status of women—Equal pay for work of equal value.

It being five o'clock, the House will now proceed to the consideration of private members' business as listed on today's order paper, namely, notices of motions and public bills.

• (1700)

PRIVATE MEMBER'S MOTIONS

[*English*]

VOLUNTARY AGENCIES

SUGGESTED ADDITIONAL GOVERNMENTAL AID

Mr. Walter McLean (Waterloo) moved:

That, in the opinion of this House, the government should consider the advisability of providing volunteer agencies with financial aid to support their communication and fund-raising activities, so that a greater portion of available funds could be freed for their intended charitable uses.

He said: Mr. Speaker, in speaking to this motion I want to define its terms. I recognize the reality of the present day where, in the face of the budget, inflation and rising costs, it is unrealistic to urge and press the government to add additional dollars to existing grants to voluntary agencies through a variety of government channels.

This afternoon I am proposing that financial aid be given in equivalents of goods and services. It will not cost the federal government more dollars and it will make use of facilities already in place by using them during non-peak periods.

Recently the hon. member for Edmonton South (Mr. Roche) proposed that the $100-deduction be eliminated so that individuals would be encouraged to give more to voluntary agencies. I agree with that proposal and would like to see it go further, to the point where voluntary agencies would enjoy the same tax benefits as political parties. Today, however, I am advocating that the government should pursue the direction recommended by its own Advisory Council on Voluntary Action. In these difficult days the government should provide tangible assistance to offset a number of the fixed costs which voluntary agencies must bear.

It is important to note that such a proposal would seem timely. During times of high unemployment and inflation, there is an increase in the number of people who are in need of care and support. Government resources are already stretched to the limit and there is a question concerning their allotment. Taxpayers have less disposable income, and there is more competition for available voluntary donations.

Another factor which makes it timely is rampant inflation. Many people who formerly could give many hours of voluntary work are now seeking places in the work force, thereby putting increased pressure on available volunteer leadership. The recent budget, with its lack of any offsets for those least able to pay, will dramatically increase the overhead costs of voluntary agencies, due to large increases in UIC payments for core staff and across-the-board energy increases which will affect the heating of their offices and staff travel.

I speak with concern for this sector of our society arising out of my own experience for a number of years with CUSO in its formative years, as a field officer in West Africa and as a co-ordinator of the Canadian and Manitoba centennials. Also, I directed a small voluntary international agency. I continue to sit as a board member of several agencies and councils. I remember the early days of CUSO when goods and services were made available to send volunteers to developing countries. Canadian Air Force aircraft were made available, as were telex and health services.

The direction I am proposing the federal government should take is not in any way new. There has long been a feeling in the country of the importance of the balance among the private, public and voluntary sectors and of the need for recognition of the contribution voluntary agencies make to the life of the nation.

As early as 1951 the Royal Commission on Arts, Letters and Sciences, which published the Massey report, looked at the importance of voluntary societies. In part the report indicated:

The voluntary society has played an important part in modern history, from the religious sects and the salons of the seventeenth century, through the political clubs of the revolutionary era, down to the nineteenth century with its innumerable organizations to aid, prevent, propagate or promote every conceivable end.

We have the fine tradition of the voluntary society which performs work of national importance beyond what the government can or will do.

The Massey report indicated that a special problem of the local society is the scantiness of the Canadian population. It continued:

We were, therefore, interested to see in several different cities a special kind of voluntary association. This is the "Council" representing a variety of organizations, each leading its separate existence, but combining for some common purpose.

The Massey report called for more co-operation between voluntary agencies and government in a "more generous and flexible way". This is the direction I wish to impress upon the government this afternoon.

Following on from the affirmation displayed in the Massey report, the Trudeau government set up a National Advisory Council on Volunteerism. Its report will be familiar to the members of the House. It was entitled "People in Action", and was published in 1977. In part it indicated that there was:

—a need for greater awareness of, and increased commitment to, voluntary activity by both government and the general public.

I should like to quote some excerpts from the report which was tabled in the House but not acted upon. It read:

Voluntary action is "active" citizenship. It is people accepting a real responsibility for shaping their communities and their country and acting in some way on that responsibility.

It continued:

The most obvious form of non-financial assistance is aid-in-kind. This includes access to government facilities, premises, resources, efforts to improve the responsiveness of government personnel to voluntary action and various types of non-financial support services.

However, aid-in-kind could be effectively provided at relatively little cost if clear guidelines existed for supplying this assistance.

It went on:

In particular, the government should focus on ways in which it could help voluntary associations overcome the vast distances and geographical barriers separating so many Canadian communities—

It is very costly to communicate or travel between different communities separated by such distances.

In another section the report recommended that:

The Department of the Secretary of State, in collaboration with a committee of voluntary associations, study the best way to implement special measures to help voluntary associations overcome physical barriers to communication.

More specifically, the government should consider how to render such government communications facilities as WATS telephone lines and telex accessible to voluntary associations at no or limited cost. In the area of transportation, the department and the committee should examine how best to ensure that the economies of charter and excursion flights can be made available to members of voluntary associations attending their annual conventions and meetings—

Most voluntary associations depend extensively on the circulation of printed materials to their memberships because, unlike government and business, voluntary associations do not have access to such facilities as WATS lines or telex. Most voluntary associations also cannot afford such facilities, and long distance telephone calls over normal lines can be prohibitively expensive in any quantity—

The council believes that the solution lies in a special reduction in postal rates for the informational materials and publications of voluntary associations. The government already keeps track of many voluntary associations through their registration as "charities" by Revenue Canada. Accordingly, the council recommends that:

The federal government grant a special postal rate for mailing of publications and informational materials by all voluntary associations registered with Revenue Canada.

It continued:

All of Canada's human resources are needed in a time when the realization is dawning that resources are not inexhaustible and that hard times may be ahead. In an environment of concern and support by government, voluntary action could ensure that the diversity of Canadian society is an enriching rather than a fragmenting force. Thus, government should strengthen rather than diminish its support for voluntary action. The problems of this country cannot be solved if people cannot utilize their own tools and resources, cannot participate in decisions from time to time through their own voluntary associations . . . Government should not create counter-associations to serve its own interests. Rather, it should let the people confront important issues with their own initiatives and resources and through their own voluntary associations.

● (1710)

Indeed, the people involved in voluntary action constitute a vital, multipurpose human resource.

Mr. Speaker, I am asking that this House request the government to provide to the voluntary sector, which is hard-pressed during these days of rising costs and cutbacks, practical assistance in terms of rail travel in the regions of our country and air travel on a standby or special designation basis between the vastly separated parts of our country. I ask for assistance in terms of computer time, which can help agencies keep in touch with their volunteers, and collect their resources. Translation services, the increased use of the CBC facilities and other cable network facilities, the vastly expanded use of government meeting rooms and facilities, use of telephone service on a restricted basis in off-peak periods, are ways to assist the voluntary sector. They could use assistance in terms of printing facilities which are located in regions across the country. They need postal assistance, as outlined in the report of the National Advisory Council on Voluntary Action.

Voluntary agencies from my riding have given me a number of helpful suggestions.They have emphasized to me the importance of maintaining their networks in the communities and across the country. They have emphasized to me the difficulty of obtaining and maintaining equipment. For example, the Kitchener-Waterloo Global Centre wrote a letter to me as follows:

Could we make arrangements to use duplicating equipment which most government offices have available? Even if we had to supply our own paper, our costs would be greatly reduced with the free use of such equipment. What about other equipment—slide/tape, video, etc.?

We would also appreciate access to meeting rooms and office space. The latter would be especially useful when we have specific time-limited projects under way. What does the government do with used furniture and office equipment?

The Waterloo Region Chapter of the Canadian Mental Health Association in a letter asked:

Could some tax incentive be worked out for people who volunteer time as well as for people who donate money?

Mr. Speaker, in these comments and in citing this historical background I am urging the government to look favourably upon a concept set forth in the Massey report advocated by its own Advisory Council on Voluntary Action. The questions which will be immediately raised by those who are concerned about bureaucratic structures and the functioning of this type of proposal are how decisions will be made, who will decide what can be done, by whom and when.

I suggest to you there are a number of co-ordinating councils across our nation. In the international development area I have in mind the Canadian Council for International Co-operation, in the area of international education the Canadian Bureau for International Education, the Canadian Council on Social Development, the Canadian Conference of Catholic Bishops and the Canadian Council of Churches in terms of our Christian community and the Canadian Jewish Council in terms of their community. There are many other councils of a multicultural nature and others which draw our communities together. I am suggesting that a mechanism be set up to consult with them about ways and means of using the existing resources. These are resources which are already in place and which are already being paid for by the Canadian taxpayers.

In these days of big government and of increased inflation and financial hardship, there are a great many people across our land who are in danger of finding themselves without the caring structures that are needed. These smaller and more personalized individual agencies provide an inspiration, motivation, and a caring focus to our community. I suggest that action of this order would not only be economically appropriate to the times in which we live but it would also be one which takes seriously the social fabric of our nation.

Mr. Speaker, thank you for the opportunity of presenting this motion for the consideration of this House.

Some hon. Members: Hear, hear!

Mr. John Evans (Parliamentary Secretary to Deputy Prime Minister and Minister of Finance): Mr. Speaker, in discussing this motion I am sure there will be no disagreement on one point, that is, the importance of voluntary agencies within our Canadian society. I do not think there can be any doubt about that importance. Through these voluntary groups citizens can focus their efforts on problems that really concern them. The ability of these groups to act promptly and effectively could well be emulated by government bureaucracies. Throughout the years, voluntary agencies have been the spearhead for many important social changes in our society. If we did not have a voluntary sector, Mr. Speaker, I am quite confident that we would have to think of what the quality of life in our society might be like.

This is the second time in this Parliament that we have been asked to consider the financial health of the charitable and voluntary organizations in our society. On June 9 the House debated the motion of the hon. member for Edmonton South (Mr. Roche) relating to tax deductions for charitable donations. The proposal at that time involved a rather substantial increase in tax revenues forgone so as to provide greater incentive to charitable giving. Because of the large cost involved there was no agreement at that time on the preferable policy which would be followed.

With today's motion by the hon. member for Waterloo (Mr. McLean) we have another proposal that would involve a new charge on the treasury. Given what the hon. member has said in elaboration on the nature of his proposal, I suggest that that charge on the treasury could be substantial indeed. Moreover, the prospective financial burden is a very indefinite one. Certainly by reading the motion that the hon. member has submitted I was originally of the opinion that the government would be asked to provide certain rather limited services for communication and fund-raising activities, to use the terms of the motion. Yet when I hear now what the hon. member has in mind I find that it is a much broader scope of activities and services.

The motion does not stipulate how much financial aid might be required of the federal government. It does not make clear how widely this program of federal grants would be applied. In other words, what kind of voluntary agencies would qualify? How many might be involved and what kind of guidelines would apply to these federal outlays?

I suggest that even with the best will in the world, and with the greatest of sympathy and understanding for the voluntary sector and its importance to our society, we still have a responsibility to examine some of these issues, if not all. In considering a proposal like this we might well look to the Speech from the Throne for one guiding principle which I suggest is relevant here. This guiding principle is:

> That Canadians recognize the need to live within their national means, and they understand that in doing so the state cannot meet every demand or satisfy every group. Therefore, in employing the limited resources available, my ministers will help first those who need help most.

• (1720)

Obviously there is no shortage of good causes which appeal to our sympathy and to the federal treasury. But there is also a shortage of funds available to assist them. We must have a very lively concern for the size of the federal deficit. We should be aware of what federal aid is already being provided in this area. And we should be very careful about assessing the financial implications of making bold and generous declarations of principle in favour of helping this or that worthy cause.

The extent of federal support for voluntary, charitable organizations and causes is already substantial. In income tax alone the amount of revenue forgone annually by federal and provincial governments as a result of deductions for charitable givings is estimated at $600 million. The public accounts are sprinkled with references to grants to a wide variety of voluntary agencies. An excellent example is the New Horizons program under which some $11 million is made available for projects by voluntary groups of older citizens aimed at helping themselves and their community. There are many other examples of federal support for worth-while voluntary endeavours.

I suggest that, for all practical purposes, the government is already doing a great deal of what is proposed in this motion. Admittedly, federal grants are not earmarked in support of communication and fund-raising activities of these voluntary agencies, as the motion proposes. But I think it is obvious that, for the organization involved, the contribution is the important thing and not how it might be earmarked.

For that reason I find it rather difficult to understand why the hon. member for Waterloo has specified in his motion that the federal assistance be directed toward communication and fund-raising activities, so as to free up the funds of the voluntary group for its charitable goals. Surely the distinction is a meaningless one in terms of the way voluntary agencies operate. In fact, if any distinction is to be made, I suggest that a better case could be made for earmarking the federal grant for a particular social purpose, thereby making use of the energy, expertise and flexibility of voluntary agencies to achieve a goal that both the agency and the government desire. As I have indicated, that sort of approach is already being followed in a good many federal grants.

I would like to turn to another issue that is raised by the terms of this motion. That is the problem of defining which voluntary agencies are to qualify for the proposed federal assistance. The motion is not clear as to whether the government should have discretion in deciding which agencies receive these proposed grants, or whether some blanket assistance program is to be made available to all agencies that meet a given set of criteria. If it is the latter, then I suggest we could be opening up a very wide door into the federal treasury.

This problem of defining what is a voluntary agency can be a most difficult and vexing one. Let me illustrate by reference to the government's past experience with the deductibility allowed under the Income Tax Act for donations to registered charities. As hon. members can imagine, it is a matter of great importance for a charity whether or not it can qualify as a

registered charity and thus be able to issue tax-deductible receipts to its financial supporters.

There is no legal definition of a "charity" for tax purposes. In deciding whether a charity is to be registered, Revenue Canada now uses the common law classification of charitable purposes. Three of these purposes are fairly specific: the relief of poverty, the advancement of education, and the advancement of religion. The fourth category is a general one: other activities beneficial to the community. In fact, however, this category of charitable purposes has been subjected in the courts to a fairly restricted common law interpretation which has limited the range of organizations able to qualify as charities. Another general requirement which all organizations must meet is that their activities must be concerned with the benefit of the public or of a large section of the public. The result of all of this is that some 40,000 charities are registered and qualify as the recipients of tax-deductible donations.

Suggestions have been made that a legal definition of charity should be drawn up so as to give a wider meaning to the term, and in this way to reflect better the wide variety of activities carried out by voluntary groups in our modern society. It is argued that we need more clearcut criteria for deciding what is to qualify as a charity. In fact, however, the task of redefining just what constitutes a charity would be a good deal more complex than it might seem. And when we remind ourselves that already more than half a billion dollars in tax revenues are forgone through tax deductions for charitable purposes, we should be very cautious about the possibility of opening even wider the door to this particular kind of tax deduction.

Apart from the legal issue, there are some quite pragmatic justifications for the inclusion of some charities among Revenue Canada's registered charities, and the exclusion of others. For example, national sports organizations are included, but not provincial and local sports bodies. In our federal system I think that makes sense. It is reasonable that, for sports at this level, provincial and local governments be expected to provide the kind of financial support that their electorate feels is justified.

I realize that the motion, as worded, does not limit its scope to those registered charities recognized by Revenue Canada. It refers, instead, to voluntary agencies. But the very same kind of definitional problems would arise in any program of government grants. The questions are not easy. First, what kind of activities would qualify? Second, would the voluntary agency be required to devote a certain minimum of its revenues to charitable purposes, and if so how much? Third, would there be any criteria as to the minimum number of persons benefiting from the charity? And finally, what standards of public accountability would be required?

Some may think that this suggests a lot of undesirable government interference in the activities of voluntary groups. Obviously, that is a danger. There are some philosophical questions which might be asked; such as, how far can a voluntary agency go in seeking government help before it loses its essentially voluntary character and becomes just another agency of government? But that is a question the agencies must ask themselves. As members of Parliament, we must concern ourselves with questions about priorities in government spending, and about proper controls on the way federal funds are spent.

Although I share the concern of the hon. member for Waterloo about the importance of a strong and vigorous voluntary sector, I am forced to the conclusion that his motion leaves too many of these essential questions without adequate answers. After listening to the hon. member I became even more concerned in this regard because he indicated that this motion, contrary to my interpretation of the wording, would involve assistance from the government. I am not sure here if we are talking only about the federal government or if we are talking about the federal government and the provincial governments and the municipalities.

The hon. member referred to such services as reproduction services which may or may not include provision for the reproducing paper. The program may involve free mailing service through Canada Post. If the government is to become involved in this kind of program, it must ask some fairly basic questions. When an agency of the government is established, it is through a parliamentary process or some action of Parliament. Presumably that agency is established for a specific purpose related to public policy. A question would arise with regard to particular voluntary agencies which spring up of their own accord. These agencies do not necessarily spring up as a result of some specific policy purpose which has been widely recognized by the population.

• (1730)

As a result, irrespective of how we define voluntary groups or how we define the services that the government or governments are expected to provide to these voluntary groups, the taxpayers of Canada are expected to contribute to their financing through a program such as this. Under this program, all voluntary groups would presumably have equal and free access to a wide range of service from the government, from the public purse. It seems to me, Mr. Speaker, that if those agencies or groups are established as a result of debate and the clear definition of a public policy purpose, that is one thing. Then the taxpayers, it seems to me, can be asked to support, in a very broad way, the activities of these groups. Certainly that question does arise in connection with the tax deductibility of groups and we have defined certain of the groups for tax purposes in my speech to this point.

The question that arises is whether we now intend to allow unlimited access to the public treasury by a large, large number of associations which can be instituted and established on their own volition. If that is the case, it seems to me a great deal of control over the public purse would be lost. More important, Mr. Speaker, we would be asking all the taxpayers of Canada to support, in a very direct way, a wide range of voluntary organizations which they themselves might not otherwise wish to support. I agree they are now being asked to do this as a result of the tax deductibility clause in the tax

system. If I give to a voluntary organization which qualifies as a charity I can write that donation off against my taxes. As a result, all taxpayers are effectively paying the additional tax load to make up for the amount I am not paying as a result of the tax deduction I have received.

I think the motion would take this much further, Mr. Speaker, and would loosen the controls which now exist with regard to voluntary organizations. It seems to me, Mr. Speaker, when we realize just how broad the services to be provided under this particular motion would be, that the whole question has to be debated carefully and at great length because under this motion we would be imposing a substantial financial burden on the taxpayers of the country—one which is not well defined in the motion; it is not well defined with regard to the organizations which would qualify to receive this assistance, that is voluntary organizations, as opposed to charitable organizations. To me a voluntary organization means any organization that conducts its business through the efforts of voluntary workers. That is a voluntary organization. I am not being paid for doing a job, I am volunteering my services, therefore I am part of a voluntary organization. Clearly, Mr. Speaker, that definition is so broad as to make this motion unacceptable from a public policy point of view and certainly unacceptable from a tax point of view.

The second issue is the breadth of the services which would be available to these groups under the motion. As I said earlier, Mr. Speaker, I was of the very strong opinion that the services to which these groups would have access were relatively limited. The motion reads as follows:

That, in the opinion of this House, the government should consider the advisability of providing volunteer agencies with financial aid to support their communication and fund-raising activities, so that a greater portion of available funds could be freed for their intended charitable uses.

However, when the hon. member for Waterloo (Mr. McLean) put forward his list of what he considers to be "for the purposes of communications and fund-raising support", it turned out to be much more comprehensive than I ever anticipated it would be.

Finally, Mr. Speaker, there appears to be some confusion in the motion itself. The first part refers to volunteer agencies and then at the end it refers to the intended charitable uses.

The Acting Speaker (Mr. Ethier): The hon. member for Oxford (Mr. Halliday).

Mr. Bruce Halliday (Oxford): Mr. Speaker, first of all I want to congratulate the hon. member for Waterloo (Mr. McLean) for bringing this motion forward for debate today. As mentioned previously, this is the second time it has been up for consideration this session, which indicates the concern members feel with respect to the social policies now being put forward by this government.

We in the official opposition have been rather pleased by the addition of the hon. member for Waterloo to our party and to his membership in the House of Commons because he brings to this House the type of social conscience which has been missing from the government side for too many years. We are sometimes asked, particularly at election time, what the difference is between the Conservative party and the Liberal party. Some people find themselves hard pressed to find an answer, but I think one could say, Mr. Speaker, that a difference is apparent here today. The difference is that we, on this side, recognize that these social problems exist and want to see them solved by the organizations and the people themselves.

There has been strong tendency on the part of the Liberal government to adopt the principle that if there is a social problem, the government should take over and fix it. That is what we are trying to get away from. I think the people of Canada want to see themselves involved in solving these social problems.

The motion which the hon. member for Waterloo has put forward reads as follows:

That, in the opinion of this House, the government should consider the advisability of providing volunteer agencies with financial aid to support their communication and fund-raising activities, so that a greater portion of available funds could be freed for their intended charitable uses.

The hon. member for Waterloo has indicated that he is looking at this in a perspective which acknowledges that there are financial constraints on governments in times such as these and we are not asking for more money, per se. We want more assistance, which is equivalent to financial assistance. The hon. member for Waterloo has directed attention to a number of the types of services which could be rendered. I grant the fact that there is a small pecuniary involvement in some of the services which might be provided, but in terms of large grants, the hon. member for Waterloo was not asking for large sums of money.

I listened with interest to the parliamentary secretary, Mr. Speaker. He spoke well and he touched on some of the problems that the government faces in trying to provide more funding. I was a little disappointed and a little surprised—although upon reflection I should not have been—that he did not refer once to the very significant document to which the hon. member for Waterloo referred. "People in Action" is a document on voluntary organizations commissioned by the government a few years ago. A report was made to the Secretary of State in September, 1977, and I am sure that if the government felt it had implemented any of the 81 recommendations in that report, the parliamentary secretary would have told us about it this afternoon. That is what the government usually does—it talks about all the recommendations it has implemented.

Mr. Speaker, I assume that they have not implemented any. Not one in the past three years! I think we should look at those recommendations to see what the government has failed to do by way of implementing a report which it commissioned and asked for. We have raised the question of the lack of funds and the report acknowledges this problem. It contains a chapter on the nature of government's responsibility. At page 138 the following sentence appears.

It will be important for government, not necessarily to spend more money, but to spend existing funds in different ways.

● (1740)

The parliamentary secretary was speaking a few minutes ago about priorities of government spending. That is exactly what is suggested here, that we have to consider priorities in government spending. I want to say a few words about a possible shift in those priorities, to support a suggestion made in this report, that not necessarily is it important to spend more money. Recommendation No. 34 reads:

The federal government affirm in principle and through policy its responsibility to safeguard the basic freedoms of action and association through creating conditions within which Canadian citizens are enabled, encouraged and assisted to act voluntarily about those matters which concern them.

Recommendation 35 is even more significant. It recommends that—

Government ensure that voluntary associations have equal access to grants and other means of support—

That is exactly what the hon. member for Waterloo (Mr. McLean) is suggesting, that voluntary associations should have other means of support in addition to financial means. Recommendation No. 35 continues—

—equal opportunity to make their voices heard and the means to emerge and develop in accordance with their own needs, concerns and priorities.

Further along in this report, at page 253, a whole chapter is devoted to what is headed "Non-Financial Support". We are suggesting the government should have taken a look at this, but it has failed to do so. I will read from the first paragraph in reference to the non-financial relationships which could exist if we had a government that really cared.

These involve general support, the bestowal of recognition and the release of information. A fourth type—consultative relationships—will be discussed in chapter 13.

As this concept of general support is dealt with, the council talks about some of the problems which exist now and the help voluntary organizations might receive to further their goals. They talk about the need for public access to the information which the government has. At page 268 another recommendation is found. I will read it because it is most apropos. It is recommendation No. 74, which reads as follows:

Access-to-information legislation be enacted by the Parliament of Canada creating a statutory right of persons to obtain access to information held by the government or its agencies, subject only to a list of narrowly defined exceptions, with any refusal to provide such information and any unreasonable delay or costs subject to review and enforcement by the courts on the merits, with burden of proof on the government.

They are asking for what I hope we will see from this government eventually, that is, an opportunity for Canadians to receive the information they need—in the case of voluntary organizations, that they receive the information they need to pursue their activities. This report contained another recommendation in 1977-1978 that the government inaugurate a voluntary action resource centre. So far nothing at all has been done about that. In recommendation No. 75, it is suggested that annual reports be provided by various departments so that voluntary associations would be able to know what was available in the public sector for their use.

Before I close, I want to touch on the matter the parliamentary secretary raised regarding the priorities the government has to follow in these days of limited funds for spending. We have become quite used to the concept of universality in all our social programs in Canada. I was pleased a year or so ago when the present government, then in opposition, talked about the need to help those who need help most. During the election campaign we heard the Prime Minister and others speaking on that same topic stress the importance of helping those Canadians who most need help. This runs quite counter to the concept of universality in all social programs.

A number of us in the House have recently had the opportunity of serving on a special committee known as the Special Committee for the Disabled and the Handicapped. We have had occasion to listen to dozens of briefs from dozens of voluntary organizations of the type to which the member from Waterloo has been referring. We are well aware of the problems these people have. It has been brought to our attention very acutely that large sectors of the Canadian population are not adequately being taken care of. In fact, they are not being given the very basics to which most of us in this House think Canadians are entitled. I am suggesting, without anticipating the recommendation in the committee's report which has yet to come, that we as representatives of the Canadian people must consider doing something for Canadians who are underprivileged in some special way, such as those who are handicapped and disabled. As things are, we are not even giving them the very basics. For instance, we are not making any effort as Canadians to see that persons whose mobility is limited are given an equal opportunity to move around. I could go on to talk about those who have vision impairments, hearing impairments, and so on. Voluntary organizations looking for help from this Parliament, and this government in particular, are not necessarily demanding more money. But they are demanding that the government take a second look at its priorities, as I hope the parliamentary secretary was suggesting a little while ago. Possibly the time has come when some of us who receive funds from the government regularly or who have things done by the government on our behalf although we are quite able to pay for them, should now be saying that those who are more handicapped or who enjoy fewer privileges in one way or another should be getting top priority for a little while. As I say, we should be taking a look at the priorities of government and reassessing some of the needs.

I think the hon. member for Waterloo in bringing forth this very commendable motion today is telling us that the government does have the funds, but one way or the other the funds are not being directed where they should be. The government has at its disposal facilities and services which could be utilized by voluntary organizations. Moreover, funds are being spent on people who do not need help just because the service is universal. This money could better be used by and on behalf of people who need it more. While the government might take exception to some of the wording in this motion, I hope it will recognize the importance of the concept which lies behind it. I hope the motion will be allowed to pass so that it may be debated in committee.

Hon. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I should like to join with my friend, the hon. member for Oxford (Mr. Halliday), in commending the hon. member for Waterloo (Mr. McLean) for bringing this motion before the House this afternoon.

It must be obvious to him that there is sufficient preparation on the opposite side of the House that the chances of his motion being passed before six o'clock are not very good.

Mr. Jarvis: They are nil.

Mr. Knowles: But at least we are having a discussion of the subject, and I hope the discussion will play its part in persuading the government to review more seriously its attitude toward voluntary organizations.

There can be no doubt as to the important part voluntary organizations have played in our society for decades, indeed for centuries, and there is still an important part for them to play. I believe the people of Canada want to see voluntary organizations given every break that can possibly be given to them. At the same time, I should like to say that every time this discussion comes up I get a little uneasy about the efforts which some people make to try to play the voluntary sector and the public off against one another. As I see it, the main contribution of the voluntary organizations is that they have been pioneers. They have persuaded society that something should be done to help less fortunate members of our society. But as time has gone on, it has become necessary for the public, for the state—the government—to take over these services. The fact is that today I have heard figures as high as 95 per cent. Certainly it is 90 per cent or more of the services which are provided by the government to those who need them. One thinks of such things as housing, health and education. Where would we be today in these areas if this had been left to the voluntary organizations? The government has had to move in.

• (1750)

Then there is the whole question of the maintenance of family income with various kinds of supports. There is the situation which faces our senior citizens, not only in terms of pensions on which to live, but recreation, accommodation, home care and all the rest. As a matter of fact, today voluntary organizations are pioneering in fields such as greater home care, child care and so on. If I had time—and I do not want to be the one to talk this out—I could list things that were done by the voluntary or private organizations when I came here, which was a number of years ago, and which have been taken over.

I do not believe we should play one against the other. In my view, the important thing for some of us to push for is greater public involvement in such matters as security and all the rest which are needed for our senior citizens to improve the lot of those who should be maintained in their own homes, in day care for children and all the rest. Let us not pit one against the other. Both are vitally important.

In the context of this afternoon's motion, it is good for us to realize that even though the public service may be taking care of 90 per cent or 95 per cent of the problems the other 5 per cent or 10 per cent need to be looked at as well. In addition, there is still a pioneering job to be done. It is on that basis I express the hope that the government will give serious consideration to the thrust of the proposal made in the motion before us this afternoon.

Mr. Roy MacLaren (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, I am glad to have the honour to speak in this debate because the hon. member for Waterloo (Mr. McLean) and I had the opportunity to serve together on a voluntary organization, the Canadian Council for International Co-operation, some years ago. At that time I learned to admire his genuine concern for those in our society, both at home and in other countries, who are deprived or underprivileged. The concern of which he gave such evidence on those occasions is certainly reflected in the bill before us this afternoon.

Other members from both sides of this House have paid tribute to the hon. member's motives in bringing forward this matter today. I want to share in the expression of concern which is reflected in the bill. It is a concern that voluntary organizations, which can play such a substantial part in our society, should have access to the resources, whether they come from the private sector or in part from the public, to enable them to carry out their important functions, both at home and abroad.

In his motion concerning aid for voluntary organizations, the hon. member for Waterloo addresses a function that is important, perhaps in some sense vital, to a free society: the dynamic and ever-changing human activity whereby individuals, or groups of individuals, contribute of their own volition to the betterment of themselves, their communities and their country.

Voluntary organizations are not necessarily similar in their aims and philosophies. Some lend support to traditional values in our society; others are in the vanguard of change. Yet their very diversity is indicative of the vigour of our society and of the great desire of many of us to work for the general well-being of others.

The government is well aware of the valuable services provided by the voluntary sector to which it continues to give a variety of aid and encouragement. The Department of the Secretary of State, for example, administers a number of programs which provide aid to voluntary groups operating in certain fields of interest. These include the changing role of women in society, the progress of native citizens in today's world, human rights, and ethnocultural groups which honour their past while adapting to life in Canada.

The importance given in the motion to communications is well considered. The National Advisory Council on Voluntary Action to the Government of Canada paid special attention to the difficulties faced by a national voluntary organization in maintaining communications.

The hon. member and I recall that most voluntary associations depend extensively on the circulation of printed materials to their membership because, unlike government and business, they do not have every access to such facilities as wide area long distance telephone service or telex. Most voluntary associations could not afford such facilities, and long distance telephone calls over normal lines can be prohibitively expensive in any quantity. Thus, in order to maintain adequate and efficient communications with their members, voluntary associations are forced to restrict themselves to mail service. There is no alternative for them and the effects of continually rising postal rates can be very serious, not only in strictly financial terms, but also because they force some associations to rely on bulk mailings which have a low priority in the post office.

The Advisory Council proposed a plan that would help qualified associations to make good use of the mails. Noting that voluntary associations may be registered as charitable organizations by Revenue Canada, it was suggested that the federal government grant a special postal rate for mailing of publications and informational materials by all voluntary associations so registered.

Other measures of support and encouragement are provided by the government, but before continuing I should like to express a concern which I have with regard to this motion. I do not feel we shall best serve the voluntary sector by supporting specific areas of activity such as, in this instance, communications and fund raising. Some of these independent organizations, serving different needs in different regions and circumstances, may identify other needs that they find more urgent. It is my conclusion, and that of the voluntary organizations themselves, that the most appropriate, the most useful, role of government is to create an environment which would encourage members of the public to make donations in support of the voluntary actions of which they approve. One interesting proposal currently before the government is to change the present tax regulations, which provide little incentive for charitable gifts except among richer citizens, so that all could have similar tax savings by virtue of charitable gifts.

Before speaking further on this tax proposal, Mr. Speaker, I should like to refer to a special quality of voluntary groups which it would be well to consider. Generally speaking, "voluntarism" is the independent action of an individual or a group to bring about what are seen as desirable changes in society. It therefore seems important to the viability and, indeed, the validity, of a voluntary association that it not rely too heavily on direct government aid lest it lose its independent spirit—

[*Translation*]

The Acting Speaker (Mr. Ethier): Order, please. The hour set aside for consideration of private members' business having expired, I do now leave the chair until eight o'clock.

At 6 p.m. the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

PETROLEUM ADMINISTRATION ACT

PETITION TO REVOKE PROCLAMATION

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

That the proclamation laid before the House on Wednesday, November 12, 1980, pursuant to subsection 35(2) of the Petroleum Administration Act, as proclaimed in PC 1980-2915, be revoked.

The Acting Speaker (Mr. Blaker): When the debate was interrupted at five o'clock the hon. member for Thunder Bay-Atikokan (Mr. McRae) had the floor.

Mr. Paul E. McRae (Thunder Bay-Atikokan): Mr. Speaker, to recapitulate for a moment, I was discussing what I have observed over many years, particularly when we were dealing with a series of energy bills over the last years and particularly in the national resources committee of which I have been a member during those years. We on this side have tended to be in the middle with the New Democratic Party pushing for more and the Conservative party saying we had done too much.

This pattern has developed over the years. The New Democrats have taken a very strong stand with regard to the Petroleum Administration Act, and I read a quotation from the remarks of Tommy Douglas, their energy critic, supporting the bill strongly and saying that prices should not go higher. There was no vote on that bill at any of its readings, but it always passed on division with the New Democrats supporting it.

I am surprised that the New Democratic Party should now take an opposite stand to that which it has taken all along. I think there is a real contradiction in this area. I also suggest that there are one or two other contradictions.

I mentioned the genuine concern my party has traditionally had for underdeveloped countries; the Prime Minister is out of the country for a series of reasons but one very strong reason has to do with the North-South dialogue.

I will not spend too much time on this, but before we adjourned the debate at five o'clock I did mention something which disturbs me very much because I think it marks a real departure from traditional NDP policy. The Leader of the New Democratic Party went to Newfoundland and once again laid out the idea that offshore resources should be owned and controlled by the province. That is a recent policy of his party, and I think it is a very strange move. To my mind it has always been traditional among progressives whether in Canada, the United States, Britain or wherever that the smaller the juris-

diction the easier it is for multinational corporations to control that jurisdiction. If control over offshore resources were in the hands of the province of Newfoundland it would be much easier for it to shift into the hands of very large multinational corporations. I think it has always been the tradition of the New Democratic Party that a strong central government is necessary in this country. Evidently there is a diversion from that tradition.

This evening I would like to try to put myself—I have been trying to do this over the last six months or a year—into the shoes of an Albertan who was born and grew up in Alberta. In some ways I can understand the way many Albertans must feel. I grew up in Toronto and moved later in my life to Thunder Bay where I spent a good portion of my adult life. Thunder Bay is in many ways as distant from Toronto and the southern Ontario horseshoe as is Alberta, and I do not mean geographically. I am talking in terms of differences in outlook. At least part of my riding is in Thunder Bay, and at this time it is fairly affluent, perhaps even more affluent than some areas of southern Ontario. I cannot believe the people of Thunder Bay or the people of Alberta are feeling the way they are feeling out of greed, I just cannot accept that. I was interested in what the hon. member for Annapolis Valley-Hants (Mr. Nowlan) had to say because I think he was saying basically the same thing. There are always people who will do things out of greed in any society, but generally speaking I do not think that is the situation here.

● (2010)

If I had lived in Alberta in the 1920s or 1930s, I could understand the tough years when Alberta was a kind of hinterland to the east or to central Canada where there was a lot of wealth, development and growth. I could understand the tariff approaches and so on. This would be in my mind as an Albertan. I would feel strongly that over the years Albertans had been "had" by the centre of the country, particularly Ontario. However, as an Albertan, I would also have to recognize that from the early 1950s things started to change. I would have to realize that 15, 20 or 30 years have gone by and that Albertans are perhaps the most affluent people, as a total group, in Canada. I would think my concern as an Albertan would be very much to continue this affluence and seek security. It is the insecurity that would bother me and the fact, as Mr. Hyndman would say, that oil and gas are depleting resources and as someone said over the weekend at one of the meetings in Alberta, when they are gone Albertans would become beggars. If that was on my mind, I could understand exactly why I would demand a good deal more than I was getting. I think the problem is that Mr. Hyndman tells only part of the truth. There is nothing wrong with what he is saying, but he is leaving out a very significant part.

It has been known for some time in the rest of the country and in Alberta that conventional crude oil reserves will probably be delivered by the end of the decade at about a third of the rate they are now being delivered. There is no question that the conventional crude oil resources are being depleted at a very rapid rate. There is no question that in the longer term—perhaps in the middle or the end of the next decade—the same might happen to natural gas. I find this proposition a little harder to handle, though, because so many people in the industry are saying we have so much gas we should keep exporting it. I know the argument to the effect that the more you export, the more you discover, however, it creates a problem. But nothing is being said to the people of Alberta by their leaders—I do not think it is dishonesty; it is perhaps that it is not thought out well enough—about the long-term resources such as the tar sands, the in situ heavy oils, the coal and so on. If I were an Albertan looking at the matter as objectively as I could, I think I would conclude that Albertans will be affluent for a very, very long time; it is not something which will come and go within a decade.

I tried to develop this theme in the House during the throne speech debate in the spring, and perhaps I am trying to say the same thing again tonight in a slightly different way. We hope the tar sands will come on. I differ strongly with the hon. member for Etobicoke Centre (Mr. Wilson) when he totally blames the tar sands holdup on this government. After all, we have offered $38 per barrel for tar sands oil and we have offered to add the inflation factor to that. We know that a year or so ago that oil could be produced at something in the order of $20 per barrel. We think that is a pretty reasonable offer for a long-term project. I have not heard anyone from the industry dispute that seriously, I have not heard the industry say there is anything wrong with it. Last week we lent Imperial Oil another $40 million just to keep the thing on ice, just to keep it ready to go. It seems to me that somewhere along the line the blame for this must be shared in the sense that the province of Alberta is not accepting this basically because it wants more for its other resources. So, I have difficulty in agreeing with the hon. member in this area.

If Albertans were aware of the way the deal is working out, I think they would find it quite acceptable. I tried to look through history, I tried to look at some contemporary situations in other nations, but I do not think there is any single jurisdiction in the industrial world where so much has been lavished on one group. For example, the resources in the North Sea are shared by all of Great Britain, not just the people in Aberdeen or the people in Scotland. Those most locally involved will get advantages because the activity is there, but I do not know of any place where the amount of money going to a jurisdiction is as much as is going to Alberta in this particular period. I am sure the people of Alberta are not aware of this.

The estimate—and I have not heard it questioned by anyone—is that the revenue of the Alberta government, not for production or anything like that, but just in terms of royalties and so on for oil, gas and coal, will be something in the order of $100 billion in this decade. By 1983 that will amount to $4,300 for every man, woman and child in Alberta. That will go into the Heritage Fund or whatever else is done with the royalties. If I were in the shoes of an Albertan in 1983, I would say, "It is time you distributed a little bit to us". I know that some of the Indians on the Blood Reserve have said they do

not want that money just to go into the band fund; they want it to be distributed among the people of the band. If I were in their shoes, I think I would want to do the same thing. It is a significant amount and, of course, it increases.

Today there was an argument concerning other jurisdictions in terms of their percentages. The hon. member for Annapolis Valley-Hants was totally incorrect when he said that the government of Australia owns the resources. It does not.

An hon. Member: It does.

Mr. McRae: The Australian states only get something in the order of 20 per cent or less. It is the same in the United States of America. I do not think any other jurisdiction has ever had such an amount of money coming to it. Take a look at the other provinces in this country. This is something which is totally unique, totally new; it cannot be compared with tariffs or anything else that has ever happened to one region. I think it will last for a long time. Putting those two factors together, it seems to me that if Albertans were well aware of what was going on they would feel much more secure. I think insecurity is creating a great deal of the problem for them.

Let us look at the natural resource revenue of other provinces in 1979, the latest year for which I have figures. Newfoundland received $27 for every man, woman and child; Prince Edward Island, $3; Nova Scotia, $8; New Brunswick, $13; Quebec, $18; Ontario, $14; Manitoba, $23. Then it goes up a bit: Saskatchewan, $502; British Columbia, $221; Alberta, $1,874. We are talking about very, very large figures compared with anything else that has ever been known. We must take that uniqueness into account. I hope Albertans hear this and think about it. The things I will mention repeatedly are the amount of money, the fact that it is relatively secure and the fact that these other projects like tar sands plants which are coming along will last for a very long time.

• (2020)

I would like to talk about the way in which the government's policy affects the national scene and how consumers must be concerned about this. I would like to dwell on this for a minute or two since I come from Thunder Bay where distances are very great and where the weather is very cold. We are large users of oil, gas and whatever petroleum fuels come into our area. We have a great deal of concern about whether we can continue to function as a community in northern Ontario because of this very special problem that we face along with most Canadians to one degree or another. I do not think anyone in my area is saying we should give less to Albertans. What we are saying is that there is a national interest which must be served. We do not think it is good enough for the province of Alberta to say that they want this money so much and that they will lend it back to the CNR and the CPR. We do not think that is good enough. We think the nation must do that; national transportation priorities are something we have to deal with federally, something we cannot let a province deal with alone. There are other provinces and regions which have quite different problems.

To give an illustration, there has been a lot of red-necking about the Québécois fact and so on. I did a very rough calculation of the cost of the bilingual program in the country. In one area, it is the cost to government; in the other it is the cost of printing the other language on cornflakes boxes and so on. I calculated that the outside limit of that expenditure would be about one billion dollars a year in an economy that is in the range of $250 billion to $275 billion. That is on behalf of seven or eight million Canadians. If we take the entire amount of money that is going to Albertans per year over the decade—and it is about $10 billion—we find that is about ten times as much going to about one-quarter as many people. The factor there is about 40. I am very happy to see that we are spending the amount I mentioned on the second language. I am also pleased to see that Albertans are getting a fair share for their resources, but I must demonstrate here that we can go too far. No single jurisdiction can expect much more than is being given at this time.

I will conclude now as my time is just about up. I will return to my initial idea and say that my party, which has formed the government for most of this century, basically because we have been a middle-of-the-road party and have not gone to extremes one way or the other—

Mr. Waddell: Look at the west!

Mr. McRae: I left your party to come over here for one reason, which is simply that I did not think this country could be put together by extremes. One of the reasons the Progressive Conservative Party is not in power right now is because they got off that mainstream. What this party has done over the years is stay in that mainstream.

Mr. Waddell: The muddled middle.

Mr. McRae: I believe the policy we are adopting at this moment with respect to the amount of money in that package is fair and reasonable and in the long term it will be recognized as such in this country.

The Acting Speaker (Mr. Blaker): The hon. member for Vancouver-Kingsway (Mr. Waddell) is rising on a point of order?

Mr. Waddell: If he still has time, I wonder if the hon. member would permit a question.

Mr. McRae: Mr. Speaker, I think I have a minute left.

Mr. Waddell: The hon. member for Thunder Bay-Atikokan (Mr. McRae) seemed to indicate he did not trust the provinces with respect to his point about offshore resources. Specifically, he did not trust the province of Newfoundland to protect those resources from multinational companies. Looking at the record of the other provinces like British Columbia, Saskatchewan and Quebec, would he not agree that they have a better record of taking control of resources than the Government of Canada which has allowed our energy resources, our oil and gas, to be 82 per cent foreign-controlled? Where does he obtain the evidence for his argument that compared to the Government of

Canada the provinces are weak-kneed when it comes to dealing with multinationals?

Mr. McRae: I believe what I said is true. Certain jurisdictions which are very progressive, have probably done a better job, in particular the province of Quebec, in relation to the asbestos company. I remember attending mass in the church at Dorval and listening to the Archbishop speaking about the strike at the asbestos plant. It was a very thrilling moment for me. In the province of Quebec these resources were controlled by multinational corporations for a long time. In my view, the multinationals think a smaller jurisdiction is easier to handle. I do not say that the present government in the province of Newfoundland is going to give its resources away suddenly, but the tendency for it to happen is far greater; it is much easier for a large corporation to manoeuvre a small jurisdiction. There are some exceptions, but I think that for each of those exceptions the hon. member will find cases where what I have said is true.

Mr. Bill Yurko (Edmonton East): Mr. Speaker, it would be inappropriate for me to rise in my place without giving credit to some of my constituents—they happen to be called the Edmonton Eskimos—in regard to their magnificent victory yesterday.

Some hon. Members: Hear, hear!

Mr. Yurko: I must say there was a great deal of sportsmanship shown on both sides yesterday.

Mr. Speaker, we are considering today the proclamation of sections of the Petroleum Administration Act. The essence of this proclamation is to permit the federal government to set the price of oil and gas in Canada unilaterally on the pretext that it was not possible to establish a price regime through co-operative negotiations with the provinces. More particularly, we are considering the proclamation of sections 35 and 36 which relate to the maximum price to be set for oil.

This House is being asked some questions and, hopefully, we will receive some answers. The questions are these: In regard to negotiations, why have they failed with respect to the national energy program? What is the real intent and extent of the government's national energy program? What is the impact of the program? What are the possible short-term impacts and results of the federal government's national energy program? What are the possible long-term consequences?

In regard to the first question, why had negotiations failed, I think the answer is simple enough. It is based upon the record which was set forward by the Legislative Assembly of Alberta, that is, that the negotiations were not conducted in good faith, each side having established pre-conditions which the other side could simply not accept in totality. Alberta's pre-condition was that it should receive the same benefits as it was to receive under the near-agreement with the Clark government. Second, it would not under any circumstances accept an export tax on natural gas. The federal government's intention was not to reach agreement at all and then to impose a national energy policy with very specific objectives. That was its main pre-condition.

• (2030)

All the available evidence substantiates the objectives and intent of the federal government. The minister of energy of Alberta very carefully documented the extent and nature of negotiations that went on in a speech he gave to the Alberta legislature on November 3, 1980. There is one statement which he repeats on several occasions, and that statement is as follows: "It was the Ottawa government's will, formed shortly after their election, to impose their will upon the province of Alberta and not to enter into an agreement". I have known and worked with the minister of energy of Alberta for many years. He is a tough and exacting negotiator, but he is an honest and honourable man and I believe him when he makes such a statement.

There was nothing in the speech of the hon. Minister of Energy, Mines and Resources (Mr. Lalonde) in this House last Friday which refutes that statement or would convince me otherwise. Right from the onset of this Parliament, it was the intention of the federal government to use the Petroleum Administration Act to set the pricing regime unilaterally for oil and natural gas. If it was not so, then the Prime Minister (Mr. Trudeau) would have called a first ministers' conference on energy pricing during the summer so that a pricing regime could have been thrashed out with all the provinces present, both the producing and the consuming provinces.

Why was this not done? Why did the negotiations have to rest on agreement or lack of agreement between the Prime Minister and one premier? Surely at such a meeting of the Prime Minister and one premier agreement was impossible, as it would have created a winner and a loser because of the pre-conditions established on both sides. It is obvious to me that apart from desiring substantive revenues from the oil and gas industry, virtually the only major growth industry in Canada today, the intent of the federal government was to wrestle from Alberta a much greater influence and control over the supply side of the industry in Canada.

The government of Alberta has directly and indirectly accumulated enormous influence and control over the oil and gas supply industry through directly owning about 85 per cent of these resources in Alberta. Therefore, through lease sales and allocation, drilling incentives, royalty impositions and rebates, equity and debt investment, through the Alberta Energy Company, the Alberta Opportunity Company and the Heritage Savings and Trust Fund, it exercised this influence.

Simply put, the national energy program has one objective and that is the reduction of the Alberta government's dominant and increasing role in Canada's hydrocarbon supply and petro-chemical industries. Such an objective may be temporarily popular in central Canada, but it does have the capacity to evoke grave repercussions in Alberta. We keep asking how far the federal government is prepared to go in centralizing power in Ottawa?

This leads me into seeking answers to my second question; what is the intent and extent of the federal government's national energy program. The national energy program has three main goals, as I see it. The first is an oil and gas pricing regime of ten years' duration which will provide increasing revenues to the federal government basically from provincially owned resources. The second goal is substantive Canadianization and nationalization of the oil and gas industry by effecting a major shift in the ownership and control structure with the following stated goals: (a) at least 50 per cent Canadian ownership of oil and gas production by 1990, (b) Canadian control over several of the larger oil and gas companies and (c) an early increase in the share of the oil and gas sector owned by the federal government—in effect, the nationalization of some of the industry.

The third over-all objective is oil and gas security of supply within the decade basically through conservation, substitution, new conventional and synthetic supplies and assured import and contractual arrangements and renewable energy development. These goals, if co-operatively evolved between the provinces, the federal government and the industry, are desirable to a majority of Canadians, but the proposed methods of implementation and the time-frame for implementation are devastating in their possible effect.

The Prime Minister in a recent news release referred to the goals as energy security, opportunity and fairness. I ask; fairness and opportunity for whom? For the oil and gas industry, for the producing provinces, for the consuming provinces, for the nation in total, and, if so, by what measuring stick? I ask, what analyses were made and whether they were made in regard to equity and fairness or, for that matter, energy security, because those are the goals of the Prime Minister. Would the government table these studies or documents so that we can all view them? The government should allow us to see these documents so we may all share the same analyses and knowledge.

How could one possibly set out a policy of such magnitude without doing analyses of this nature? Yet it seems to me that what is being advocated and attempted here is a national energy policy imposed without prior consultation, without adequate analysis of the impact, without meaningful negotiation and without the most elementary agreement of the partners involved. It did not have to be so. It is a program designed for a period well beyond the mandate of the present government and beyond the mandate of every provincial government in Canada.

Even if agreement were not possible it was essential that such a far-reaching program should have been exposed and discussed thoroughly with all the provinces and the many segments of the industry before being announced and brought forth as an integral part of the budget. I recommend to the Prime Minister and his government in the most humble way that they impose the first year price increases and keep the budget intact, then take the remaining package to all the provinces and the industry for consultation.

I suggest that the government call a first ministers' conference for February with regard to the national energy program during the period, say, 1982 to 1990. The government should immediately reopen discussion with Alberta in preparation for such a conference on the package on the understanding that after the budgetary year all aspects of the program are open for discussion, review, adjustment and negotiation. A national energy program, if discussed and at least partially agreed to at a first ministers' conference by at least a majority of provinces, both producing and consuming, might endure and, indeed, set a meaningful direction for the nation in energy security.

• (2040)

This nation has one of the largest hydrocarbon reserves in the world. It should be a net exporter rather than a major importer of oil; that is, at today's prices. Our import position is shameful in the eyes of the world community. Ours are problems of inadequate politics, faulty management, intemperate greed and sheer stupidity rather than those of reserves or opportunity. It is incumbent on the federal government to renew negotiations with the provinces. So often the success of a difficult direction or a complex policy is a function of the manner and procedures used in the processes of implementation. With power, there must always be present, humility. In weakness there is desperation. Let the federal government act from a position of power and signal its desire to negotiate by carrying an olive branch, rather than a sword. Meaningful negotiations with the province of Alberta and all the producing provinces must be resumed so that the future energy self-sufficiency of this nation can be assured.

The Prime Minister in his news release on October 31, 1980, made the following statement referring to the use of the Petroleum Administration Act.

> We took these steps in the hope and expectation that they would be only a short bridge to the time when new pricing agreements could be signed with the producing provinces, at which point the pricing regulations can be rescinded. We are anxious to reach agreement on this point as the ministers of energy and finance have indicated in the House of Commons.

I am encouraged by the Prime Minister's statement, Mr. Speaker, as I consider that by the term "short bridge" he meant one year would be needed in order to make a national budget possible. The Minister of Energy, Mines and Resources (Mr. Lalonde) in his speech last Friday, November 21, at *Hansard* page 4964 also stated, and I quote:

> —we changed our plans as indicated in the budget; when it was obvious that we could not reach an agreement, we used the powers under the Petroleum Administration Act; and we indicated that as soon as an agreement could be reached, we would be willing and ready to rescind those proclamations in order to work on the basis of an agreement. Preferably this country must work on the basis of an agreement—

This statement supports the Prime Minister's position, but the minister appears to have changed his mind minutes later last Friday; and *Hansard,* at page 4967, reports his answer to a direct question I put to him on the matter. I will not go into his answer now but it is there for all to see, indicating rather strongly that the ten-year pricing regime was here to stay and negotiations were not possible any longer. As I said, his answer to my question does not suggest a climate for negotiation; it

confirms a policy of imposition and to heck what anyone else says.

This House must demand that the Prime Minister make a very definitive statement on this matter, an assurance that the ten-year pricing regime for conventional oil and gas is not fixed, and is subject to renegotiation with the producing provinces and that meaningful negotiations will be undertaken immediately. Is meaningful negotiation possible or has Alberta only one option, that of conserving its resources by cutting supply?

Mr. Speaker, oil in the ground is far more valuable today than money in the bank, and as a result of the federal government's pricing regime, one which imposes a low price increase early and a much more rapid one years ahead, Alberta is simply being forced to do what it is doing.

This brings me to my final question. What is the immediate impact of the national energy program? Many members of this House will be discussing this matter. I will refer in part to the excellent summary by Hugh Anderson in last Saturday's edition of *The Globe And Mail*. The national energy program policy prescriptions have produced the following: First, apoplectic rage among executives of foreign-controlled oil and gas companies whose organizations will be relegated to being second-class corporate citizens under the new rules, and considerable dismay among officials in Canadian-controlled companies resulting in both a curtailment in exploration and a partial exodus of exploration capability to the United States.

Second, a carefully planned and explicitly stated position by the premier of Alberta of the province's intent to start turning down the flow of Alberta oil beginning in March, 1981, if a negotiated agreement cannot be found. In other words, a rescheduling of Alberta's conventional oil production regime to conserve and delay the use of a rapidly declining resource. This is no less than any owner of a resource would be forced to do under a suppressed short-term pricing regime followed by a more generous long-term pricing schedule. Nevertheless, such cutbacks, if effected, would create enormous precedent complications.

Third, serious effects on mid-term and longer-term energy security by further delays in the construction of multibillion dollar oil sands plants in Alberta and a decline in spending on exploration in the Arctic and off the east coast. This really concerns me because the consequences go far beyond the wisdom of present day governments. If such delays persist, historians will look back upon the action of today's leaders as almost treasonable and as against the interests of our children.

Fourth, increased, and in some cases almost feverish discussion of western Canada's unity options within confederation. It is in this area that I want to make some remarks a little later.

Fifth, expressed apprehension and suggestions of protest from our neighbour, the United States of America, where a pro-business administration will soon be entrenched and movement towards world oil pricing is rapid.

My list of reactions to the national energy program continues. We are witnessing, sixth, a very substantive drop in the stock market evaluation of Canadian oil and gas companies, both Canadian and foreign controlled, and an anger on the part of individual Canadian stockholders who have witnessed major re-evaluation of their assets. Seventh, accusations by an increasing number of economists and energy analysts that necessary long term economic policy is being subverted by the political preoccupations of the federal government, and, eighth, a situation in which western firms are undertaking a boycott of materials from eastern companies.

Mr. Speaker, in the time I have left I wish to speak on the mood in western Canada, particularly in Alberta. There is today in Alberta a general anger, a frustration and a disillusionment. It is an anger not directed at Canada, not at the Canadian people, but at the Canadian government.

An hon. Member: Hear, hear!

Mr. Yurko: There is frustration, not at the lack of opportunity, not at the lack of challenge, but with a federal government energy policy that penalizes success, that stifles the initiative and constricts the vision of men and women whose dream is to mould and to build and to embrace a mighty nation in which the individual, the family, the community and enterprise can flourish and reach heights of performance and excellence unequalled anywhere in the world.

An hon. Member: Right on!

Mr. Yurko: It is a pioneering spirit that we have out west. We truly have a dream. On this remarkable formula for success and accomplishment, the federal government is imposing its formula, for essentially a form of *de facto* socialism. There is in Alberta and the west, a disillusionment with the trustworthiness and honesty of governments. For governments say one thing but mean another; governments create expectations then throttle them.

This Albertan and western anger results from a bruised ego and many are lashing out and kicking in the only way they can—against the perceived menace in Ottawa. Some are flirting with the concept of separatism as an outlet for their anger and frustration and as a method of striking back at the hand which seems to have them by the throat. Sprinkled among the many who are angry and frustrated and disillusioned and looking for retaliation, are the few at the forefront of the separatist fringe. These genuine wreckers of confederation are finding a ready audience in Alberta.

● (2050)

I sympathize with the many but condemn the cause of their anger. I also condemn the hysterical few capitalizing from the fever of separatism. I reject categorically their view and their purpose and their concept. I reject those who are fostering the fungus of division and separatism as being unCanadian, as having selfish motives and inflamed egos. Such a movement would only produce hurt and harm in Alberta, for as it grows, and if it grows, it will pit Albertan against Albertan and neighbour against neighbour. Every action will produce an equally forceful reaction. Our ancestors—and I count seven

generations of Albertans in my family—did not sweat and die in poverty so that our generation might fight amongst ourselves with greed over the legacy of the riches they left us. We need a new formula for sharing our riches in Alberta with the rest of Canada and a new formula for representation and influence in Ottawa. But that will come peacefully and politically and with time. The first great step is to patriate our constitution so we can deal in Canada as Canadians with some of the problems that are facing and have faced this nation for many years.

It comes as somewhat of a surprise to me that western premiers, and leaders of opposition, and members of the legislative assemblies and members of Parliament from western Canada have not categorically rejected the embryonic western separatism movement. I trust that in time they all will and I hope they all will. "I am a Canadian", Mr. Diefenbaker was so fond of saying. That is what we are. The final chapter or the inevitable conclusion of such a movement is north-south integration rather than east-west sharing and co-operation. I reject such a movement totally. But it is also necessary to remove some of the fears in western Canada. What are these fears? There is a primary fear, that it is the intent of the Government of Canada to nationalize the resources of this nation, indeed, to go contrary to the fundamental basis of Canada itself as laid down by the Fathers of Confederation. That accusation will intensify—Ottawa and central Canada are determined to nationalize resource ownership and rob the west, particularly Alberta, of its potential and destiny.

We need to show unequivocally in the coming months that Parliament acted in good faith during the patriation process to remove any possibility or intent to nationalize provincial resources. How can this best be done? I submit it can be done by at least two amendments to the proposed resolution for a joint address to Her Majesty the Queen respecting the Constitution of Canada.

The first amendment would be to section 42 so that a referendum would require a majority of the votes cast in each province before acceptance by Parliament as a constitutional amendment.

The second change would be one maintaining the unanimous agreement formula only with respect to changes to provincial assets or property, in particular ownership of lands, resources and provincial boundaries. My own preference would be for the insertion of a whole new section in the proposed resolution overriding all formulae. It would say something like this:

Notwithstanding sections 37, 38, 39, 40, 41 and 42 contained herein, and any sections contained within the BNA Act of 1867 and all subsequent amendments which may have bearing on this section, no existing land and/or resource ownership rights shall be taken from or diminished in any province, nor shall any present provincial boundaries be altered without the expressed consent of the affected province.

What I am saying is that after two years the unanimity formula would be maintained only in one area of concern, namely, in this area of concern. With such a change we could diminish the anger, the frustration and the disillusionment and the fear in western Canada. There is indeed a fear that the federal government, central Canada, is out to nationalize the resources of the rest of the nation. If this government got its constitutional proposal through Parliament and then came before the people with a referendum two or three years from now and put before Canada two formulae, first, the Victoria charter formula and second, some other formula, that would be terribly divisive for this nation. The fears and the intensity would be unlimited because it would come at a time of elections in western Canada and just before an election on a national scale. Therefore, I say to this government that it should take the utmost precaution; it should take the necessary action to guarantee the fundamental rights given to Canadian provinces by the Fathers of Confederation, namely, control and ownership of their lands, resources and boundaries. None of these rights should be taken away or diminished in any way unless by agreement of the province in question.

[*Translation*]

Mr. Rémi Bujold (Bonaventure-Îles-de-la-Madeleine): Mr. Speaker, I hope I will be allowed first of all to join the previous speaker in congratulating the Edmonton Eskimos, but I venture to express the wish that the Alberta government will not rely on the difference in points yesterday to try to obtain fair oil prices from the federal government.

Mr. Speaker, I am pleased to take part in this debate this evening, not only because The National Energy Program tabled on October 28 last was up to the challenge of the eighties, but also because the present government had decided to act, well aware that the time had come to do so.

In the past few weeks and months, I was in a position to note in the various parliamentary committees and in the House and, more especially, in my constituency of Bonaventure-Îles-de-la-Madeleine, to what extent the energy problem has developed. Therefore, on October 29 last, a first step was taken with the tabling of The National Energy Program. The principles of that policy have been explained at length, but I would like to take this opportunity to recall its main themes; first, security of supply, and ultimately, energy self-sufficiency in Canada; second, the possibility for Canadians to play an increasing role in energy industries, especially oil and natural gas industries; and third, fair prices and revenue sharing among governments and industry.

The last budget also stated the basic energy policy under which the federal government would be induced to set the prices of gas and oil. The government was hoping no doubt to get the agreement of all provinces in that respect. However, as our colleague, the Minister of Energy, Mines and Resources (Mr. Lalonde) pointed out so well last Friday, after many negotiations during which even the former government was unable to get the consent of all provinces, such consent was not given.

● (2100)

My distinguished colleague opposite claims they did reach an agreement, but we never saw it. It was never tabled in the

House and they never spoke of it. So, Mr. Speaker, as so aptly pointed out last Friday, this government made every effort and keeps trying to negotiate with the provinces with a view to reaching an agreement. If my kind colleague opposite would also give us the possibility of saying what we think about the energy policy, he would have the opportunity—which I believe he has already had—to express his own ideas on the matter. So, as I was saying, Mr. Speaker, we are still in favour of getting the agreement of the provinces; we hope and trust we will get it. Although we may be discussing at this time in the House the proclamation we tabled, if we manage, as we hope, to reach an agreement with the provinces, we will gladly withdraw the proclamation.

However, Mr. Speaker, the Canadian people have realized to what extent friction between the federal government and the producing provinces might have set back deadlines that were already overextended. Also, the present government can always be criticized for its decisions but at least they were a step forward as opposed to the determination with which some provinces defend regional interests.

I think that Alberta has clearly demonstrated to us, by defending so eagerly the regional points of view, that joint efforts aimed at achieving objectives that would satisfy all Canadians were the least of their concerns. In the face of ultimatums such as Alberta's threat to oil supply, no federal government can apply a coherent energy policy. The provinces have shown us, Mr. Speaker, that the political climate in Canada is no better and no worse than in other countries, but that joint action remains an essential step in achieving agreements in these times where the economy is the main concern of all Canadians in all parts of the country. Such joint action is still possible, I think, as long as energy-producing provinces as well as the consuming provinces remember that the national interest is paramount. Finally, the federal government must keep in mind that now more than ever each and every Canadian is affected by this national policy.

Mr. Speaker, the energy challenge of the eighties will at least have the advantage of calling on the intelligence of man, just as many thousands of years ago when man had to find ingenious ways of dominating the forces of nature. In our present day society, energy supplies and their accessibility with regard to price are one of the chief concerns of all industrialized nations. Since the 1973 energy crisis, OPEC has managed to gain control of the situation on three main levels: price control, the control of production levels as well as the control of oil distribution systems. In turn, oil companies did not hesitate to pass on the energy bill to the consumer. Countries with adanced technology were great sources of income to the extent that their deficits increased in no time.

Whereas the Organization of Petroleum Exporting Countries showed current account surpluses of some $60 billion in 1969, all the other OECD countries experienced huge deficits which varied according to whether they had enough natural resources to meet their needs, provided those resources were endless. In the middle of the seventies, industrialized countries felt the need to join together in order to fight the measures which increasingly threatened their economic security. The International Energy Agency, which was created in 1974 following the embargo on Arab oil, made rather gloomy forecasts regarding world oil supply and demand. At that time, they figured out that in 1979 there was a surplus of 1.2 million barrels between the world oil demand and supply.

For 1985, the projected figures showed a deficit of 2.1 million barrels that would reach 5 or 7 million barrels by 1990. In view of these rather disquieting figures, the seven industrialized nations meeting in Venice in June of this year came up with the following resolution and I quote:

"We must turn to energy resources other than oil to meet energy needs made necessary by future economic growth. This will require immediate, steadfast and long-ranging actions."

One can see that several of the measures suggested then have found their way into the new energy policy. In addition to that, the seven industrialized nations expressed their concern for the impact of the increases in the price of oil on oil importing developing countries. The oil expenditures of these countries were then assessed at around $50 billion. If this tendency is maintained, these countries will be forced to go deeper into debt thereby jeopardizing their future growth and social progress. This incidentally is one of the concerns of the participating nations in the North-South dialogue. Next August, there will be a new meeting of the seven industrialized nations here in Ottawa and their representatives will again deal with this thorny issue.

As for Canada's oil costs, the situation is not so disastrous. However, the proposed policies are most welcome. Indeed, the *Montreal Business Review* indicates that the $15.5 billion cost and the nine billion grants over the next five years are enough to make the most optimistic economists shudder. Of course, the solution proposed by the federal government will not eliminate overnight the need to import 425,000 barrels of oil a day or 25 per cent of the Canadian consumption. But our energy policy will allow us to reduce our projected dependency which would have climbed to 600,000 barrels a day by the mid-eighties. We should remember that Canada is endowed with enormous resources, human as well as natural, and the challenge presented by the greater use of renewable energies will lead to numerous opportunities.

Mr. Speaker, this government has stated its intention to continue to work toward energy self-sufficiency which is dependent upon the use of alternative oil-replacement forms of energy. For this purpose, a special committee of the House was established some time ago, with terms of reference which include seeking the opinion of the Canadian people on these matters. It seems to me that the committee, which considers alternative energy sources to replace oil is doing a tremendous

job, as it calls on human intelligence and the spirit of co-operation which I mentioned earlier.

We already know that the national energy program will include additional incentives for the commercial use of various alternatives through both the comprehensive conversion program and special, new or extended programs. It will also provide more financial help for research and development and demonstration projects.

While the Canadian government was involved in developing energy alternatives long before 1980, it should be kept in mind that the concerns resulting from the energy crisis, the sustained efforts of researchers and ecological considerations have certainly contributed to make the people aware of the scarcity of energy resources. As a matter of fact, this phenomenon was heightened, as I mentioned earlier, by the brutal realization of the impact of world oil price increases on the development of western economies, including even those of developing countries. As for the federal renewable energy programs, it was in July, 1978, that the government of the time announced the implementation of a series of renewable energy programs between 1979 and 1985. These programs will cost $380 million.

I should remind the House that this initiative was to be the major component of the program related to research and innovation, the creation of a Canadian solar heating industry, a federal-provincial program of technological demonstrations and a greater use of biomass energy. At the time, the government was convinced that there were very valid reasons to promote the development of renewable energy. Today, through its national energy policy, the government is showing the consistency of its decisions. In this regard, when the budget was brought down and the national policy was outlined, the Minister of Energy, Mines and Resources and the government were happy to announce the creation of a Canadian corporation, Enertech Canada, which would restrict its activity to the field of renewable energy and conversion from oil. A starting capital of $20 million has already been provided for this Crown corporation. Its activities will be centred on support for commercial production, renewable energy and conservation methods.

● (2110)

Mr. Speaker, time is not available to explain the complete breakdown of the $380 million I referred to. Let us keep in mind, however, that of that amount, $104 million was earmarked for helping financially the projects approved under the renewable energy program and the forest industry until 1985. Moreover, projects that have been approved for a number of regions should allow to identify renewable energy and fossil fuel resources equivalent to three million barrels of oil a year.

The private sector also contributes, which means that $105 million will be invested in that area, and some sources indicate this is only a beginning. Other programs continue as well, such as the federal-provincial demonstration program aimed at illustrating newly developed technologies in the areas of renewable energy and energy conservation, biomass incentive programs and solar energy programs. In addition to demonstrations announced under the federal-provincial program, the National Research Council also maintains an important program of wind energy research and development. Mr. Speaker, Canadians can be proud of the National Research Council, an institution that has been far too long ignored by the public. Although it is bound by financial restrictions like any other department, it nevertheless kept on fulfilling its research and development mandate.

In fact, the council's role suffered two drawbacks. First, the public were more or less interested in and aware of its achievements, or people simply preferred to ignore the work done by hundreds of scientists across Canada, when they did not simply view them as dreamers. Without exaggeration, I can say that only people in the scientific world and in industry were aware of the achievement of the National Research Council of Canada. Yet, unbeknown to us, the technological quality of our means of production was made possible by the many achievements in the field of applied research. Those achievements will have allowed our companies to benefit from the results obtained in various and vital fields of scientific and industrial research and information.

It must be noted, however, that with the oil crisis, the intelligence and the creativity of all Canadians are utilized. The rational use of energy, the conservation of our resources, the protection of the environment depend essentially on the consumer's concern with preserving his own life and that of future generations. More specifically, with regard to renewable energies, the National Research Council assesses the Canadian situation in these terms, and I quote:

> Over 10 per cent of energy supplies in Canada today come from renewable sources of energy, the main ones being hydroelectricity and forest waste products.

The council finds, and rightly so, that the high cost of investments in conversion equipment slows down a greater use of renewable energies. Still, the rate of international events which jeopardize traditional supplies of energy may well result in changing the situation drastically. As they gain in maturity, renewable energies will gradually break down the barriers, psychological and economic, and open up vistas never envisioned previously. For the consumer, the ultimate objective boils down to restoring the balance between his demand and his capacity to pay.

Of all renewable energies, which as we know constitute a mere 10 per cent of energy supplies in Canada, wind energy is the one on which I should like to dwell for a few moments as one offering promising possibilities. According to the National Research Council of Canada, the contribution of renewable sources of energy will double in the next 20 years. To that end, Canadians will concentrate their efforts on the development of

technology, techniques and equipment which will be economically advantageous and make it possible to reach these goals. As for wind energy the federal government pours $1.5 million each year into research and development. The research deals primarily with the development of generators operated by vertical axle windmills producing several megawatts of electricity and linked to existing transmission networks. Similarly experiments are being conducted with hydro companies in order to collect data on the energetic output of more complex equipment. These experiments are conducted in remote areas of Canada and in foreign countries. The question that arises as far as the energy of the wind is concerned could be put this way: could wind be profitably used as an additional source of energy in remote areas with little exposure?

It was precisely to answer that question that the experimental windpower station in my riding of Bonaventure-Iles-de-la-Madeleine was built in July, 1978. We learned a lot from the experiment, and after an accident had caused the project to stall, work was resumed with renewed enthusiasm. Today wind energy is working and we have already reached the stage where results are being compiled.

The building cost of this windpower station is estimated at a quarter-million dollars. Although still at the experimental stage such a station could produce between 130 and 250 kilowatts and supply 115 households, with an average family consumption of two kilowatts.

In addition, prospects are encouraging if one considers that the Magdalen Islands are an ideal spot as winds are extremely strong there almost all year round.

We know also that other similar projects are considered. A site has not been selected as yet for the building of another windmill. However, the location on the Islands has a disadvantage with regard to the transportation of materials, for instance. Everyone knows, Mr. Speaker, that it costs about 25 per cent more to build any structure on the Magdalen Islands. So the same thing will happen with the construction of a windmill. Outside Canada, experimental projects permit us to foresee the future of wind energy with confidence. For instance, the results achieved with the large windmill built in North Carolina have shown that with two megawatts of power between 300 and 400 homes could be supplied with electricity. That windmill is located 1280 metres high up in the Appalachian Mountains.

Besides, the U.S. department of energy has selected a windy location in the Columbia Valley where as early as 1980, this year, three giant windmills will be erected with a potential of two and a half megawatts each, capable of providing power for about 3,000 homes.

So the contribution of the universities is essential to some projects such as those carried out in Massachusetts and in Thailand where a construction project was carried out with locally available materials. Finally, further information leads us to believe that windmills generating 50 kilowatts of the same type as the one built on the Magdalen Islands will be connected to the Newfoundland and Saskatchewan power grid. The problem experienced in the Magdalen Islands as well as everywhere else is essentially due to wind irregularity which requires the storage of energy, which is a very expensive proposition.

The production costs have been assessed in the Islands. The data available suggest that the fuel savings make the use of wind energy probably the most economical solution, since it is less expensive to produce one kilowatt hour by this method than to produce the same amount of electricity with oil. The data have hardly been collected and they are already thinking about increasing the output through larger facilities. It is planned, for example, to set up in Quebec in 1983 an $18 million machine capable of supplying electricity to 600 or 700 households. We all know that the sky is the limit in this area. It is to be hoped that governments, through budgetary incentives for instance, will give high priority to ongoing projects and to the building of new facilities so as to promote the tapping of wind-generated energy.

Mr. Speaker, when speaking a moment ago about the producing provinces, I touched upon the matter of federal-provincial relations within the context of the national energy policy. I already said as well that consultation was an essential condition to the implementation of this program. But what is true for Alberta is also true for Quebec.

As concerns the province of Quebec in particular, priorities in energy matters for the next ten years have been clearly defined in the premier's inaugural speech. Essentially, Quebec is planning to invest about $55 billion in the Quebec Hydro development program, especially in the harnessing of secondary rivers. Then, the province will launch an operation to replace oil as an energy source through the development of natural gas. In that last instance, the federal contribution and that of the producing provinces will have to be planned so as to allow true consultation. That is why our government has already approved the extension of a natural gas pipeline from Montreal to Quebec City. In addition, it is hoped that the gas pipeline will be extended to the maritimes, so as to cover the eastern part of Quebec. Also, discussions are proceeding on the route of the natural gas pipeline.

Then, Quebec should place itself above political bickering for the well-being of all its citizens. Until now, the minister of energy for Quebec has expressed some reservation about the program to convert from oil to other energy sources. However, he opened the door to a greater co-ordination of programs particularly the one aimed at promoting the use of natural gas. However, as it goes with any major project, it must be well understood that time will be the determining factor in order for public funds to be used for the well-being, the security and the availability of natural resources for the benefit of each Canadian consumer. And as was observed recently by our

colleague and Minister of Energy, Mines and Resources, it is a tremendous and difficult challenge.

Mr. Speaker, the big difference between the world of scientists and the world of consumers is assuredly their concept of the future. As far as they are concerned, governments should get involved in both these areas. And especially since World War II, the role of the government has greatly expanded to such an extent that there has been a renewal of the schools of thought in favour of economic liberalism.

Today, people have clearly expressed their desire to see governments let go of their hold on the individual. However, it will be noted that the wind did not blow as hard as expected by the previous government who tried to initiate a so-called energy policy. Its policy was based, indeed, on an overbearing will which paid little attention to the taxpayers: the dismantling of Petro-Canada, accelerated increases in oil prices, etc.

Mr. Speaker, from this statement it appears that the government's intentions cannot escape from the international realities. As in many other industrialized countries, Canadians have had to learn to live with inflation. This means, among other things, that we accept, whether we like it or not, doing business using a currency which fluctuates according to the circumstances. This also means that we will have to put up with the inconvenience of skyrocketing prices. In other words, we pay more to get less. Concepts like the scarcity of goods and the net loss of buying power will have resulted in the weakening of what was called the American way of life. But at some time or other Canadians experienced periods when it was difficult to obtain the bare necessities.

The rationing system implemented during World War II is one of the factors which restricted our freedom to consume. But seldom will Canadians be as concerned with regard to their future as have been industrialized countries as a whole. Mass consumption is about to yield to a new way of life or, even better, to a *modus vivendi* which will require a greater choice and a better selection to meet our aspirations and our needs. It has almost become unsafe to speak of economic recovery as a direct result of successive events at the international level.

Recently, OECD reports suggested careful optimism for the years to come. Unemployment rates will reach unprecedented levels affecting about 20 million people of all ages and all walks of life. More recently, the United Nations warned us about the food supplies of some countries: The outlook for world supplies and the security of food in 1981 is so bad that there is an over-all emergency situation. It points to the situation in Africa, for example, as being quite alarming in view of the fact that grain imports in 1979-1980 increased by 21 million tons or 19 per cent over the preceding season. On top of this there was a deterioration of the political climate in several areas of the world.

Mr. Speaker, we cannot possibly think that some miraculous system could remedy all these problems. For several years we praised the merits of so-called planned economies but even those have felt the ill-effects of the oil crisis. Leaders of communist countries, for example, quickly realized that their production of goods and services fell behind the levels anticipated or planned for the short or long term. That is why, as the Economic Council of Canada noted in its fourth annual report, objectives will have to be balanced if we want to achieve sustained economic growth. The key to success, therefore, lies in the choices to be made and must be aimed at the well-being of all Canadians. Future efforts toward a greater use of renewable energy present a major challenge which will be beneficial to this and future generations. Mr. Speaker, now is the time to act. The government, with this national energy policy, calls upon all Canadians to participate asking them to act sensibly and with good spirit in the use of our country's energy potential.

• (2120)

[*English*]

Mr. Jack Shields (Athabasca): Mr. Speaker, I should like to refer to an article which appeared in the November 22 edition of the *Financial Post*. It reads as follows:

> The New York investment banker who floats multibillion-dollar issues for a gaggle of Canadian governments (and for that reason, who chooses anonymity) is puzzled.
>
> "I can't get this straight," he says over the phone. "Your government says it wants self-sufficiency in oil. It wants to encourage Canadian companies. So it brings in a policy that results in Canadian companies coming down here to help the U.S., while the U.S. subsidiaries left up there cut back their Canadian exploration budgets. Does this make sense to you?"

No, Mr. Speaker. Sections 35 and 36 of the Petroleum Administration Act allow the government to unilaterally impose prices if no agreement is reached with the producing provinces. It begs the question: why was the government unable to reach an agreement with Alberta?

The Minister of Energy, Mines and Resources (Mr. Lalonde) would have us believe that he walked miles and miles to reach an agreement. That is a total sham, it was a show staged for the media and for the public. He made lots of mileage out of it, but he did not even come close to an agreement, nor would it appear that he had any intention of doing so.

The minister of energy for Alberta outlined the meetings he had with the federal Minister of Energy, Mines and Resources. May 13 was a "get-together" meeting; they had coffee, they discussed the weather. On June 18 one proposal was discussed, the one which is essentially in the energy package today. When it was not accepted by the Alberta government on June 18, the minister asked the provincial energy minister to remain until June 19. He said he would take it back to his colleagues. The indications were that he came back on June 19, at which time he offered an absolutely ridiculous proposal which was worse than the first, knowing full well that it would not be approved. It would appear he

wanted to keep up the appearance of negotiations, so that people would think they were still negotiating.

After meeting with Mr. Lougheed in July, the Prime Minister (Mr. Trudeau) stated that Alberta had made a very generous offer to the rest of Canada, but he announced that there was no agreement. I suggest that the government never intended to reach an agreement with Alberta, that it had set the goal of nationalization of the oil industry, that it was prepared to go full steam ahead, and damn the consequences. The government is prepared to challenge any provincial government for jurisdiction unilaterally if that province appears to be breaking its economic dependence on the central government. It is the aim of the present government to remain in power at all cost, and, of course, that is "by Goldfarb". If this were not the case, we would not be debating the imposition of sections 35 and 36 of the Petroleum Administration Act. Such an act should only be used when all else fails. Every possible avenue must be explored before these sections are imposed. They should never be used to club a provincial government into submission. What will the imposition of these sections of the act do? First, it will provide cannon shells to an increasingly militant group in western Canada, particularly in Alberta. If I mention this only briefly, it is not because it is unimportant. Responsible men and women are saying, "Let's get out of this mess." Nothing is more dangerous to our country today than the attitude which is starting to fester in western Canada.

The minister would have us believe that the imposition of this act may be rescinded at any time, if an agreement is reached with the provinces. I refer you, Mr. Speaker, to the debates of November 21 and I would like to quote from page 4964 of *Hansard* for that date in which the Minister of Energy, Mines and Resources is reported as saying:

> —we indicated that as soon as an agreement could be reached, we would be willing and ready to rescind those proclamations in order to work on the basis of an agreement.

● (2130)

I also refer you to page 4967 of the same date on which the minister said:

> It was to ensure a certain degree of certainty and clarification as to the government's policy that it was decided to put forward this long-term plan. We have indicated that this is a ten-year program.

Further down the page he says:

> We have put forward a pricing regime which we think will be fair for the industry over the next ten years and for the various regions of the country.

I suggest that if the Minister of Energy, Mines and Resources is ready to enter into negotiations with the province of Alberta those statements are contradictory. In no way has he created a climate for proper negotiations. I do not suspect for one moment that the government is willing or ready to change its position on the energy policy budget brought down on black Tuesday. I suggest it will continue in exactly the way it is going—no negotiation whatsoever that will bear fruit. What has happened? No agreement and no oil sands plants.

Let me focus on the oil sands and tar sands. I know there has been a lot of fall-out because of the energy program, the budget and no agreement. Let me focus on those factors. There is Cold Lake, which is the Imperial Oil project worth $8 billion. There is private capital waiting to be invested in northeastern Alberta for the benefit of all Canada. There is Alsands in Fort McMurray, another $8 billion of private capital ready to be invested in northeastern Alberta for the benefit of all Canada.

What is the benefit of one plant? Let us deal with them one at a time, looking at Alsands first. Alsands will produce 137,000 to 140,000 barrels per day. It can start up production in 1988. It was to be 1987 but it has now been delayed one year. It will operate like a factory for a term of 25 years producing 140,000 barrels per day every day. The total capital investment will be $8 billion to $9 billion, creating 8,000 jobs during construction. Over 80 per cent of the material and equipment will be purchased in Canada. This will reduce oil imports and will improve the balance of payments by $40 billion over the life of the project. That figure is in 1980 dollars. The economic benefits to Canada as a whole have been estimated at $100 billion. That, too, is in 1980 dollars. The benefit to Alberta will amount to $66 billion. Ontario, as a centre of Canadian manufacturing, will benefit from secure oil supply and increased demand for equipment and materials, both during construction and operation. Of course, it will reduce unemployment.

What are some of the requirements? They are: major equipment; columns and vessels, $109 million; tanks, $31 million; exchangers, $73 million; fired heaters, $70 million; pumps and drivers, $44 million; compressors and drivers, $41 million; extraction equipment, $109 million; mining and material handling equipment, $496 million; boilers and steam turbines, $31 million; instruments, $67 million; piping, $233 million; structural steel, $52 million; insulation, $29 million; electrical, $173 million. The list goes on and on.

Who will benefit from the purchase of this equipment? Central Canada. It is the lifeblood of the manufacturing industry. It creates jobs.

Look at the Esso project at Cold Lake which commenced in 1963, 17 years ago, at a total construction cost of $9 billion. We hear consistently from our NDP friends: Let Petro-Canada do it. Questioned in the Standing Committee on Natural Resources, Petro-Canada indicated it would be ten years before they would be ready to proceed even with the first stages of a heavy oil or tar sands plant. The Esso project is the first of its kind anywhere in the world. It is a joint research project. The private venture capital of $8 billion, Mr. Speaker, is waiting to be invested to prove technology. On completion the plant will produce 140,000 barrels per day. It will contribute $2 billion plus a year to our balance of payments. Again, this project has a life of 25 years. The total crude to be produced is expected to be 1.3 billion barrels. In its peak construction period it will employ 10,000 people. The plant will employ 2,000 to 3,000 people when it is built. Indirectly, it will produce jobs for 6,500 people. It does not stop there. The Esso Cold Lake plant will cost $9 billion to construct. Related facilities will cost another $1 billion. The infrastructure will

cost another $1 billion. The investment on a continuing basis will be $20 billion. Operating expenses over 25 years will be $60 billion. That represents a total expenditure of $90 billion with a normal multiplier of $250 billion to $300 billion in the economy of Canada.

• (2140)

The stupidity and vindictiveness of this government never ceases to amaze me. Our entire energy future is being jeopardized by confrontation politics, all because the Minister of Energy, Mines and Resources (Mr. Lalonde), with a preconceived idea, will not sit down and negotiate in good faith with the province of Alberta. Ted Byfield said in the Alberta report of November 7, 1980, that this was a calamitous year. The article took me back to last November and the time when the final touches were being put on an oil agreement between the then Conservative government of Canada and the government of the province of Alberta.

Had that agreement been allowed to stand, he said, consider what the situation would have been today. The Cold Lake and Alsands plants would have gone forward at full throttle, exploration would have been proceeding on the whole northern and eastern rim of this continent, the pipeline construction would have been under way as would the exploration of the further reaches of the deep basin which holds such promise. Mr. Byfield felt that oil rig operators would have been desperate for men. Investment capital reaching across the whole west would have been opening new jobs and new opportunities. Billions of dollars in equipment orders would have been streaming forth to central Canadian plants and our provinces would have been working hand in hand with the federal government toward a goal which everyone would have clearly understood, oil self-sufficiency by 1990. All that could have been.

I submit that the most important factor to be considered in Canada today is an insecure energy supply and, therefore, the necessity of the Minister of Energy, Mines and Resources to meet with his counterpart in Alberta to hammer out an agreement. The government is jeopardizing the future of all Canada by failing to sit down and work out that agreement.

I would like to present a few points for the government to consider. Canada is a net importer of costly, insecure oil—about 350,000 barrels a day. These imports contribute to an adverse balance of payments. Conventional reserves are declining rapidly. Canada has reserves of hydrocarbons in the tar sands and heavy oil deposits to last for centuries. It is a known and reliable resource and the technology is available to develop it. There is some risk involved but the technology is there.

Current costs for a major tar sands project of 140,000 barrels a day would amount to about $8 billion or $9 billion. What is the problem? Why is the government not developing this vast resource? There is an absence of a dependable ongoing policy on pricing, royalties and taxation to give industry the confidence required to proceed with the development of the resource; I need only refer hon. members to the Suncor problem.

What does the future offer? The balance of payments position will worsen as imports are increased. Imports in 1978 cost Canada $1.8 billion. On the basis of a price estimate at $240 a barrel by the year 2000, we could still be importing 500,000 barrels of oil per day at a cost of $44 billion per year. That is staggering. The security of our supply situation is not likely to improve. We must develop an acceptable policy on pricing, royalties and taxation and a realistic, well-planned program for optimum utilization of all Canada's energy resources. Such a program would provide an opportunity to turn the economy around by reducing imports and even to begin exporting in the future.

In order to provide materials and services for these huge megaprojects, the government should develop programs to gear up all of Canada. It must recreate an atmosphere of co-operation rather than confrontation. The technology and equipment of the tar sands and heavy oil industry could be exported to other parts of the world. Oil companies do not want to get involved in politics, but rather, want all levels of government to provide a good business climate in which to operate.

To Canadianize the industry would require a long-term, realistic plan to cope with the ownership problem. It would require a reasonable rate of return higher than the accepted utility rate of return because the risk is greater. There are many advantages to such a program. There would be self-sufficiency and security of supply so we could all sleep at night. It would reduce our adverse balance of payments position and strengthen the Canadian dollar; it would improve the over-all economic situation of Canada. We could possibly find ourselves in a position to export oil if such steps were taken. These proposals would create many employment opportunities for our children and their grandchildren. No longer would they be leaving university, trade schools and colleges not knowing whether they will have a job or not; our economy will be healthy and able to absorb these graduates.

Mr. Speaker, we are on the verge of creating a technological expertise which, one day, will be needed all over the world. The technology we have gained in the heavy oil and tar sands industry is saleable to other countries. We could help to create a more unified Canada and believe me, Mr. Speaker, that is the main objective. Thank you.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Herb Breau (Gloucester): Mr. Speaker, I am pleased to take part in this debate tonight, in the few minutes that are left, to speak of the proclamation under the Petroleum Administration Act, which opposition members ask to be revoked because in their view the federal government should not unilaterally have set prices. I can understand that members of the Progressive Conservative Party should take that position but I have difficulty understanding why the New Democrats say that we should not have acted unilaterally when, after six months of fruitless discussions the two parties

have been unable to reach an agreement. I find that strange coming from a party which has always said that the federal government should have greater control over the economy since, according to the basic philosophy of the CCF, that was the way to achieve socialism in Canada.

If it is opposed to the federal government's unilateral move in setting prices, the NDP should at least not try to make believe that it does so out of respect for Alberta's and B.C.'s position. It wants to play both sides at once and still be loyal and faithful to the position it took in the past and in recent years, since it would probably have imposed a much more rigid price than the one set by the present government.

Mr. Speaker, when we hear people say that the federal government has been too harsh on Alberta, we should consider a few facts. First, for about five years the federal government's share of oil revenues was about 10 per cent, whereas the producing provinces' share was a little more than 45 per cent and the industry's a little less than 45 per cent. In his budget of October 28, the Minister of Finance (Mr. MacEachen) proposed some changes. Instead of being shared 45, 45, 10, revenues would be split 43 per cent for producing provinces, 33 per cent for industry and about 24 per cent for the federal government. In other words, the budget reduced by only 2 per cent the producing provinces' share, while increasing the federal government's share by 14 per cent to 24 per cent. It is therefore not Alberta, British Columbia or Saskatchewan which lose a great deal, but industry. The industry's share goes from 45 per cent down to 33 per cent. It is quite strange to see the NDP oppose such a change. On the other hand it is easy to understand that the Tories should be against it, as they have always claimed that it was bad for government, whether federal or provincial, to get too involved in the nation's business.

Let us consider whether the federal government's position is really ungenerous. During the coming four years, Alberta would receive $31 billion from the oil industry, Saskatchewan $3.2 billion and British Columbia $3.6 billion. Mr. Speaker, the situation is quite simple. We have to ask ourselves now whether our central government will be looking after the interests of all Canadians. Such is the question that has to be asked, because we know that energy is the most important asset for the future development of our society.

We will have to invest in Canada over $250 billion for energy purposes during the next ten years. This means that from now on our economy will be energy oriented. If we want a government that looks after the interests of all Canadians, how will such a government wield the necessary power if it has no money? How will a government which is supposed to look after the interests of all Canadians be able to do so, that is, conduct future energy development, protect the poor after steep price increases, give areas of the country deprived of natural gas and oil other forms of energy and bring together the productive regions of the country and those which do not have any.

But how can it be done unless the federal treasury has money in its coffers? I would like people and the Progressive Conservative Party to explain to me how they would have the federal government take care of Canadian interests without money. To hear them, they would like Alberta and the producing provinces to continue receiving an important share, as well as the others. For our part, we want to leave them 43 per cent. What is it they do not like? Is it the fact that the share of the industry will be reduced from 45 per cent to 33 per cent? Are they willing to allow the companies to develop and operate freely, as they see fit, simply by reaching agreements with the producing provinces?

Mr. Speaker, I doubt that it can be done. Later on in my speech which I shall bring to an end tomorrow, I shall explain why it is important, even outside the energy question, to protect the federal treasury. I had an analysis made of the difference between the expenditures of the federal government in the last five years and those incurred by the provincial governments. I also had one made of the percentage of the federal budget that is used to finance the debt compared to those of the provinces. And I shall demonstrate, later on in my speech, how close we are getting to having a federal government which, compared with its provincial counterparts, will be unable to look after the interests of all Canadians. Who will then take care of those interests? The ten provincial governments in a common effort? A community of communities? How amusing to remember how the Leader of the Progressive Conservative Party, who was prime minister for nine months, started in that office saying that we are a community of communities. But just before the last election, he had to admit in a speech given in Alberta that he understood why it is important to maintain a strong central government, which means that in the fields of energy and taxes, the federal government should have a greater share of the revenues.

So, that was sheer hypocrisy on the part of the Conservatives to change their minds today, now that they are in the opposition and want to make political hay out of the fact that some people out west are not happy with the government's energy policy and to say that the government is hogging it. Their leader realized, Mr. Speaker, when he was prime minister, even if it was for only nine months, that it is important to have a federal government with full coffers and not just debts. I see it is ten o'clock, Mr. Speaker. I shall continue tomorrow.

• (2200)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

ENERGY—REPORTED ESTABLISHMENT OF WESTERN ENERGY DEVELOPMENT FUND

Mr. Thomas Siddon (Richmond-South Delta): Mr. Speaker, on October 16 as recorded at page 3720 of *Hansard* I addressed specific questions to the Minister of Energy, Mines and Resources (Mr. Lalonde) and the Minister of Finance (Mr. MacEachen) relating to speculation that the government's budget would contain reference to something called the western development fund and a natural gas export tax.

In fact, it was the leader of the government in the Senate who announced in mid-September that such a development fund would indeed be part of the budget, only to have that announcement denied by the Prime Minister (Mr. Trudeau) a few days later. I felt at the time that my questions were pertinent. The second question which dealt with the natural gas export tax has also proven to be most pertinent. In fact, over 32,000 residents in British Columbia in the four-week period between the middle of September and the middle of October signed petitions opposing the implementation of any form of federal tax on the natural gas resources of British Columbia which would be exported from that province.

The reason I asked the two questions of these ministers was to determine the extent to which the Liberal party was prepared to honour its commitment made clearly and unequivocally to the people of British Columbia during the last election campaign. During that campaign they stated there would not be any form of natural gas tax levied on the export of natural gas; there was a suggestion, at least, that the federal government did not have its eyes on provincial resources for the purpose of raising federal revenues, a suggestion which has proven to be completely untrue. We have seen with the passage of the October 28 budget that both the natural gas export tax and the western development fund have come to pass. I suppose we ought to be grateful for the token western development fund which was thrown into the budget—I might say it was a $2 million slap in the face to British Columbians, because in the period during which that western development fund would return $2 billion in resource revenues to the western provinces, this same federal government will expropriate over $14 billion worth of revenue which it will raise by levying various forms of taxation against the production of those natural resources which, to this date, belong to the western provinces. If the western provinces have their way, these natural resources will belong to those provinces for a long time to come.

The budget includes a petroleum compensation charge, a natural gas tax and an 8 per cent federal tax on net revenues from the production of gas and oil as well as a Canadian ownership tax. This myriad of taxes so craftily and sneakily incorporated into the budget add up to a tax levy on the people of western Canada amounting to at least $14 billion between now and the end of 1984, in other words, over the next three fiscal years.

The thrust of my question to the Minister of Energy, Mines and Resources was to determine whether he had any conscience about promising that the government would give back a pitiful $2 billion while craftily extracting $14 billion out of the pockets of western Canadian producers, provincial treasuries and indeed the consumers of western Canada, Ontario, and Quebec, all of whom will be hit hard by these unconscionable taxes which the federal government is imposing. The natural gas tax will have a significant impact on British Columbia where revenues totalled $320 million to the provincial treasury in the last fiscal year through the medium of the British Columbia Petroleum Corporation.

The federal government, under the proposals of the present budget, will expropriate or take $200 million of this revenue each year when we reach the schedule of 60 cents per thousand cubic feet levied, as well as the 8 per cent federal tax on natural gas. This amounts to $200 million per year taken out of British Columbia to contribute to this so-called concept of sharing, which I will come to in a moment. That $200 million will be distributed between all consumers of natural gas in British Columbia, not only industry but home owners who heat their homes with natural gas. Another $100 million will be taken from the producers, but ultimately from the treasury of British Columbia, in lieu of exports of natural gas from B.C. which will be subject to this tax. The consequence to the consumer is a $40 increase in the home heating bill this winter and a doubling of the surcharge next year. That will place an unfair and undue discriminatory burden upon the people of my province and those in western Canada generally.

• (2205)

I want to say a word about the concept of sharing. We in the western part of this country are sick and tired of the Liberal myth which suggests that somehow we are selfish. That is absolutely untrue. It is a political myth which the party opposite perpetuates most dishonestly. The western concept of sharing is that we want to share our resources, and sharing is an outward gesture which involves generosity and mutual consent. That is quite contrary to the Trudeau concept of sharing, which amounts to unilateral confiscation of western resources, the resources of the people of the provinces as granted to them under the British North America Act.

The federal government will not account for the net costs to some of the provinces of the confiscation of those resources. It is atrocious that government members can sit in their places and show no sense of conscience about this issue or the right of resource ownership to which all provinces have been entitled since the time they joined confederation.

Mr. Roy MacLaren (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, in response to

the hon. member's comments, I could spend a moment or two on the question of the application of various taxes he has cited. He seemed to think they had a regional impact of a grossly disproportionate character. If he wanted, for example, to take the case he cited of the natural gas tax, he would find that the major burden of that tax would fall on the people of Ontario. About 44 per cent of the revenue from the application of that tax will be raised in Ontario.

However, in the few moments I have available, I think it would be better to address ourselves to some more positive elements and to note that, along with a variety of other new energy expenditures and initiatives, the national energy program announced the establishment of the western development fund. This special ten-year, $4 billion fund has been set up to finance a series of economic development initiatives to be chosen jointly by both the federal government and the individual governments of the four western provinces.

The federal government will not make any unilateral decisions relative to the disposition of these funds. The western provinces will be genuine partners in any decision to be made on where and how allotted funds will be spent.

While I do not propose to make judgments on where this money will be spent, I would anticipate that much of this funding will be used for infrastructure improvements in the west, especially in transport, for industrial development and diversification, for agricultural programs and for water resource development which will be required for the tar sands and hydro projects.

The Government of Canada will also examine, as a matter of priority, how its trade policies could be strengthened or modified to encourage diversified growth of western Canada's economy.

The federal government is most interested in assisting western Canada in diversifying its economic base which has been traditionally dependent on non-renewable resources. The national energy program has outlined the government's desire not to see more oil-based petrochemical capacity in eastern Canada. This means that the concentration of future growth within this industry will take place in western Canada, notably in Alberta. The federal government promises to support fully this trend of western diversification.

● (2210)

The benefits to be derived from the western development fund are additional to the many other benefits which will result from other initiatives of the national energy program. The pricing regime, particularly as it is designed to encourage the development of the oil sands and the heavy oil areas, will lead to major opening up of these resources and, as a spin-off, the growth of many new supply and service industries. The new initiatives system for oil and gas exploration will lead to broadening the resource base and the industries that are allied to resource development activity. Such programs as financial support for a gas pipeline to Vancouver Island, the construction of a heavy oil upgrader in Saskatchewan and a number of conservation and renewable energy programs in Manitoba will all assist in the resource development and industrial diversification process.

The Acting Speaker (Mr. Blaker): I perhaps should not take up the time of hon. members, but it has been brought to my attention several times that the time limits for members are rigid in the extreme in the adjournment debate, so perhaps I will say now, because I see some hon. gentlemen here whom I see regularly, that the Chair is going to be forced to call time on hon. members when the time arrives, and there cannot be any relaxation of that because it detracts from other members as well.

Mr. Knowles: Hear, hear!

CANADIAN PACIFIC RAILWAY—WINNIPEG—INQUIRY WHETHER PERMIT TO BUILD OVERPASS WILL BE AUTHORIZED

Mr. Dan McKenzie (Winnipeg-Assiniboine): Mr. Speaker, I am rising tonight to speak about the issuing of the CTC permit for the building of the Sherbrook-McGregor overpass, and I hope this is the last time I will have to bring this issue up in the House of Commons because there has been an undue delay over the last couple of years with regard to the issuing of this permit.

I received an assurance last week from the Minister of Transport (Mr. Pepin) and the chairman of the Canadian Transport Commission that the permit will be issued to the city of Winnipeg to go ahead, finally, with the building of the Sherbrook-McGregor overpass, which should have been built in the first place. I will go into that in a little more detail in a moment.

I see the hon. member for St. Boniface (Mr. Bockstael) here tonight. He is the Parliamentary Secretary to the Minister of Transport, and I hope he will confirm that the permit will be issued this week.

Mr. Knowles: I hope he will not.

Mr. McKenzie: My main reason for raising this issue tonight is the cost overrun which the city of Winnipeg has had to suffer because of the ridiculous nonsense we have had to put up with over the last almost two years with regard to the issuing of this permit.

The original delay and stoppage of the permit was caused by the present Minister of Employment and Immigration (Mr. Axworthy), the hon. member for Winnipeg-Fort Garry, who used his authority as a Liberal to have the permit withheld. He talked a former minister of transport, Mr. Otto Lang, into stopping the issuing of the permit to build the overpass, stating that there should be rail relocation. Nobody is opposed to rail relocation, but the first thing he should have done was check federal Liberal policy to find out whether there were funds available for rail relocation and whether there was a firm policy for going ahead with rail relocation. If he had checked that first, he would have found that the government had dropped its policy of funding rail relocation. He might then

have stopped his pilgrimage to pursue this rail relocation issue in Winnipeg.

Instead of checking first, the Minister of Employment and Immigration had the permit stopped. This has caused the city of Winnipeg no end of problems, and there is a cost overrun of some $2.5 million.

I am on my feet tonight hoping that the hon. member for St. Boniface will let us know what he is going to do about getting this $2.5 million for the city of Winnipeg. As a former councillor the hon. member is well aware of the Sherbrook-McGregor overpass and all of the implications. He has an obligation to the city of Winnipeg to see that the city is reimbursed that $2.5 million, the cost of the overrun, because of the interference of the Minister of Employment and Immigration.

February 20, 1979, was the date on which the Minister of Employment and Immigration called for a delay in the construction of the overpass, and this interruption has cost the city of Winnipeg about $2.5 million. That figure is based upon a cost of $7,000 per day for delays in the construction of the overpass.

• (2215)

I should like to go into some of the history in connection with this sham and the confusion caused by the unnecessary interference of the Minister of Employment and Immigration. In June, 1980, the Minister of Transport authorized the construction of the Sherbrook-McGregor overpass which ended a 14-month delay and forced the cost to rise by $2 million to $20 million. Of course, as of today it is $2.5 million. Mayor Bill Norrie stated that he would begin the battle to get Ottawa to cover the increased costs, and I am continuing the battle here tonight. We will keep after the Parliamentary Secretary to the Minister of Transport to do something about this issue. There is no use going after the Minister of Employment and Immigration; it would be an absolute waste of time.

The project was delayed by the federal government pending a study on the cost of rail relocation. On that basis Mayor Norrie said that he felt the city had a good case for increased federal aid. The city and the province of Manitoba did not ask for this rail study. If there were a firm commitment from the federal government in respect of rail relocation—they had about $1 billion in funds set aside because other cities would also want rail relocation—then the city and the province would have been required to come up with money for rail relocation and there would have been justification for it. Everybody except the Minister of Employment and Immigration knew that the federal government did not have the money or had no intention of putting up the money. The President of the Treasury Board (Mr. Johnston) and the Minister of Finance (Mr. MacEachen) made it perfectly clear that there were no funds for rail relocation. So the cost overruns are the direct responsibility of the present Liberal government.

I want a statement from the parliamentary secretary tonight confirming that the permit is being issued, and also, as a member of Parliament from Manitoba he should let us know what he will do about recovering this $2.5 million for the city of Winnipeg. This nonsense has gone on long enough. The parliamentary secretary made some statements in the past indicating that the minister will not provide the funding and that he will not do anything about it. That is not good enough for me or for the citizens of Winnipeg. The parliamentary secretary has an obligation to speak up and indicate what he intends to do about getting the $2.5 million for the city of Winnipeg.

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): Mr. Speaker, the hon. member's original question on June 2 was sparked by the announcement that there would be a core area initiative for the city of Winnipeg. The initiative consisted of a five-year program under which federal funds would be provided to enable the city to respond to various social and economic problems in the downtown area.

At the time of the announcement, the Minister of Transport (Mr. Pepin) indicated that it was up to the city and the province to decide the course of action they wish to follow with respect to the Sherbrook-McGregor grade separation. He said that if the consensus was to build an overpass, he was prepared to approve funding for construction immediately under the Urban Transportation Assistance Program. Previously the province indicated that it was prepared to dedicate $7.6 million of its UTAP allotment for this purpose. The city and the province confirmed their desire for an overpass, and on June 16 the minister approved the $7.6 million UTAP contribution. I mention the date to emphasize how fast the federal response was once the final position of the city and the province had been received.

• (2220)

Normally, the Canadian Transport Commission would have issued a construction order shortly thereafter to allow construction to begin. However, Rossbrook House, a community organization which opposed the overpass, took various steps to attempt to block its construction. It applied to the CTC asking that the construction not be permitted on the basis that a safety hazard would exist. Rossbrook House also appealed to the Federal Court asking that the federal contribution be quashed on a technicality. The application to the CTC has just recently been denied. Though the court appeal has not yet been settled the CTC feels it cannot hold back the project because of this and intends to issue a construction order in a matter of days. I understand the city plans to start the actual work in the spring.

The delay in getting this needed project under way is regrettable but I am sure the hon. member will understand the reason I have just outlined. The overpass, along with the funds provided under the broader core area initiative, will go a long way toward improving conditions in downtown Winnipeg. As such, the federal initiative has been welcomed by both the city and the province.

I would like to add—

Adjournment Debate

The Acting Speaker (Mr. Blaker): The hon. member for Churchill.

PUBLIC SERVICE—STATUS OF WOMEN—EQUAL PAY FOR WORK OF EQUAL VALUE

Mr. Rod Murphy (Churchill): Mr. Speaker, on a number of occasions in the last six months I have raised issues in this House questioning the Liberal government's commitment to achieving equality in the workplace. I am talking about equality for groups which have been disenfranchised or which have been receiving unequal treatment in the past—women's groups, native groups, the physically handicapped and others.

I have a number of reasons for believing that the government has no real commitment in this area. We have questioned them in the past on paid maternity leave. We have questioned them in the past on affirmative action programs. We have questioned them on whether or not they are really committed to equal pay for work of equal or comparable value. This is a problem which is not faced in the government sector alone; it is faced in all sectors of the Canadian economy. In all cases the Liberal government has been afraid to act. I think the reason for this fear is their own slow progress when it comes to affirmative action programs.

In 1972 there was a cabinet directive encouraging managers to hire women. Yet eight years later we find the women in the public service overlooked and underpaid. In a document prepared by the National Advisory Committee on the Status of Women it is pointed out that it will take 66 years at the present pace to achieve any equality. In other words, it will take until the year 2046 A.D. before we have equality in the public service, at the rate the government is proceeding at this time. In that document they pointed out that 60 per cent of women are still working as clerks and secretaries. They point out that in only three of 100 government departments and agencies are there any affirmative action programs at all. Most senior executive positions are still occupied by men and there has not been much change at the level of the younger executives. In the senior executive group, of 200 under 40 years of age only 16 are women. When we turn to the senior executives under the age of 35 we find only three out of 34 are women.

In all these areas we find that the pace has been very slow. The government has not acted. Instead, the government has reacted. It has not been initiating programs, instead it has been reacting to human rights cases brought against it. It has taken a long time to act even in those cases. First of all, the union applies to the Human Rights Commission. The Human Rights Commission invariably responds by saying that the government has acted wrongly. Then there is a slow follow-up by Treasury Board before it acts in this area. So people who have been suffering from unequal treatment by government for years and years find that it takes years and years more to get action by the government after that.

What our party has been saying is that instead of taking this passive approach the government should take a positive approach. This was suggested by my leader in a letter he wrote to the minister in June. He asked for an approach by which the government is committed into looking into each and every one of its departments and agencies to make sure action is taken affirmatively.

Last week I called for a comparative wage study, a co-operative wage study in which both union and management would sit down and draw up job descriptions to ensure that people in the public service are being paid for what they are doing, not on the basis of whether they are male or female. I am sure that whichever parliamentary secretary has been deemed the expert for tonight will talk about the great progress, the new initiatives and the recent actions of the government. I suspect that some parliamentary secretary said exactly the same thing, back in 1972, "We have written a directive encouraging management to act", and so on. But nothing has happened. I hope that the parliamentary secretary will not give the usual blasé answer tonight but will say instead that the government is committed to doing something on the matter. I will give him a chance now.

● (2225)

Mr. Doug Frith (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, I hope I do not disappoint the hon. member. The question he has raised this evening has attracted the close interest of the President of the Treasury Board (Mr. Johnston) as he is most concerned with the expeditious implementation of the Canadian Human Rights Act.

As hon. members may be aware, Mr. Speaker, section 11 of the act introduced a new concept, adopted by very few jurisdictions around the world, one without any appreciable jurisprudence elsewhere. Under the equal pay for work of equal value concept, in contrast to the normal provision of equal pay for the same or like work, jobs of quite different nature may be compared, using job evaluation techniques to determine whether they have the same intrinsic value. This is a new and untried approach to the elimination of pay discrimination.

Prior to the 1978 proclamation of the Canadian Human Rights Act, the Treasury Board submitted a brief on the equal pay concept to the Canadian Human Rights Commission. Subsequently, ongoing meetings have been held with officials of the commission in attempts to clarify the application of the new concept to the complex area of collective bargaining and compensation administration.

Mr. Speaker, I am pleased to report that over a year ago, in anticipation of the need, a universal job evaluation plan, the Aiken Plan, was adapted from the private sector for use in resolution of equal pay complaints. This plan has been accepted by the commission as being free of sex bias and is being used in current pay discrimination complaints.

To date, the Canadian Human Rights Commission has notified the employer of six complaints accepted for investigation. The first three were related to nurses in penitentiaries and have been settled on terms agreeable to the employer, the commission and the original complainants. The fourth case

involved a director of nursing versus other directors in a hospital. This complaint was settled on November 17 of this year and is in the process of implementation.

With respect to the case from Churchill raised by the hon. member, that of the general services group, the secretary of the Treasury Board informed the Canadian Human Rights Commission on May 20 of the employer's agreement that a case of sex discrimination affecting pay, within the terms of the legislation, exists. The commission, Treasury Board Canada and the Public Service Alliance of Canada have held discussions on possible settlement alternatives, and a settlement proposal is in preparation. Officials of Treasury Board have been instructed to tackle the problems of applying the principle of equal pay for work of equal value to this group of employees as expeditiously as possible.

In addition to the foregoing and in order to allow the employer to take the initiative rather than merely responding to complaints, a study in depth has been authorized to commence in the new year with the object of identifying and removing pay discrimination in the public service.

The Acting Speaker (Mr. Blaker): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until two o'clock tomorrow afternoon.

At 10.29 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Tuesday, November 25, 1980

The House met at 2 p.m.

● (1405)

ROUTINE PROCEEDINGS

[*English*]

ENERGY

COAL EXPORTS FROM BRITISH COLUMBIA—MOTION UNDER S.O. 43

Mr. F. Oberle (Prince George-Peace River): Madam Speaker, I move an urgent and pressing motion under Standing Order 43 with regard to a deal entered into between the Government of Canada and the Soviet Union to provide a low interest loan of $180 million so as to facilitate the production and expedition of Siberian coal to world markets. Having regard to the real difficulties experienced by coal producers and provincial governments in western Canada in putting in place the necessary infrastructure to enable coal from northeast British Columbia to compete with the coal from Siberia in world markets, I move, seconded by the hon. member for Prince George-Bulkley Valley (Mr. McCuish):

That the government, through the Minister of Transport, immediately reopen negotiations with British Columbia offering no less than the same terms of financing negotiated with the Soviet Union to put in place the rail and port facilities which would facilitate the shipment of northeast coal to world markets.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

ENVIRONMENTAL AFFAIRS

USE OF LOW-SULPHUR CANADIAN COAL—MOTION UNDER S.O. 43

Mr. Gordon Taylor (Bow River): Madam Speaker, I rise on a matter of urgent and pressing necessity under Standing Order 43. Whereas U.S. coals used in acid rain areas in Ontario contain 5 per cent or more sulphur content, and whereas Lethbridge coal and East Coulee coal contain only .05 per cent or less sulphur content, I therefore move, seconded by the hon. member for Lethbridge-Foothills (Mr. Thacker):

That this House urge the Minister of the Environment to promote the use of low-sulphur Canadian coals in Ontario, which will reduce the acid rain problem and provide employment for Canadians.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

UNEMPLOYMENT INSURANCE

APPLICATION OF PROGRAM IN WINDSOR, ONT.—MOTION UNDER S.O. 43

Mr. Neil Young (Beaches): Madam Speaker, I rise under the provisions of Standing Order 43 concerning the application of the unemployment insurance program in the Windsor area. Considering that unemployment is currently running at 13.7 per cent of the work force, as recorded by Statistics Canada, yet the Department of Manpower and Immigration continues to use an unemployment figure of 11.3 per cent which results in a greater hardship on workers applying for unemployment insurance benefits, I therefore move, seconded by the hon. member for Churchill (Mr. Murphy):

That this House instruct the Minister of Industry, Trade and Commerce, the Secretary of State for External Affairs and the Minister of Agriculture, all of whom represent the hard working people of Windsor, to take time from their other grandiose activities and remember their responsibilities to the people of the Windsor area, and to meet with their colleague, the Minister of Employment and Immigration, to straighten out the administration of the unemployment insurance benefits in the Windsor area.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

FINANCE

MEASURES TO STABILIZE INTEREST RATES—MOTION UNDER S.O. 43

Mr. Dave Nickerson (Western Arctic): Madam Speaker, under the provisions of Standing Order 43, I move as follows. Whereas the economic slump occasioned by the ill-conceived Liberal budget of October 28 has driven the Canadian dollar below 84 cents U.S., accompanied yesterday by tailspin losses on stock markets across Canada in the wake of the prospects

of yet even higher interest rates, I move, seconded by the hon. member for Hamilton-Wentworth (Mr. Scott):

That credible measures be taken to stabilize Canadian interest rates at a level consistent with sustained economic growth, rather than blindly following the Liberal policy of high and accelerating interest rates necessitated by the government's utter failure to combat inflation.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

MEASURES TO IMPROVE PRODUCTIVITY AND INVESTMENT—MOTION UNDER S.O. 43

Mr. Don Blenkarn (Mississauga South): Madam Speaker, I wish to move a motion under Standing Order 43. Since October 28, 1980, the Canadian dollar has continued to slide, slide and slide, despite the fact that the Prime Minister (Mr. Trudeau) spent 12 days in his Middle East tour courting wealth and oil and whatever else in the Arab world. Yesterday the dollar closed at below 84 cents, the lowest level for a considerable time. The projections concerning inflation were based on the dollar being 86 cents during 1980, 87.5 cents during 1981 and 88 cents during 1982. I therefore move, seconded by the hon. member for Simcoe North (Mr. Lewis):

That the government introduce new measures forthwith to improve productivity and the investment climate in Canada so as to restore confidence in our currency.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1410)

HEALTH RESOURCES FUND

FUNDING OF MEDICAL AND VETERINARY COLLEGES—MOTION UNDER S.O. 43

Mr. Bill Yurko (Edmonton East): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of pressing necessity affecting the promotion and funding of educational institutions of national importance and significance. I move, seconded by the hon. member for Hillsborough (Mr. McMillan):

That this House request the government to allocate additional revenues to the health resources fund so that federal contributions toward the funding of a school of optometry in Alberta and a college of veterinary medicine in the Atlantic region will be made in the near future.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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ENERGY

CALL FOR IMPLEMENTATION OF POLICY OF NEW DEMOCRATIC PARTY—MOTION UNDER S.O. 43

Mr. Ian Waddell (Vancouver-Kingsway): Madam Speaker, I too rise under the provisions of Standing Order 43. This morning the Canadian Institute for Economic Policy—not exactly an NDP think tank—released a study called the "Energy Squeeze", which foresees an energy shortfall within the next 20 years. In Bruce Wilson's opening statement, he slams the national energy policy and says, first, that the program does not refute the myth that energy self-sufficiency can be achieved simply by raising prices; second, that as a consequence of such arbitrary price increases the level of foreign ownership in the Canadian economy will grow substantially—not go down; and third, that the program is highly inflationary, offering substantial price increases for domestic oil and gas production, thereby creating huge and unnecessary financial windfalls relative to today's known reserves, such windfalls to be paid by and for the Canadian consumer.

I move, seconded by the hon. member for Burnaby (Mr. Robinson):

That this government immediately implement the New Democratic Party energy policy by taking under public ownership Imperial Oil, Shell and Texaco; and secondly, that the federal government begin an industrial strategy or an industrial restructuring in this country that this report indicates is badly needed.

Some hon. Members: Hear, hear!

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

GRAIN

CALL FOR INCREASE IN INITIAL PAYMENTS—MOTION UNDER S.O. 43

Mr. Charles Mayer (Portage-Marquette): Madam Speaker, I rise under the provisions of Standing Order 43. The Wheat Board is currently offering number one red spring wheat for sale at prices in excess of $7 and durum for $9 per bushel, and the initial payment to farmers is only $4.25 and $5 respectively. So far in the current crop year the Wheat Board has sold almost three-quarters of a million tonnes more than it has accepted in deliveries from farmers. The resulting reduction in inventory means that the Canadian Wheat Board is unfairly holding considerable moneys that belong to farmers. I move, seconded by the hon. member for Crowfoot (Mr. Malone):

That the government immediately instruct the Canadian Wheat Board to increase the initial payments for spring wheat by $1.50 per bushel and for durum wheat by $2 per bushel.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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NEW DEMOCRATIC PARTY

SUGGESTED MEANS TO RAISE FUNDS—MOTION UNDER S.O. 43

Mr. Chuck Cook (North Vancouver-Burnaby): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of great urgency to the New Democratic Party. In view of the fact that the provincial treasurer for the British Columbia NDP has complained that 19 of 28 federal NDP constituencies have not paid their bills for the last two elections to the party, I move, seconded by the hon. member for Richmond-South Delta (Mr. Siddon):

That the NDP member for Mission-Port Moody strike a committee to approach their Liberal bedmates with the view of obtaining some watered down corporate funds, or make a direct appeal to Tommy Douglas and the board of the multinational Husky Oil Company.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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LIBERAL PARTY OF CANADA

USE OF MAPLE LEAF LAPEL PINS IN FUNDING CAMPAIGN—MOTION UNDER S.O. 43

Mr. Bill Domm (Peterborough): The Liberal Party of Canada is offering a "maple leaf pin" as, and I quote, "Our gift to you", to those who make a contribution of more than $30 to the Liberal bagmen, when in fact maple leaf pins are available to every Canadian free of charge through the Canadian unity office or the Secretary of State. I move, seconded by the member for Edmonton North (Mr. Paproski):

That the government instruct its party headquarters to remove the reference to the maple leaf lapel pin forthwith from their funding campaign and thus prevent any stigma from being attached to patriotic Canadians who display this ancient emblem of Canada on their lapels and do not wish to be considered as donors to Liberal party coffers.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

• (1415)

ORAL QUESTION PERIOD

[*English*]

EXTERNAL AID

ASSISTANCE TO VICTIMS OF ITALIAN EARTHQUAKE

Mr. John Bosley (Don Valley West): Madam Speaker, I have a question for the Acting Secretary of State for External Affairs. Yesterday this House unanimously urged the minister to consult with the Italian government in order to consider ways in which we might provide special and immediate help to the victims of the devastating earthquake in the Naples-Salerno area of southern Italy. Can the minister tell us whether he has consulted with the Italian government and whether in fact there is some plan to bring forward an aid program greater than the one described yesterday to the hon. member for Saint-Denis.

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, the Secretary of State for External Affairs is unavoidably absent for the time being, but he should be in the House in a few moments. I am sure that if the hon. member waits until he comes before putting his question, he will obtain an answer.

[*English*]

Mr. Nielsen: Who is the acting minister?

Mr. Bosley: Madam Speaker, the Secretary of State for External Affairs has now arrived. Perhaps I could now ask my question directly of him; he is a little better than the parliamentary secretary on these matters, I am sure.

Some hon. Members: Oh, oh!

An hon. Member: Not much.

Mr. Bosley: Perhaps I could repeat the question for the minister, Madam Speaker. Yesterday, as the minister well knows, this House passed unanimously a motion requesting the government to consider special and pressing assistance for the victims of the Naples-Salerno earthquake. Can the minister tell this House whether he has had a conversation with representatives of the Italian government? If so, is he prepared to tell us what aid he is planning over and above the commitment he made yesterday to the hon. member for Saint-Denis?

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, I spoke twice this morning with the Italian ambassador. In between times he communicated with

his government in Rome. I have also communicated with the Italian-Canadian committee, which is about to raise funds to assist the earthquake victims in Italy. I believe the sum of $100,000, which I announced yesterday, has already been transmitted by the Canadian Red Cross to the Italian Red Cross. I gave the Italian-Canadian committee the assurance that we would also be making a further contribution to that committee when the full extent of the need was known.

Mr. Bosley: Madam Speaker, the minister will know full well that the motion yesterday outlined a number of other matters that might be regarded by him as appropriate. I appreciate that the question period is a difficult time to explain all these things in detail. However, could we have a commitment from the minister that he will make a statement on motions outlining the total plan of relief which is proposed, preferably today but, if not, tomorrow, specifically with regard to the other matters raised in the motion?

Mr. MacGuigan: Madam Speaker, I will certainly give a commitment to the House that in one form or another I will make the plan public. However, I suspect that tomorrow will be too soon. Unfortunately, the Italians are still discovering new dimensions to this great catastrophe and the dreadful death toll is still mounting. It will be some days before the full extent of the tragedy is known and the kind of assistance that we might give can appropriately be decided.

Mr. Bosley: Madam Speaker, I wish to refer specifically to one matter raised in the motion. I think we all know that as the tragedy unfolds the numbers coming in climb higher and higher each day. I appreciate the minister's dilemma on that. However, last year as the government we gave consideration to and introduced a program of airlifts to the earthquake victims in the Azores. A community in Canada was trying to help them and regarded the airlift program as particularly useful in making sure that the necessary aid got there. Yesterday the minister said that he would prefer not to use such a program. Can we have from him a statement today that he will reconsider his commitment yesterday to help only with cash? As well, can he give some undertaking that the airlift program which was used last year will also be used in this program?

Mr. MacGuigan: Madam Speaker, it may be that there will be the need for an airlift program if certain medical supplies or eventually building supplies have to be sent to Italy from Canada.

● (1420)

I might reiterate the point I made yesterday—and I might say that the Italian government feels this very strongly as well—that it will not be very useful, especially in the early days, if people in Canada start collecting goods to send to Italy. What they need is money. That is the view of the Italian government as well as of this government.

CONSULTATIONS WITH ITALIAN-CANADIAN GROUPS

Mr. Geoff Scott (Hamilton-Wentworth): Madam Speaker, my supplementary question is also for the Secretary of State for External Affairs. The minister will know of large gatherings of Italian-Canadians in Toronto and Hamilton last night and the very real emotion expressed in those cities which will be reflected in Italian-Canadian communities across the country. The minister said he had been in touch with the Italian-Canadian committee. Is the government planning to be in touch with other organizations such as the Italian congress? Did the government have a representative at either of the meetings in Hamilton or Toronto last night? In any event, since the motion stipulates that the government consult with the many Canadians who are able and willing to render assistance, how will the minister consult with the many concerned people in this country in the days ahead?

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, it is always a difficult question to know how to consult a body of citizens in our country which has a number of different representative organizations. The broadest organization that we are aware of at the moment is the one that Dr. Leone has been speaking for in Toronto and Senator Rizzuto is connected with. Initially, at least, our contacts have been with that group. I will be consulting my colleague, the Minister of State for Multiculturalism, with whom I have the closest of relations, as to what other groups would be appropriate to consult with.

Mr. Scott (Hamilton-Wentworth): The minister will know there have been concerns in some cases in the past where money has not reached the people in the proper way. What assurances can the Secretary of State for External Affairs give those Canadians who wish to respond in an urgent and generous manner that their donations will get to where they are intended and where we all would wish.

Mr. MacGuigan: Madam Speaker, we will certainly do our best to see that that will happen. I am told that although suspicions were raised with respect to the previous catastrophe in Italy, the considered judgment now is that all the money was well dispensed. Certainly we will do our best to keep a close eye on that.

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NORTH-SOUTH RELATIONS

REMARKS OF PRIME MINISTER RESPECTING RESTRUCTURING OF ECONOMIC INSTITUTIONS

Miss Pauline Jewett (New Westminster-Coquitlam): My question is for the Prime Minister. Welcome.

Some hon. Members: Hear, hear!

Miss Jewett: In light of the Prime Minister's sudden interest in addressing North-South issues and in light of his remarks in Paris yesterday that he would like to see a change

in emphasis from traditional development assistance to a restructuring of international economic and other institutions, will he tell the House whether his government is now planning to give detailed attention to tariffs, industrial conversion, International Monetary Fund rules and other national and international economic restructuring measures?

An hon. Member: Dance around that one, Pierre.

Right Hon. P. E. Trudeau (Prime Minister): I am afraid I do not have an answer to that one, Pierre. I have been discussing this subject for a few years now, notwithstanding what the hon. lady says. I refer to a speech I made at Mansion House when I became a freeman of the city of London some three or four years ago.

● (1425)

This is not a new idea and I am not the originator of it. I think it is a matter for all of us to understand that the debate between the North and South is more a question of power sharing than the solving of any particular problem, either by way of aid or changes in tariff structures such as the hon. lady refers to. Tariffs and quotas are something, of course, that have been discussed at the summits which I have attended. They have been the object of decisions by this government and other governments and are constantly under review with the intention of keeping in balance the need to adjust our economies and prevent too great rises of unemployment at a given time, at the same time respecting the Third World countries' desire to gain increasing markets in the developed world.

These are not matters I can discuss in an answer during question period but I would be happy to participate in any debate that the opposition parties would want to have on perhaps one of the opposition days.

Miss Jewett: The Prime Minister says this is not a matter for the question period, yet it was a matter for a press conference in Paris where he explicitly stated that he would like to see a de-emphasis on development assistance and a greater emphasis on restructuring economic institutions. Therefore, I would like to know what the government is definitely planning to do, since that was a clear question at the press conference. In that connection, could I ask the Prime Minister whether or not he is aware the Secretary of State for External Affairs said publicly last week that he had told cabinet that "unless we increase official development aid we will be under increased pressure to move on other points" to redress the North-South situation?

Mr. Trudeau: Madam Speaker, the hon. member said that it was the subject of a press conference. It was a question which was asked of me and which I attempted to answer in good faith, as I am attempting to answer her questions. I did not plan then and do not plan today to review in detail the many measures that this government is preparing for. We hope to make a presentation at the summit in Ottawa next July. My aim at this stage is not to convince the hon. lady that we are doing well; it is to try to ensure that the seven participants of that summit in July will be able to make some progress, particularly in this year of economic difficulties for all countries. I am attempting to study a range of measures with the participants so that we can reach agreement on some of them.

In so far as the quote of the Secretary of State for External Affairs is concerned, I see nothing objectionable to that. We have stated through his mouth and through the voice of the Minister of Finance that we want to have increased developmental assistance. That does not mean that in other areas we cannot make progress, but it does mean that we must act on both fronts at the same time.

REPORTED STATEMENT RESPECTING INCREASED DEVELOPMENT ASSISTANCE

Miss Pauline Jewett (New Westminster-Coquitlam): Madam Speaker, perhaps I could ask the Secretary of State for External Affairs if he did in fact tell a group last week, as I am informed he did, that he had recommended to cabinet explicitly that if they did not in fact increase development assistance, ODA, they would be obliged to move on many of these other fronts, economic and institutional restructuring, to address the North-South issue.

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, I made no public statements at all on that subject. What the hon. member is suggesting seems to resemble a comment in private which is taken out of context.

* * *

THE ECONOMY

INQUIRY RESPECTING MEASURES TO STIMULATE ACTIVITY

Hon. John C. Crosbie (St. John's West): Madam Speaker, my question is for Sheik Yamani's dancing partner, the "Astaire of Arabia", the Prime Minister. While the Prime Minister was away dealing with world problems, the cost of living figures in Canada rose 10.9 per cent year over year. Interest rates have increased in the Bank of Canada and the prime rates of the banks increased to 13¾ per cent. The Canadian dollar is down to its lowest point since February, 1979. In Ontario they had to bring in a mini-budget to compensate for the lack of economic stimulus in the federal budget. Imperial Oil cancelled their $8 billion Cold Lake heavy oil project.

My question to the Prime Minister is this. When he came back from the Bonn summit, he introduced a new program of government expenditure reduction to deal with these similar economic problems. Now that he is back from the Saudi summit, what does he propose to do about these extremely severe economic and financial problems that we are suffering from in this country, and when will he make an announcement about these?

• (1430)

[*Translation*]

Hon. Pierre Bussières (Minister of State, Finance): Madam Speaker, the government was aware of the figures provided by the hon. member with respect to the unemployment rate as well as other economic indicators when it prepared the budget. The Minister of Finance has laid down in his budget a scenario for the economic recovery of Canada. He has taken responsible tax measures that avoid the pitfall of trying to come out too hastily from a recession and, at the same time, avoid fleecing the most deprived in our society in an attempt to control inflation. The budget is laying down the scenario for an economic recovery and we will see its results in the very near future.

[*English*]

LIVING STANDARDS OF CANADIANS

Hon. John C. Crosbie (St. John's West): Madam Speaker, my supplementary question is addressed to the Prime Minister, if he can get his head out of the sand. While he has been away, 36 acting prime ministers have been answering. Now that the Prime Minister is back the Canadian people expect some answers from him. They would sooner have him waltzing with Premier Lougheed than doing the moozmaad with Sheik Yamani.

While the Prime Minister was away, the Minister of Finance said that Canadians will have to accept a lower standard of living to adjust to higher energy prices. As a matter of fact, personal disposable income has dropped severely this year in real terms. Does the Prime Minister support the view of the Minister of Finance that Canadians now have to accept a lower standard of living and adjust to these higher energy prices, or does he disagree? If he agrees with the Minister of Finance, what action is he going to take so that Canadians do not have to accept a lower standard of living? When is he going to worry about the standard of living of Canadians?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I apologize to the hon. member. It takes a moment to adjust to his vulgarity after having been associated with—

Some hon. Members: Hear, hear!

Mr. Trudeau: I have not seen the statement attributed to the Minister of Finance. It is certain that with the very rapid rise in prices of imported petroleum there has been a transfer of real wealth from the industrialized societies to the OPEC countries. This has resulted in Canada and every other oil-importing nation having a slower growth of real income. There are some years in which certain sectors of society have even seen a standstill and a slight recession, but by and large the hon. member knows that real wealth is still growing in Canada in average terms for Canadians, and it will continue, except that I think Canadians must accept that it cannot continue to grow as rapidly as it did before the OPEC nations caused this very large and rapid increase in oil prices.

Mr. Crosbie: Madam Speaker, it may be vulgar to ask the Prime Minister questions about these annoying economic problems in Canada, but the Canadian people do not think it is vulgar. They want some answers.

I bring to the attention of the Prime Minister that in the battle to overcome regional disparity there has just been a report from the Economic Council of Canada that in Newfoundland, after all these years of attempts by the Prime Minister and others to overcome regional disparity, unemployment insurance is one-twelfth of the total personal income of the people of Newfoundland compared with one-fortieth in Canada. We have 53.6 per cent of the Canadian average earned income. Can the Prime Minister tell the House whether there will be new initiatives to overcome these disparate figures relating to regional disadvantages in this country and renewed efforts or some new program to try to overcome domestic problems?

Mr. Trudeau: Madam Speaker, I am not in a position today to announce any new programs. The hon. member knows that the programs we put in place beginning in the late sixties with the creation of the Department of Regional Economic Expansion have been successful in reversing the outflow of citizens from the Atlantic region to the rest of Canada. That trend has been arrested and reversed, and we are all grateful for that. That does not mean that there are still not wide disparities in the income of Canadians, depending on the part of Canada where they happen to live and based essentially on the wealth of the resources of the particular provinces.

The hon. member is witness to the efforts of this government to redistribute this wealth through our equalization payments, which are very substantial in the case of Newfoundland and, as the hon. member also knows, to ensure that the high cost of the cartel prices imposed by OPEC do not hit Newfoundland and other provinces with the same harshness as his own budget would have seen them hit.

REPORTED LOSS OF BUYING POWER OF CANADIANS

Hon. Sinclair Stevens (York-Peel): Madam Speaker, my question is for the Prime Minister as well. He has just replied to my colleague that the real wealth in the country is continuing to increase. The Prime Minister may not be aware that, while he was in Saudi Arabia being lavishly entertained, Wood Gundy brought out a report on the Canadian economy pointing out that the average worker has lost 4.9 per cent in real earnings in the last three years. In total that is a loss of about $10 per week in buying power. Is the Prime Minister aware of the fact that the average worker in this country is now $10 per week in buying power behind where he was three years ago and, if he is so aware, would he indicate what he intends to do to live up to the promises he made in the last campaign to provide jobs, spur growth and fight inflation in this country?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the hon. gentleman has asked me if I am aware of this particular document. I am not. Of course, in my answer I was careful to talk about the average growth in Canada. I pointed out that there were certain sectors of society which did grow faster than others but, as a counterpoint, the hon. member himself will recall that in the first two-thirds of the last decade the return to working Canadians was in excess of the return to other classes such as farmers and, I believe, corporate profits; so there was over the decade a changing of positions by the various groups.

I realize that in the last two or three years there has been a falling behind of the wages and salaries category, but I repeat that they had taken a substantial advance in the earlier part of the decade. It is the policy of this government to continue to fight inflation, as it was the policy of the hon. member's own government, by trying to keep all sectors of the economy within the bounds of reasonable demands upon the wealth of Canada.

Mr. Stevens: Madam Speaker, the Prime Minister has acknowledged to the House that there has been a real falling behind as far as average real income for the workers of Canada is concerned over the last three years. Is the Prime Minister content now to see this falling behind continue, as apparently his Minister of Finance is content, for the next year or so, or may we expect some action to live up to the Prime Minister's promise that he would spur the economy and somehow relieve Canadians from this dreadful situation of having their total net income become less and less year by year under the emperor's rule?

Mr. Nielsen: He is going to wrestle inflation to the ground.

Mr. Trudeau: Madam Speaker, I am not quite sure what the emperor's rule has to do with this. It is the rule of economics which applies in this particular case. I remind the hon. member that the economic situation and current statistics are better than those predicted by his seatmate in his own budget. Therefore, our Minister of Finance is carrying out at least a part of his promise and performing better than the prediction of the hon. member's own seatmate.

* * *

FISHERIES

EFFECT OF TANKER TRAFFIC ON WEST COAST FISHERY

Mr. Jim Manly (Cowichan-Malahat-The Islands): Madam Speaker, my question is for the Minister of Fisheries and Oceans. A recent publication put out by Trans Mountain Oil Pipe Line Company called "Energy for the Future" states that its proposal for an oil port on the Pacific coast has attracted the support of Environment Canada and Fisheries Canada. The publication of the company explains the department's lack of action to protect the west coast fishery from the threat which tanker traffic poses. In light of past claims by the minister that increased tanker traffic will adversely affect the fishery, can the minister explain to the House how it is possible for his department to support Trans Mountain at the expense of the west coast fishery?

• (1440)

Hon. Roméo LeBlanc (Minister of Fisheries and Oceans): Madam Speaker, not having seen the article to which the hon. member referred, I can tell him that it has not attracted my support in relation to the quote he has given.

Mr. Manly: Madam Speaker, the quotation on page 9 indicates that Trans Mountain's proposal has attracted support from agencies such as Environment Canada, Fisheries Canada and the United States environmental protection agency.

Some hon. Members: Question.

Mr. Manly: Is the minister willing to demand a retraction of that statement? Will he prepare a comprehensive submission to the National Energy Board hearings in Victoria on the threat which tanker traffic poses to west coast fisheries?

Mr. LeBlanc: Madam Speaker, the position of my department in relation to tanker traffic was very clearly made known when we in fact brought into being the Thompson inquiry which terminated when the Kitimat application was withdrawn. The hon. member knows very well that we were opposed to the Kitimat pipeline and that in fact it became a decision of the government in which the Hon. Len Marchand served as minister of the environment.

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HOUSE OF COMMONS

ELECTRONIC VOTING SYSTEM—CALL FOR DISCUSSIONS

Hon. Bud Cullen (Sarnia): Madam Speaker, I have a question for the President of the Privy Council who is the government House leader. Last week under the provisions of Standing Order 43 I moved a motion which seemed to win at least majority support in the House, if not unanimous consent. It asked that some thought be given to changing the voting procedure in the House so that we might use some electronic device as is used in other chambers, particularly in the United Nations. Would the House leader consider discussing this matter with the Speaker of the House and with the leaders of the other parties to determine whether that procedure might be adopted, if not in all votes certainly in some of them?

Some hon. Members: Agreed.

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, I always look favourably upon any suggestion to modernize this institution. However, since this entails a fairly substantial expenditure, I think it would be wise to discuss the matter. As for me, I would suggest that, together

with the Internal Economy Commission, you ask for a study in order to determine the cost of such a system, and if it appears reasonable, I think that such a procedure would indeed modernize this institution and improve its efficiency. However, I am sure that beforehand we would like to talk it over with our colleagues opposite.

[*English*]

REFERENCE OF PROCEDURAL CHANGES TO STANDING COMMITTEE

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, I have a supplementary question which is directed to the government House leader. Could he assure the House, with respect to any changes in the procedures of the House, that there will not be action only by the Commissioners of Internal Economy who represent the government, but that any matter will be put before the Standing Committee on Procedure and Organization which is representative of all parties in the House of Commons? After all, it is more than the government that has a stake in the operation of this House.

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, while my colleague was shouting "supplementary", I was stating my intention of consulting my colleagues opposite. Perhaps he did not hear my last sentence. For the purpose of this consultation, we might use the forum provided by the Standing Committee on Procedure and Organization. That is indeed a positive suggestion which I will consider seriously.

* * *

[*English*]

ENERGY

IMPORTATION OF OIL FROM SAUDI ARABIA—PRICE, QUALITY AND VOLUME

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, my question is directed either to the Prime Minister or to the Minister of Energy, Mines and Resources. While the Prime Minister was in Saudi Arabia, he had some preliminary negotiations on the possibility of an oil contract for 100,000 barrels per day. Since the Mexican oil deal commenced we have been exposed to a number of problems, one of which is that we have no control over the quality of oil which is delivered. It is heavy oil, it is high in sulphur content, and it is very costly to refine. Also, as I understand it, we have no control over the price, volume or timing of deliveries; these are not tied down in the contract. Will these matters be tied down very tightly in any contract negotiated with the Saudis so that we are not exposed to the problems of pricing, quality and volumes?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I want to inform the hon. member that there were no negotiations on that subject in Saudi Arabia while I was there. It was a very simple matter of the minister responsible for petroleum in Saudi Arabia offering to sell to Canada some given quantity or variable quantity of oil on terms which would be negotiated if we were interested. I merely told him that it was a very kind offer, that I would report to the Minister of Energy, Mines and Resources and particularly to the Crown corporation, Petro-Canada, and that they would establish contact on the kinds of conditions about which the hon. member has asked. At that stage it was an informal offer by a minister. The government itself made no approach to us, nor have we made an approach.

Discussions are now going on within the department of energy to see if we can usefully make a contract on this offer of petroleum. If so, we will make a formal request and the negotiations would begin through the good offices of Petro-Canada.

IMPORTATION OF OIL FROM MEXICO—INQUIRY WHETHER CANADIAN OIL DISPLACED

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, I should like to direct my supplementary question to the Minister of Energy, Mines and Resources. I wonder whether he could comment on the general thrust of my question. Will these factors be tied down and, more specifically, would he assure the House that with the Mexican contract we are not purchasing oil for delivery in Montreal which is displacing the oil produced in western Canada and sold in the United States market? Is the western Canadian oil which has been produced being displaced by the Mexican oil? If so, is it being sold in the U.S. market, or is it being left in the ground?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I am advised that western heavy oil has not been displaced by the importation of Mexican oil.

INQUIRY RESPECTING TOTAL IMPORTATION OF OIL FROM SAUDI ARABIA

Hon. Bill Jarvis (Perth): Madam Speaker, my question is directed to the Prime Minister. It relates also to the discussion with, or the offer of, the Saudis to supply 100,000 barrels per day of their crude oil. My question is prompted by confusing press reports. Was the offer of 100,000 barrels per day in addition to the existing purchases of roughly 200,000 barrels per day from that country?

Would the Prime Minister also take the opportunity to confirm, if the offer was for an additional supply, that it will increase our reliance upon that country from the present 50 per cent of all foreign purchases to roughly 60 per cent? In other words, we would be dependent upon the Saudis for roughly 60 per cent of our offshore purchases.

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I must ask the indulgence of the House to place this matter in context. I did not go to Saudi Arabia with the intention of negotiating, or even with the authorization to negotiate, a heavy oil deal. I believe what happened is that the

Saudi government, wanting to make a gesture of friendship toward Canada, simply made the suggestion through its petroleum minister at one point toward the end of my visit. He said, "If you people are interested in state to state deals, we would be prepared to consider up to 100,000 barrels a day".

Mr. Jarvis: In addition?

Mr. Trudeau: I cannot say if it is in addition. I asked the minister whether this would necessarily displace imports coming from other sources, namely, the multinationals, or whether this would be in addition. He indicated a very relaxed attitude on this, and I had the impression that if we wanted to have the oil in addition, we could. But I am not absolutely certain that the minister of energy would want to proceed in this way. That is why I merely took note of the offer, thanked the minister and said that we would be in touch if, indeed, we wanted to embark upon a state to state deal with Saudi Arabia.

• (1450)

Mr. Jarvis: Madam Speaker, I understand it in that context and I understand the Prime Minister's expression of gratitude to Saudi Arabia, and I think he went on to say particularly because our country regards Saudi Arabia as a secure source of supply. Setting aside the chronic danger of that region of the Middle East, given its history of being politically unstable, and setting aside the fact that one act of terrorism or sabotage in the straits leading to the Persian Gulf could result in a severe interruption of oil supply, I would like to ask the Prime Minister if, in fact, it is his and his government's view that Saudi Arabia is a secure source of supply? I hope I have not misquoted the Prime Minister, but I particularly ask him that in light of the fact that a change in the current regime, or even a realignment within the Royal Family, as he knows, could result in substantial changes in oil policy, and also given the fact that an eruption of tensions between Iraq and Saudi Arabia, which hopefully will not occur, could result in extremely serious supply interruption from Saudi Arabia.

Mr. Trudeau: Madam Speaker, the Doomsday scenario spelt out by the hon. member would apply whether they sell us 100,000 barrels of oil—

Mr. Jarvis: It is not a Doomsday scenario for the maritimes and Quebec.

Mr. Trudeau: Madam Speaker, would the hon. member let me answer his question?

Some hon. Members: Oh!

Mr. Trudeau: The scenario spelt out by the hon. member—

Mr. Jarvis: It is not Doomsday—

Mr. Trudeau: Would you let me answer, please?

Mr. Jarvis: It is very unfair of you to say that; it was a fair question.

Mr. Trudeau: The scenario spelt out by the hon. member having to do with possible supply interruptions and disruptions, and so on, is irrespective of whether or not we buy an extra 100,000 barrels a day. We are, as the hon. member pointed out in his first question, highly dependent on Saudi oil now, and if that supply is going to be interrupted we will, indeed, be short of oil. Whether we are short that extra 100,000 barrels or not seems to me to be a very secondary question. If there is an interruption of supply from Saudi Arabia we will, indeed, be in a difficult situation in Canada. But I cannot see how the hon. member could argue that therefore we should not, if it is advantageous to Canada, seek to obtain more.

Mr. Waddell: When are you going to go to Edmonton?

Mr. Trudeau: It is something that may or may not take place—

Mr. Waddell: Secure our real supply.

Mr. Trudeau: I hear the NDP wanting to get into the act, Madam Speaker.

Mr. Waddell: When are you going to go to Edmonton?

Mr. Trudeau: I apologize to hon. members but I must absent myself from the House for reasons which are known to their House leader. I apologize that I cannot take any supplementary questions at this time, Madam Speaker.

Some hon. Members: Oh!

Mr. Jarvis: One final supplementary, Madam Speaker.

* * *

MULTICULTURALISM

REDUCTION IN FUNDING OF PROGRAMS

Mr. Laverne Lewycky (Dauphin): Madam Speaker, my question is for the Minister of State for Multiculturalism. In 1974 this government spent $10 million on its multiculturalism program while the 1980-81 estimates call for $9.4 million. In view of the minister's complaint that there has never been sufficient political commitment to building a multicultural society, and considering the minister's promise to get the whole government working toward a multicultural society, how does the minister reconcile this low level of funding with his statements?

Hon. Jim Fleming (Minister of State, Multiculturalism): Madam Speaker, I am sorry, I cannot confirm the figures for 1974. I do know that for the last fiscal year under the previous government the amount was somewhere in the range of $9.4 million and that the cabinet has approved a $1.7 million increase, despite serious restraints, recognizing the need to priorize more money to assist visible minorities in racial tension situations, to assist the settlement of boat people and to assist in several other critical areas. Indeed, an 18 per cent

increase during times of restraint suggests to me some considerable recognition by the national government.

Mr. Lewycky: Madam Speaker, my supplementary question is for the same minister. In 1971 the Prime Minister announced for Canada a policy of multiculturalism within a bilingual framework and called for a vigorous policy of multiculturalism. Since 1981 will be the tenth anniversary of the inception of the government's multiculturalism program, will the government be announcing any special initiatives or programs in pursuit of this "vigorous" policy?

Mr. Fleming: Madam Speaker, I am not prepared at this time to answer the question. I do not think the question period is—

Some hon. Members: Oh!

Mr. Fleming: I am getting vigorous interjections from the NDP; I cannot really respond over them.

Mr. Waddell: Just answer the question.

An hon. Member: It's a wild goose chase.

Mr. Fleming: The hon. member from Vancouver, the loud member, is their critic on energy. I do not mean this in any pious way, but I keep hearing from people that members of this House do not seem to act in a very respectful way toward each other in their exchanges. I am trying to answer a question, but how can I do that if I keep getting interjections? I think the question was: Do we have plans for the tenth anniversary? Yes, we do, and they will be announced in due course.

* * *

THE CONSTITUTION

SPECIAL JOINT COMMITTEE—CALL FOR REPLACEMENT OF CO-CHAIRMAN

Mr. Walter McLean (Waterloo): Madam Speaker, in the absence of the Prime Minister and also in the absence of the minister responsible for the status of women, I would like to direct my question to the government House leader. The House leader will know that Canadian women were revolted and insulted by the grossly chauvinistic remarks made by the co-chairman of the Special Joint Committee on the Constitution several days ago.

Some hon. Members: Hear, hear!

Mr. McLean: Madam Speaker, in the wake of this horribly insensitive display on the part of Senator Hays during testimony given by the National Action Committee, demands have been made from across Canada that the co-chairman be replaced. Will the House leader act at once to see that the co-chairman is replaced?

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, we indicated very clearly last week that we intended to abide by the rules of this House. There is one which is quite clear, namely, that in no way may we interfere with the committee's proceedings or comment on them.

In his preamble, the hon. member refers to discussions or statements made during sittings of the joint committee on the constitution, and it would be unparliamentary for me at this stage to comment in any way. As I just said, it is not my intention to disregard the rules.

Now, as far as Senator Hays' qualifications are concerned, I think that they are well known and that he deserves the support of all members of this House and of the Canadian people.

[*English*]

Mr. McLean: Madam Speaker, my supplementary question is for the House leader. In light of his comments, will the House leader draw the transcript of the offensive remarks to the attention of the Prime Minister, since these—

Some hon. Members: Order!

Madam Speaker: Order, please. I think this question would be handled more appropriately in the committee. The hon. member should know that reference to proceedings in committee should not be made in the House. Therefore, I cannot allow that question.

* * *

[*Translation*]

EXTERNAL AFFAIRS

REPRESENTATION OF QUEBEC AT CONFERENCE IN DAKAR

Hon. Roch La Salle (Joliette): Madam Speaker, my question is directed to the Secretary of State for External Affairs. I should like to ask him whether he can give the House a progress report on the negotiations with the Quebec government on the Francophone countries summit to be held in Dakar. Can the minister tell us today whether or not he has found a satisfactory formula to include representations of the Quebec government in the federal delegation?

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, we have indicated to the Quebec government a formula for including Quebec government officials in the Canadian delegation. It is not exactly a matter of negotiation, but rather an offer which I feel is very generous.

Mr. La Salle: Madam Speaker, I have a supplementary for the minister. I am not convinced of his generosity. I should still like to ask him, seeing a compromise had already been found that seemed to be very acceptable in the case of the agency for cultural and technical co-operation in Francophone countries,

whether he would consider that same formula for the coming summit in Dakar, since it did seem at the time to be acceptable to both the federal government and the government of Quebec which province, according to the Pepin-Robarts report, is the home of the French Canadian nation.

Mr. MacGuigan: Madam Speaker, no comparison can be drawn between the two because the agency is strictly cultural and technical, while in this case we are dealing with the conference of external affairs ministers who will be planning a meeting of the prime ministers of independent states. The agenda of the conference will deal with the external or foreign affairs of the countries involved. So there is no reason for the Quebec minister to attend. I might also add that the Government of Canada is best qualified to represent the interests of the French Canadians.

* * *

● (1500)

[*English*]

INDUSTRY

DE HAVILLAND AIRCRAFT—INQUIRY RESPECTING SITE OF NEW MANUFACTURING FACILITY

Mr. Bill Kempling (Burlington): Madam Speaker, I have a question for the Minister of Industry, Trade and Commerce. Will the minister advise the House as to the status of the discussions with de Havilland Aircraft regarding the site of the new manufacturing facility for the Dash-8 airplane, where Hamilton fits into the scheme and when the decision will be announced?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, the company is considering a number of sites. I do not think that a decision will be too far-off, but it is certainly several weeks away.

* * *

AIRPORTS

MOUNT HOPE, HAMILTON—STATUS OF PROPOSED EXPANSION

Mr. Bill Kempling (Burlington): Madam Speaker, my supplementary question is for the Minister of Transport. Since any new manufacturing facility for the Dash-8 will, of necessity, have to be at an airport, could the minister advise the House as to the status of the expansion project at Hamilton airport? Are the plans flexible enough to accommodate the new Dash-8 facility should the decision be to locate it in Hamilton?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, my particular interest in the airport at Hamilton is well known, both by hon. members and others. I inquire almost every week as to the progress of the Hamilton airport, and I am told that it is going forward at a good pace. I will be glad to provide a report on its status to my hon. friend in the next hours.

ROUTINE PROCEEDINGS

[*Translation*]

MISCELLANEOUS PRIVATE BILLS AND STANDING ORDERS

SECOND, THIRD AND FOURTH REPORTS OF STANDING COMMITTEE

Second, third and fourth reports of Standing Committee on Miscellaneous Private Bills and Standing Orders—Mr. Gauthier.

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

* * *

[*English*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 1,224, 1,523, 1,605, 1,617, 1,626 and 1,627.

[*Text*]

CBC—MOVIE PRODUCED IN HUNGARY

Question No. 1,224—**Mr. Cossitt:**

1. Did CBC produce a movie in Hungary, as a joint effort, with the state-controlled Hungarian television and, if so, what amount of Canadian taxpayers' funds were invested by CBC?

2. Is the government aware that a well-known Canadian journalist who saw the film has stated that the film "had been used by the Hungarian government as propaganda against the west" and, if so (a) for what reason did CBC participate (b) what is the name and job designation of the highest official that authorized CBC's participation and for what reason?

Mr. Peter Stollery (Parliamentary Secretary to Secretary of State and Minister of Communications): Department of the Secretary of State: 1. To be answered elsewhere.

2. Yes the government is aware of Barbara Amiel's comments on the Canadian-Hungarian co-production of the film "His Mother".

(a) As a part of its program strategy the CBC participates in co-productions with other broadcast firms in Canada and abroad.

(b) See second part of reply to No. 1 below.

Order Paper Questions

Canadian Broadcasting Corporation:

1. Yes. CBC and Magyar televizio jointly produced "His Mother" in 1975.

The costs of program projects are among those areas of internal management and administration which the CBC has not, as a matter of custom, been required to provide. The background to this custom is explained in detail in the reply to question No. 2,530, May 22, 1975.

2. To be answered elsewhere.

MISS GEORGETTE DURAND

Question No. 1,523—**Mr. Cossitt:**

1. Is or was Miss Georgette Durand employed by the Department of National Defence and, if so, in what capacity and at what rank and salary?

2. (a) Did Miss Durand take a trip to Brussels, Belgium and, if so, was the cost $2,362.01 for two weeks and, if not, what was the cost (b) what did Miss Durand do in Brussels and did she represent Canada in any capacity at NATO meetings and, if so, what qualifications does she possess for such a job?

3. Was Miss Durand accompanied to Brussels by Lt. Col. F.M.J. Bourassa, Mr. Roger Brazeau of the Department of National Defence and Mr. Marcel Dufournaud and, if so (a) with which department and in what capacity is Mr. Dufournaud employed (b) what did these gentlemen do in Brussels, for how long were they there and what was the total cost involved?

4. Is Miss Durand familiar with military terminology and, if not, in what way was she able to perform any functions in Brussels?

5. Is there a "blacklist" maintained by the Department of National Defence for any employees complaining about this matter or any other similar matter?

Mrs. Ursula Appolloni (Parliamentary Secretary to Minister of National Defence): 1. Miss Durand is employed by the Department of National Defence in the directorate of translation and terminology co-ordination as a CR4 $12,933-14,141.

2. (a) Yes. $2,166.27.

(b) Miss Durand did not represent Canada at NATO; however, she provided specialized clerical assistance to the Canadian delegation. She had assisted two officers in the preparation of the material for the English, French and combined NATO annual terminology conferences and when both officers were unable to attend the conference it became essential for Miss Durand to accompany the delegation.

3. Yes.

(a) Mr. Dufournaud of the Secretary of State translation bureau is employed at DND in the military and technical terminology section.

(b) They were the Canadian delegation at the NATO terminology conference. The duration of the trip including travel took 18 days. The total cost was $6,399.79.

4. Yes.

5. No.

PARKS CANADA—RENOVATION OF THE JONES RESIDENCE—JONES FALLS

Question No. 1,605—**Mr. Cossitt:**

Is Parks Canada renovating the original Jones residence, after whom Jones Falls was named, in the constituency of Leeds-Grenville and, if so (a) at what cost (b) who is doing the renovations (c) were public tenders called and (i) if so, what is a list of all those who tendered including the amount in each case (ii) if not, for what reason?

Mr. Roger Simmons (Parliamentary Secretary to Minister of State for Science and Technology and Minister of the Environment): 1. No; (a) Not applicable; (b) Not applicable; (c) Not applicable; (i) Not applicable; (ii) Not applicable.

PRINCESS PATRICIA'S LIGHT INFANTRY—SILVERWARE ON LOAN TO ADMIRAL FALLS

Question No. 1,617—**Mr. Cossitt:**

With reference to the answer to question No. 1,368 which stated in part, that silverware belonging to the Princess Patricia's Light Infantry is on loan for the use of Admiral Falls at his Brussel's residence, what is a full description of the silverware and what is the current estimated market value?

Mrs. Ursula Appolloni (Parliamentary Secretary to Minister of National Defence): The silverware is the private property of the regiment, was acquired with non-public funds, and its loan is a private arrangement between the regiment and Admiral Falls.

ADMIRAL FALLS—PURCHASES IN THE UNITED STATES

Question No. 1,626—**Mr. Cossitt:**

With reference to the answer to question No. 1,205 which states in part, that a washer/dryer, refrigerator and electric range were purchased in the United States with taxpayers money for the residence of Admiral Robert Falls in Brussels, Belgium, what are all the reasons that the items were not purchased in Canada in accordance with the government's declared "Buy Canadian" policy?

Hon. Mark MacGuigan (Secretary of State for External Affairs): The washing machine, clothes dryer and refrigerator were purchased in the United States for the residence of Admiral Falls in Brussels, Belgium, for the following reasons:

(i) Since the electrical service characteristics in Brussels differ from that in Canada (i.e. 220 volt 50 hertz), Canadian produced appliances do not operate properly in Europe without extensive and costly electrical modifications.

(ii) In view of the low demand for 220 volt 50 hertz appliances, Canadian manufacturers are not interested in producing small quantities of appliances for this type of electrical service. Therefore, External Affairs must buy such items from United States manufacturers. In so far as the electric range is concerned, the reply to question 1,205 indicating that this range was purchased in the United States is in error. In fact, the electric range supplied was purchased from Enterprise Foundry Limited in Sackville, New Brunswick, at a cost of $370 Canadian.

ADMIRAL FALLS—DISHWASHER BOUGHT IN GERMANY

Question No. 1,627—**Mr. Cossitt:**

With reference to the answer to question No. 1,205 which states in part, that the government purchased from public funds a dishwasher in Germany at the value of $1600 for the home of Admiral Robert Falls in Brussels, Belgium, for what reason was the item not bought in Canada in accordance with the government's declared "Buy Canadian" policy?

Hon. Mark MacGuigan (Secretary of State for External Affairs): The dishwasher provided to the residence of Admiral Robert Falls in Brussels, Belgium, was purchased in Germany at a cost of $1,600 Canadian due to the fact that no 220 volt 50 hertz dishwashers are produced in Canada or the United States. The dishwasher purchased was the most economical one available in consideration of the requirement of the function to be performed.

* * *

[*English*]

QUESTION PASSED AS ORDER FOR RETURN

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, if question No. 857 could be made an order for return, this return would be tabled immediately.

[*Text*]

COASTAL FISHERIES PROTECTION ACT—FISHERIES ACT—PROSECUTIONS

Question No. 857—**Mr. Crouse:**

1. For each year 1975 to 1980, by province, what prosecutions were initiated under the (a) Coastal Fisheries Protection Act and its regulations (b) Fisheries Act of Canada and its regulations and, in each case, what was the essence of the charge?

2. In each case after prosecution was initiated, was (a) a conviction entered and, if so, how many (i) fines were imposed of $0 to $1,000, $1,001 to $2,000, $2,001 to $5,000 and $8,000 to $25,000 (ii) vessels were forfeited and what was the value (iii) catches were forfeited and what was the value (iv) fishing gear were forfeited and what was the value (v) vessels had their licences suspended, for what period and what was the estimated value of lost catches during the period of licence suspension (b) an acquittal entered (c) the charge withdrawn?

3. For the same years, by province, what was the total value of fines imposed?

4. Were funds realized on payment of fines paid into the consolidated revenue fund by the government and, if not, to what purpose were such monies applied?

Return tabled.

[*English*]

Madam Speaker: The questions enumerated by the hon. parliamentary secretary have been answered. Is it the pleasure of the House that question No. 857 be deemed to have been made an order for return?

Some hon. Members: Agreed.

Mr. Collenette: Madam Speaker, I would ask that the remaining questions be allowed to stand.

Madam Speaker: Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Madam Speaker, I would like to bring to the attention of the parliamentary secretary question No. 1,449 dated July 16 which stands on the order paper in my name. It asks the government about the hiring of Canadian Media Corporation to act as agency of record on behalf of the Government of Canada. Although my other questions in this area are more complex and would perhaps require more time to answer, the question about the Canadian Media Corporation is very straightforward and would require very little research. It deals with the untendered contract given to this company which was formed to receive the contract, and which had done no business before receiving this contract from the government.

Mr. Collenette: Madam Speaker, I shall undertake to look into this particular question. I should also inform hon. members that over the past few weeks the number of answers coming forth has slowed down somewhat. I am concerned about this, and I am redoubling my efforts to get more answers.

GOVERNMENT ORDERS

[*Translation*]

PETROLEUM ADMINISTRATION ACT

PETITION TO REVOKE PROCLAMATION

The House resumed from Monday, November 24, consideration of the motion of Mr. Waddell:

That the proclamation laid before the House on Wednesday, November 12, 1980, pursuant to subsection 35(2) of the Petroleum Administration Act, as proclaimed in PC 1980-2915, be revoked.

Mr. Herb Breau (Gloucester): Madam Speaker, when the House adjourned last night, I was saying that the basic issue regulating oil pricing and distributing revenues among the producer provinces, the federal government and the industry was whether there would be in the future a federal government with the means to protect the interests of all Canadians.

I also said that I had had an analysis made of the financial situation of the federal government in relation to that of the provincial governments. The large increase in the federal deficit during the last five years, in spite of serious efforts to limit expenditures, has reduced the freedom of action of the federal government to stimulate the economy and implement new programs. The situation of the provinces is so complex that the revenue structure varies for each of them and that some have a deficit while others have a surplus. Mr. Speaker, it is very obvious that if we compare both situations, the deficit of the federal government and the percentage of the budget

that the government must use to pay debt charges are much larger than those of the provinces.

For instance, in 1974, federal revenues were $29,600 million. In 1979, they were $42,554 million. The expenditures in 1974 amounted to $27,895 million. In 1979, they amounted to $51,320 million. In 1974, the federal government had a surplus of $1.1 billion, but in 1979, it had a deficit of $9.1 billion. On the other hand, debt charges in 1974 amounted to $2.9 billion, or 10.6 per cent of total expenditures, but in 1979, they made up 15.8 per cent of federal expenditures, or $8 billion.

Mr. Speaker, when we compare this situation with that of all the provincial governments combined—because this is what we have to do when we are talking about the relationship between the financial position of the provinces and that of the federal government—this is what we find. Let us look at the combined revenues of the provincial governments for 1974. They amounted to $25,315 million. In 1979, they totalled $49,522 million. In 1974, their expenditures amounted to $23,372 million, and in 1979, to $47,234 million.

● (1510)

In 1974, the provinces as a whole had a surplus of $652 million. In 1979, they still had a surplus of $553 million. The debt service charge for all the provinces in 1974 was $1,545 million, and in 1979, $3,399 million, or almost $3.4 billion. Their surplus, and not a deficit, as in the case of the federal government, amounted to 2.8 per cent of their expenditures in 1974 and remained at 1.2 per cent in 1979.

If we compare, Mr. Speaker, the financial position of the federal government, either surplus or deficit, with that of the provincial governments, we note the difference. In 1979, the federal deficit amounted to 17.9 per cent of federal spending, the debt service charge made up 15.8 per cent of federal spending, while for all the provinces, with a 1.2 per cent surplus over their expenditures, the debt service charge represented only 7.2 per cent of their spending. And this, Mr. Speaker, even when we consider that the provincial governments did not have to stimulate the Canadian economy as the federal government had to do, especially since 1974.

Another table that was drawn up for me shows that the federal government has provided a great number of incentives since 1974: minimum income tax reduction upped from $150 to $200 in November, 1974; and increased again in June, 1975, for a cost to the federal treasury of $610 million; deduction on retirement income, extension of the $1,000 deduction on interest revenue in the budget of November, 1974, cost to the federal treasury: $135 million; federal sales tax on building materials brought down to 5 per cent in November, 1974, for a cost of $600 million; exemption from the federal sales tax of transportation materials, $150 million; investment tax credit provided in the federal budgets of June, 1975, and March, 1977, another $430 million to stimulate the economy; child tax credit in March, 1977, $275 million; increase in the employment expense deduction in March, 1977, $120 million; tax break for business stocks, $350 million; increase in the basic personal income tax deduction for 1978 in the October, 1977, budget, $700 million; federal compensation for cutbacks in provincial sales tax in April, 1978, $760 million.

We can see therefore, Mr. Speaker, that since 1974 it is the federal government which has had to increase its expenditures or to stabilize them in certain sectors in order to reduce taxes or increase expenditures on a selective basis as an incentive for job creation. The figures I have given are the result of these measures. The federal government finds itself in a position where the deficit is at the 17.9 per cent level and 15.8 per cent of our spending is used to service the federal debt.

Therefore, Mr. Speaker, as I said last night, those who claim that the budget is not generous toward the producing provinces must be made to show how we are not being generous. I said last night that as a result of this budget Alberta would be getting over $31 billion within four years. Yet members opposite claim that is not enough. Obviously I would have preferred that an agreement be reached instead of having to proclaim provisions under the Petroleum Administration Act, which the government had no choice but to proclaim on November 12. I wish this could be settled amicably, I wish we could have a written agreement. But failing this, Mr. Speaker, I feel there is a clear duty, the responsibility imparted by this Parliament in the legislation enacted six years ago, to ensure that we have in Canada a system of oil and natural gas prices established in the interest of all Canadians. As I said, energy is the most important factor in the future development of our economy. Indeed, it will shape our future society. We will have to adjust to these new realities. How can we as members of this Parliament that must represent all of Canada, say that we want that direction to be followed in the interest of all Canadians, if the federal treasury does not have a major share of the oil and gas revenues to guarantee this?

Therefore, Mr. Speaker, I submit that all hon. members should decide once and for all whether we are going to have a government that will be able to deal with all those issues, or a federal government that will be at the mercy of some provinces. I explained earlier the financial situation of the provinces as a whole, but I could give the financial status of the oil producing provinces, because this shows in a better light still the fact that the Canadian government is not in a position to govern. Alberta's revenues were $2.7 billion in 1974, but they topped $6 billion in 1978. In 1974, that province had a surplus amounting to 34.2 per cent of its expenditures; in 1978, the percentage rose to 40 per cent. Debt service charges fell from 5.1 per cent in 1974 to 3.7 per cent only in 1978. Alberta's surplus in relation to the gross provincial expenditures went from 4.2 per cent in 1974 to 5.9 per cent in 1978. The same goes for Saskatchewan, increases across the board, as well as for British Columbia. Coming eastward, Manitoba is almost in

a deficit situation, so are Ontario, Quebec, New Brunswick, Nova Scotia, Newfoundland. Who is going to see that the interests of Canadians in all those other provinces are protected? I suggest the situation is much more serious than it has been indicated in the debates, and I am tremendously concerned that nobody looks at those figures. The important point is the percentage of the federal budget that goes to debt service charges.

Because it will keep increasing year after year, the federal government has a responsibility to stimulate the economy in a period of economic slowdown, the provincial governments cannot do it by themselves, only the federal government can. Mr. Speaker, it is obvious the government had the duty to intervene. It is its responsibility. Producing provinces should indeed receive a fair share, as I stated last night. Alberta after all will get $31 billion over a four year period under the proposed formula, Saskatchewan will get $3.2 billion, British Columbia $3.6 billion. So all those hon. members should stop saying that the federal government is unfair and does not take into account the aspirations of the west and should tell me clearly how much more money they would like to be transferred because they are saying that $31 billion is not enough, $3.2 billion to Saskatchewan is not enough, $3.6 billion to B.C. is not enough. They should stop making long speeches and tell me clearly how much more money they would transfer to these provinces and tell me also what is going to happen to the financial situation of the federal government in the coming years if such a solution were retained.

Then they should answer not only to their fellow citizens but also here in the House of Commons and in the rest of Canada, and they should decide whether they want the rest of the people of Canada to have a say in the development of the economy of this country, or else only two, perhaps three provinces, and perhaps from four to five million Canadians out of a population of 23 million, will have a say in the development of the Canadian economy.

Mr. Speaker, this is not the kind of Canada where I learned to live, nor the kind of Canada where I am prepared to work. There will come a time when people will have to decide whether the government will look not only after the Canadian electorate but also after the other provinces I have mentioned, which are heading more and more toward deficit positions and where the percentage of expenditures to cover the service of the debt is growing while it is decreasing as far as oil producing provinces and the federal government are concerned. This is a matter we must face clearly, Mr. Speaker, and I think it is time to do so.

I should like to conclude, Mr. Speaker, by quoting some figures to show the difference in the consumer price of a gallon of gas from what was proposed in the Progressive Conservative budget of December, 1979. According to the budget brought forward by the Deputy Prime Minister and Minister of Finance (Mr. MacEachen) on October 28, 1980, gas will cost $1.36 a gallon in 1981. Under the Progressive Conservative budget of December 1979, it would have cost $1.56 a gallon or 20 cents more, and those are the people who were attacking us last week and the week before saying we were being too rough with the consumers. Those same people would have increased the price of gas for all Canadian workers and all Canadian producers in 1981 by 20 cents more than we did in the October 28 budget. In 1982, the price will be $1.53 under the Liberal budget and it would have been $1.75 under the Progressive Conservative budget, or 22 cents more a gallon. And it keeps rising. But let us look at the difference for 1983; the price will be $1.71 a gallon under the Liberal budget, but it would have been $2.63 under the Progressive Conservative budget. I see that the hon. member for York-Sunbury (Mr. Howie) is paying close attention to those figures. I know he is concerned about the consumers in the province of New Brunswick. So when his party says that the budget of the Liberal finance minister, the October 28 budget, is not fair to the province of New Brunswick, what can he say to what his government would have done, because in 1984, the difference would be 68 cents more a gallon, or about 50 per cent of what we pay today, if the Progressive Conservatives had remained in power.

Mr. Speaker, I think everyone realizes that we did a great service to Canadians in December by voting against the government, against that budget to make sure the interests of all Canadian consumers would be well protected.

• (1520)

[*English*]

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, I am very pleased today to have the opportunity to make some remarks concerning the implementation of an energy policy for Canada. I can see that the ground has been heavily plowed and many of the issues have been covered. I would like to cover four brief aspects that I feel have been left out.

I would like to direct my comments concerning the energy policy to its effect on low and middle-income Canadians. I would also like to comment on the effects, as I see them, on a Canadian industrial strategy, and on aboriginal people in Canada. Finally, I will have a question at the end: does this energy policy establish a greater sense of community within Canada?

If I could just briefly address these four points, I will proceed first with the question of how the energy policy affects Canadian consumers. I say this without malice. I think the geography of our country militates against certain kinds of distribution occurring. I feel that this energy policy, because of the geography of our country, tends to favour central Canada over some of the regions. Basically, it favours urban Canada over rural Canada and some of the remote outposts. I will come to some of these matters in a few moments.

One of the most objectionable features of this energy policy is that it contains very strong privileges for foreign-owned oil companies in Canada. These privileges are given at the expense of low and middle-income Canadians. A few figures

might help. In 1979 the oil industry should have paid $5.1 billion in tax at the official rate of 36 per cent for corporate tax. It only paid $1.4 billion. Since 1974 the industry has paid tax at the effective rate of only 10 per cent. This is due to the generous tax concessions given to these oil companies in return for something we expected.

When the question was put to the Minister of Energy, Mines and Resources (Mr. Lalonde) as to why we were charging the consumers in Canada, placing the whole burden of this program on the backs of the consumers, he made a statement which is very interesting. When asked why consumers and not the companies, the minister stated, "We felt it was not appropriate to go higher than we have in the budget on the industry. We still want to leave that industry with large incentives to go ahead and make money." Frankly, that answer is not acceptable. They have basically placed the burden of this elaborate program on consumers within Canada, especially on those who can afford it the least. That is unacceptable. Time will tell as this takes its course that it will be unacceptable to the Canadian people.

As we explore this matter further as to the effect on consumers on budget night, October 28, it is interesting to note that a speech by the minister basically recognized in the budgetary projections that this energy policy would increase the consumer price index. It will further erode the income of Canadians. He stated, "Be aware of it and be prepared to live with it." Very shortly thereafter, it was proven that some of those projections were wrong. I suggest the one on the consumer price index was very wrong. Because of the combined effect of the energy policy and the taxation program put in place by the budget, especially on the cost of energy, those projections on the consumer price index were in error and will be much higher.

Before we examine what this consumer price index or erosion of real income will be, we have to look at the total formula being faced by Canadians. Some of this energy policy will result in an erosion of wealth in some areas of this country. Municipalities will have to increase taxes. That is happening already. Provincial governments will increase taxes and cut services. That is happening. It will not mean a direct tax imposition such as income tax where it is theoretically graduated and progressive, with those receiving the greatest benefits paying the most. We are not aiming at that kind of tax. The kind of budget and energy policy we have in place is the most direct regressive tax. Those are the taxes that are emphasized. I suggest that those are the taxes that will hit low and middle-income Canadians, making them foot the bill.

Basically that combined formula of very direct regressive taxation, dramatically high energy costs and the government's policy of interest rates, as has been stated many times in this House, is an eighteenth century monetarist policy. Interest rates on mortgages are around 15 per cent or 15½ per cent. We are looking at small business loans crawling back up to the all time high of 19 per cent. These are passed directly through to consumers, to low and middle-income Canadians. We therefore have that combined formula that we have to examine. The energy policy, rather than in any way alleviating the dramatic rising costs to low and middle-income Canadians, is accelerating them. Frankly, my party believes that is unacceptable. So did the government strangely enough, but something has gone haywire.

● (1530)

In the Speech from the Throne the government committed itself to protect Canadians who are least able to pay. We saw that commitment in writing. It recognized that there must be a fight against inflation. It recognized that energy prices were going to go up and there would have to be some dramatic new developments in the energy sector. It stated that low and middle-income Canadians should not have to bear the burden squarely on their backs. But, lo and behold, there is nothing in the budget, there is nothing here. The government clearly failed the consumers of Canada. Its answer to this failure was a $35 increase in the old age security, and some indexing of pensions in Canada. I would submit that these are clearly inadequate and, in fact, will do nothing to mitigate the very serious situation in which these people find themselves.

What the government is doing, Mr. Speaker, is asking low and middle-income Canadians, the consumers, to pay the costs of buying out the oil companies. It is asking the consumers to pay the cost of building pipelines, to pay the cost of tertiary recovery programs and refinery upgrading. It is asking low and middle-income Canadians to pay a tremendous cost to build new oil sands recovery plants, to pay the costs of offshore and frontier exploration, and to provide the funds for the new technology.

An hon. Member: They are going to give them the control.

Mr. Skelly: This should not fall on low and middle-income Canadians. It should clearly be undertaken by private enterprise, where costs will be held in line, where in fact the returns will come directly back to Canadians.

An hon. Member: Right on!

Mr. Skelly: It should be undertaken by public enterprise—

Some hon. Members: Oh, oh!

Mr. Skelly: —where costs are low—

Mr. Evans: Freudian slip.

Mr. Skelly: It is no Freudian slip, Mr. Speaker. Secondly, on this particular item, it should be paid for by a progressive tax system. I would have the other members in this House rail at that provision, that the progressive tax system in this country does not exist, where people who receive the most should pay the most in funding these very expensive programs. I suggest that the banks and oil companies might lead the way.

Foreign oil companies account for about 77 per cent of petroleum production in this country, and they receive about 82 per cent of all the revenue. These are not Canadian-owned oil companies or public sector companies. Some 82 per cent of

the revenue which accrued from our resource wound up in the hands of foreign-owned corporations. That is unacceptable. We are asking the consumers of Canada to pay for this, and at the same time we are giving a bonus like that to foreign-owned oil companies.

In 1979 the oil industry profits after taxes increased by 53.6 per cent, to $4.6 billion. That would go a long way toward funding and driving those important projects in the hands of Canadians. In the first nine months of this year the five major oil companies increased their profits by an average of 65 per cent over the same period in 1979, so it is not a problem. That sector is doing very well at the expense of Canadians, and particularly at the expense of low and middle-income Canadians who are being asked to foot the bill. Clearly, the oil companies should finance the Canadianization of the industry.

We want to see a minimum of three oil firms under public control, and I suggest that the ones to take over are Imperial, Texaco, and Shell. Let us start with the blackmailers and work from there. However, they should be funding that takeover. They are the ones who have been gleaning tremendous revenues from this country, and following their own objectives rather than those of Canadians. In the final analysis, as prices and costs rise, there must be an indexed tax credit. If we are going to see this energy program develop, there should be a tax credit to protect low and middle-income Canadians. This was promised. Protection was promised, and it should be delivered. That is the only fair way to ensure that it is delivered to the people who need it most.

The second thing about this new industrial strategy, this budget, this over-all look, is that it lacks one thing. It is out of phase. First, it is very timid. In the second place it will probably not work. However, finally we must have an industrial strategy with it. We in this country have no concept of where this government is taking us.

We should base an industrial strategy on three points. We could use resource income from resource development to ensure that all Canadians derive the benefits of the resource. The new technology must be developed in Canada by Canadians, and owned by them. Unless that item is under our control we are in very serious difficulty. The second thing in this industrial strategy is that Canada must train a work force of skilled people capable of developing and implementing this new technology in Canada. The final thing is that the development of the resource must be paced. I feel that this is one of the flaws in this energy policy.

We are going into a massive rush to develop our energy resources on all fronts, but if we fail to pace that, Canadian industry across the board will not obtain the full advantage. We need time to implement that program. By using our resources to develop the modern technology with which to build that industry we would wind up with Canadian industries which are relevant to the twenty-first century. We have a Canadian auto industry which is clearly out of date. Our shipbuilding industry is clearly out of date. I and others in my party feel that if we were to pace the development of this particular resource, we would be able to put in place an industrial strategy which would see Canadians with that technology, our work force trained to build and operate the kinds of industries we need and, finally, strong technologically advanced industries which are owned and controlled by Canadians.

Ensuring that we have heavy public involvement, publicly owned enterprise and joint ventures, in my estimation is the only way there will be a responsibility to Canada and a response to the needs of Canadians. This country has a small population spread over a tremendous area. In the past especially in the resource sector we have been prime picking for foreign corporations. I think that Canada's accountability and responsibility could be enhanced if we placed our industrial strategy firmly on the side of publicly-owned enterprises and on joint ventures. We need that presence. If we develop our own resources by these criteria, then this country and its people will never again be subject to the corporate blackmail we have seen in the past, and see today.

I would like to outline for the record the types of corporate blackmail we have seen in the last little while. The government proposes a 50 per cent ownership objective. That is not enough, and it is meaningless. With the techniques of circumventing Canadian control we will not achieve the goal of placing ownership and control in Canadian hands.

Dome Petroleum has made statements that it will pull up its stakes if it cannot get sufficient tax incentives. Dome has pulled in about $411 million in profits in the past three years. It is now aiming for higher profits by charging the highest possible prices. It proposes to sell Canadian gas to Japan, and I do see a statement by the government that it intends to protect Canadian resources for future generations. We are still playing with the export of Canadian energy resources. At any rate, increased ownership in non-energy companies is an example of where the profits which are being earned are being used to broaden the base of these corporations and not to fulfil the task which they were originally developed to serve.

• (1540)

There is a major $100 million exploration program in the United States. If we are giving those kinds of incentives to Dome Petroleum and other Canadian companies, why are they exploring in the United States with our money? Quite frankly, that is completely unacceptable, and it amounts to corporate blackmail. If we were to develop a solid energy policy, and an industrial strategy which is effective, those companies, funded by Canadian tax dollars, would be operating to meet Canadian goals and not away drilling in the United States and threatening, through blackmail, a corporate withdrawal from this country.

On Tuesday, November 18, Imperial announced that it had abandoned the Alberta tar sands because it could not get its way. The Liberals forked over $40 million in taxpayers' money in order to meet Imperial's profit priorities.

An hon. Member: The $40 million mark.

Mr. Skelly: Imperial's profits in 1978—this Exxon-owned corporation—were roughly $314 million. In 1979 they were

$493 million. In 1980 they will probably pull in $750 million in profit, and now it is pulling out of the oil sands. That again is an example of corporate blackmail.

On Thursday, November 20, Shell Oil threatened to pull $205 million of investment out of its tar sands project unless it got another $40 million from the mark. We should tell them flatly just to get out, that Petro-Canada will build those tar sands plants, and that if they get out of there they will be getting out of other sectors.

The energy policy which was put forward by the government was supposed to be a change in direction, but in fact it was not. It was a very timid policy, and the actions since it was dropped into this House on October 28 show that the government will continue to provide rich incentives and yield to corporate blackmail. Frankly, this also is not acceptable. They should be told to get out.

On the whole question of an industrial strategy and of how this energy program could develop all of Canadian industry so that Canadians could maximize their benefits from resource development, let me refer to the example of shipbuilding. Pacing the way we develop a resource is important. If this resource is hurled ahead at too fast a pace, the ships required to service and develop the offshore oil and gas industry will have to come from offshore. Foreign countries will build those vessels. We hear talk on the east coast that the liquefied natural gas carriers will be built in Finland. We hear on the west coast that that technology will be developed and put in place in Japan. We hear about sharing and many other things but, nevertheless, those should be built in Canada.

Mr. Howie: Right on!

Mr. Skelly: We should have and would have had that capability if we had a government committed to this years ago, but it is not just that our supply ships and our liquefied natural gas carriers and the whole offshore marine program will be produced in other areas; if we look at those in this country who are licensed to crew our vessels, we find that the average age of those licensed personnel is 55 years. We need a tremendous influx of trained seamen, and they are not available because this country was not committed to an industrial strategy which took cognizance of that. If we rush the pace of development so quickly that foreign crews will sail foreign-built vessels to move our oil resource, Canadians not only in this generation but also in the next one will fail to receive the maximum benefit.

There is shipbuilding on the west coast, but it is interesting that all the steel comes from Japan. In many other areas the steel comes from Japan. If we are going to expand that industry and all the other component, related or allied industries, we will have to see that steel and other basic commodities come from North America. A Canadian steel plant could provide steel to Canadian shipyards and to the Canadian oil, gas and refining industries based on the west coast, and could provide all of northwest America with a secure supply of steel at reasonable costs. That is absolutely important.

Mr. Benjamin: We have the steel in Regina.

Mr. Skelly: There is an absolute absence of an industrial strategy in this country, and it is imperative that one be developed with an energy strategy in order to maximize benefits for Canadians. If that does not happen, we will maximize benefits for those same foreign countries whose economies we have fueled with our resources all during the existence of this country.

The clock is moving along. I mentioned a third item of concern. I want to talk for a moment about the development of energy resources and aboriginal people. The energy program outlined in that entertaining reading brought in on October 28 did take cognizance of native people and their needs. It recognized that many communities in remote areas in which Indian and Inuit people live need an economic boost but, frankly, it mentioned that the bulk of the incentives and the real drives for expansion would be on Canada lands, lands owned and controlled by the Government of Canada.

I think the author of that particular document may have been a little hasty. In fact, a great number of those lands described as Canada lands were in fact Indian and Inuit lands, and still are. As a matter of fact, it is my understanding that this government has a commitment to the rule of law and that basically we do recognize certain claims by aboriginal people to lands and rights within this country. Frankly, I am certain this was an oversight in the document, but we all clearly recognize that when we take something which does not belong to us, that is simply theft.

The last remark which probably should be made is that claims must be acknowledged and dealt with effectively so that native people can share in the abundant resources which exist on the lands claimed by them.

On the positive side—and I might read a little more into the legislation than might be there—in the planning agreements whereby companies go into those lands there will be a requirement to provide training and employment for native people. I commend the authors for that particular aspect. We must create not only a share but also an opportunity to participate. That is a positive aspect.

Does the energy policy—and by its actions this government over the last few months—contribute to establishing a sense of community in the country? Frankly, I really have some serious questions about the energy policy. In my opinion it does not set goals with which Canadians can be identified and work for together, thereby strengthening the sense of community in this country. That does not exist in this energy policy.

Before I move further into that area I would like to go back in Canadian history a little and look at some of the precedents which have brought us to the point at which we are today. In 1979 there was an election, after which a very tired government was retired. The leader of that government crossed this country several times making some very provocative statements. He talked about nuclear energy. He said, "You are going to get it whether you want it or not", in answer to the concerns of many Canadians. He said that farmers were chronic bitchers. He said that if the unemployed wanted work, they should get off their butts. This is not an example of an

individual setting and defining goals Canadians can share and work together for, and build a sense of community? But that record goes back to the 1974 election in which, I assume, we all participated. At that time he said, "I promise my government will not impose wage and price controls". In one year he did, and in almost three years it tore the country apart with wage and labour disputes which were artificially created.

• (1550)

Mr. Regan: What does this have to do with the legislation before us?

Mr. Skelly: I will deal with that in just a moment. In 1970, with the stroke of a pen, he eliminated the civil rights of Canadians. I suggest to hon. members opposite, and to others, that this energy policy does not set the goals. It does not establish a sense of community in the country. Basically it opens a wound in some areas.

The hon. member who preceded me stated basically that it was a fair and universally accepted program. But, it is not. Basically it places the hand of the federal government in the pocket of Alberta. It says that certain funds are being removed, but it does not give back the things that are required in return. What will those funds be spent on? Will we get an industrial strategy which will improve the industrial benefits in the west? He says, "No, you will get a $4 billion pork-barrel."

I think there is a tendency to create an enemy in Alberta. I say that with some misgivings, but we must remember that Alberta did not create regional disparity, an inequitable tax system and a $15-billion federal deficit for which Albertans to a large degree will pay. This opens a wound in the country, not just for Albertans but for many people who said that the government has failed to live up to the expectations of Canadians. The point now is that the leader of the government has been responsible for it over a decade.

In conclusion, I think Canadians can come together on some of the goals which have been defined. We can re-establish a sense of community, but one of the primary catalysts which will allow this to occur is the resignation of the present leader of the government.

Some hon. Members: Hear, hear!

Hon. Gerald Regan (Minister of Labour): Mr. Speaker, I am happy for the opportunity to participate in this debate and hope to bring us back to some sense of reality, especially considering the last few moments and the remarks of the hon. member for Comox-Powell River (Mr. Skelly). The hon. member made some of the most remarkable statements I have heard in a while.

An hon. Member: Like asking for an industrial strategy; that is remarkable.

Mr. Regan: Before the member recedes too rapidly, I should like to point out quickly the inconsistency of his saying that the action of the government in relation to the energy package has opened a wound in Alberta, and in the same breath saying that we should nationalize all the oil companies out there. Can one imagine the sort of wound that might open?

An hon. Member: Decapitation.

Mr. Regan: That is about what it would amount to. As I listened to the member's remarks on this subject, as well as the remarks of some other members opposite, and as I read the remarks of the hon. member for Etobicoke Centre (Mr. Wilson) and of the hon. member for Edmonton East (Mr. Yurko) in this debate, I began to feel quite comfortable about this energy package. The reason is that I believe we on this side of the House have every reason to feel confident that we are on the right track when we find the Tories and the NDP attacking us from opposite directions, one saying that we have gone too far and the other saying that we have not gone far enough.

An hon. Member: It means you have gone nowhere.

Mr. Regan: It suggests to me that the moderates in the Conservative party and New Democratic Party are really admiring our package while they are trying, as political parties do in elected legislatures, to find some way to disagree with what the administration is doing. Indeed it would be a most unusual debate if members opposite were to come in here and say, "Yes, that is great. We like it all. There is nothing wrong with it."

If this energy package had been presented to the hon. members of the NDP before its introduction, they would have said that it was great and marvellous. If we look at some of the statements they have made over the past year, then to be consistent they should have come here and said, "Yes, this is a tremendous move, for Petro-Canada to be looking to buy out one of the major multinationals". They should have come in here and praised the 25 per cent land provision as well as the other provisions. But, no, sometimes they are not as intellectually honest as one might wish. They find that they cannot come in here and frankly say, "Yes, that was a tremendous achievement and a great thing for Canada."

Mr. Fulton: Name one member who has been intellectually dishonest.

Mr. Regan: Before turning to the main body of my comments, and aroused by the words of the hon. member for Comox-Powell—

Mr. Fulton: At least name his constituency.

Mr. Regan: I am sorry, the hon. member for Comox-Powell River. In any event, he has a most persuasive and pleasant manner of talking, but he says the most unusual things. He condemned Dome and other private companies. He said that Petro-Canada should take over everything in the country. I want to express my continued basic belief in the mixed economy which is working well for Canada.

Mr. Waddell: It is working well for Dome.

Mr. Regan: If Petro-Canada had control over the whole oil industry, it would not be nearly as good a company as it is now.

Mr. Blenkarn: They would be like the Post Office.

Mr. Regan: When we seek to Canadianize the oil industry, I think it is extremely important to see to it that every encouragement is provided not only for great companies like Bob Blair's company, or Dome, but also for all smaller Canadian companies which exist out there and have built up our economy by their incisive approach to business. It is not only important to provide a lot of encouragement to those companies, but also important to provide encouragement and the wherewithal to Petro-Canada.

I believe there are things which must be done in relation to the rapid expansion of the Canadianization of the oil industry. They must be done by the public sector through Petro-Canada or other federal Crown corporations. But also there is a very important and vital role for the companies that have helped very substantially over the past few years in increasing the amount of Canadian ownership in the country. Petro-Canada has not done it all. The efforts and good leadership of private Canadian oil and gas companies in the west have also made very noteworthy contributions in that regard.

An hon. Member: Name two.

Mr. Regan: I did. Energy represents the geatest challenge to the maintenance of the civilization we have known in our lifetime. We are faced with some very basic facts. The supplies of fossil-based fuels are limited. Throughout the world today there is no subject which involves more time and concern of governments than the question of energy supply, its present price, its future price, and its future supply. Not only are national governments involved in a most intricate manner in this subject throughout the world, but they must be because, if governments are to have the responsibility of managing an economy, then this is the very essence of that responsibility.

It is with that realization, and against that background, that it is necessary to implement the provisions of the Petroleum Administration Act in this country. That step is a very timid one compared to how far governments have gone in relation to this aspect of the economy in other nations of the world.

● (1600)

We have a national responsibility. We have great provincial responsibilities in each of our provinces. We must husband our resources, explore and develop those which are undiscovered, evolve new types of renewable energy making it more feasible and competitive. Of course, we must conserve our resources. While we must prepare for the needs of tomorrow's consumers we must also, at all times, limit the burden to be carried by today's consumers. Therefore the imposition of prices of oil and gas at the national level, to have some consistency from one part of the country to the other, is the essence of national responsibility. I believe that is beyond argument.

In making arguments on this particular motion the opposition will speak about a variety of matters. These are matters which I may say something about. I doubt if any of them are prepared to say seriously that there is not a responsibility of the national government to deal with the question of supply of energy and, at some point, to become affected by the pricing of that energy. After all, it is the setting of price by national governments which has created the entire problem. It is the setting of price by the OPEC cartel that has contributed so substantially to the economic crisis, shall I say, or problems, or malaise, which have characterized the last years of the 1970s. Unfortunately, in doing so in a national government in Canada, responding to what other national governments are doing, there is obviously the question of interference perceived in what had traditionally been an area of price-setting that was not affected directly by the national government. That would be fine, of course, as long as it was not necessary. The unfortunate fact that so much of our oil and gas is concentrated in one area, in one province, tends to make a difficult adversarial conflict between the federal government and the province of Alberta.

I want to express here, as I expressed in Calgary last week to the Calgary Chamber of Commerce, my affection and admiration for the province of Alberta, as a Canadian, and my particular admiration of the incisive approach of their hard-working people and the great contribution they make to Canada. As a maritimer with an inheritance of 100 years of grievances against central Canada, I can, to a considerable degree, sympathize with some of their points of view. I think I have some insight into the reasons those points of view have arisen. Ottawa is the focus of what is referred to as western alienation. But the centralization of industry, of banks and decisions in central Canada is probably more the problem than the question of anything that government does.

If one were to scan my old speeches over the years—and I cannot think of a more tiresome process—you would find they are pretty well filled with illustrations of how centralized we built our economy in this country as compared to other countries. Again and again I have used the example of how American Express can have their corporate headquarters in Phoenix, Arizona, and they find they can serve that country efficiently, whereas in this country, in the business sector, there is too much of a feeling that if you go as far as Oshawa you are in the frontier region.

I think that in combatting this feeling of alienation in the west not only does government have the responsibility to overcome those feelings, whether they are based on fact or emotion, but in the private sector there needs to be a great deal done in relation to decentralization.

In relation to this debate and the Petroleum Administration Act and its proclamation, I want to say that if I were to summarize quickly what the objectives of a government are in this era in relation to energy, I would have to say that they are as follows: a pricing scheme which lessens the impact on Canadian consumers during the period when there must be escalation in the cost of our energy sources. I think that every

member in the chamber will agree that the price of energy will continue to go up, if only because of the fact that new sources of fossil-based fuels tend to be more expensive, in terms of recovery by virtue of their situ, and also because of their diminishing supply. But that does not allow us to forget for a moment that in meeting the other challenges and objectives, which I will talk about later, we cannot forget for a moment that our first obligation is to the Canadian consumer.

Our obligation is to see to it that people can support their families without having such abrupt increases in the cost of something which takes as much of their disposable income as energy, something which rises at a rate that they are simply unable to deal with.

In Canada it is more difficult to adjust to increasing costs of energy abruptly than it is in many other countries. First of all, we live in a northern clime. As a consequence, this means people must heat their homes. There is no way to avoid that. Secondly, we have built our society in such a way, wisely or unwisely, that it is extremely difficult to provide mass transport for very many of our people outside our large cities.

Cars must be used to go to work, to school, to church, and to the stores. In a lot of cases it is ribbon development, but in a lot of other cases it is the free choice that was allowed to be made by Canadian citizens to live in rural settings rather than have all the homes concentrated in an exact village, as has been more the custom in Europe. If you fly over England, France or Germany and you look down you will see a very different pattern than you will see in flying over most of Canada. You see their houses are all very close together and there are very long distances until you come to the next village, where the houses are again concentrated together. One thing about that society is that they do not have to use motorized vehicles as often as we do. In Canada when you look down from a plane you see houses scattered throughout Canada. That is done by choice. Perhaps in relation to transportation it provides an extra problem and penalty for our people today.

I want to make the point that the greatest and most important objective must be not to have an overnight change in price that will deal such a heavy blow to our consumers. Another objective is to achieve a greater share of revenue to meet federal costs. I think in that regard, if you look at what is done in other countries, you will find the share that Canada is taking of the petroleum dollar is smaller than any other country. I will give some figures on that a little later on. Basically, at 10 per cent it was ludicrous; at 24 per cent, which the new arrangement makes—

Mr. Wilson: No, 48 per cent.

Mr. Regan: —it is substantially below the 37 per cent of the United States and the 48 per cent of Australia, or other countries. Hon. members opposite try to add in other costs to push the percentage upward. That is not accurate at all. It is like saying you should add in the tax that the province charges at the gas pump. That is not right at all. The fact that a government takes part of the energy dollar does not mean that it will not carry out other programs to which it is entitled. The hon. member for Etobicoke Centre did not at all address the question of whether he agrees in principle that the national government of this country, like any other country, has a right to take some portion of that dollar.

• (1610)

Mr. Wilson: I agree.

Mr. Regan: He agrees on that. That is progress. Then it becomes a question of degree, and if it is a question of degree, the hon. member will recognize that as the price of energy rises and as energy becomes a larger percentage of the entire economy, the amount which the federal government must take obviously escalates because the increasing cost of energy affects to a very great degree every aspect of the federal operation of providing the basic services of the country. This is a legitimate objective, and I welcome the agreement of the hon. member.

Another objective is a larger share of Canadian ownership in energy.

Mr. Wilson: We agree on that, also.

Mr. Regan: It is obvious that as energy becomes a more important and vital part of our economy it is absolutely essential that the very high degree of American ownership in the oil industry be decreased. I will probably lose the hon. member for Etobicoke Centre when I say that it is also important that there be larger government sector ownership in the oil industry in Canada and that, as a consequence, Petro-Canada should acquire greater holdings than it has at present, and follow the pattern of Mexico, Norway, and elsewhere.

Mr. Beatty: Leave that to the NDP negotiators.

Mr. Regan: That is fine because I will stay in the middle, which is a safe place to be. The objectives which I have just mentioned will, unfortunately, incur disagreement with the provinces and the problems of dislocation for industry. The first basic disagreement is whether the OPEC price is a fair world price. As I have said, I visited Alberta last week and people there argue again and again that the OPEC price should be the benchmark price for determining our price. There are few hon. members in this House, as learned as they are, who would, after paying full attention to all aspects of the history of the OPEC price and the actual situation in the world, argue that this is a realistic price. It is a cartel price which is put together by those countries which held a surplus of a commodity which was vital to a purchasing country. The cartel forced up the price by cornering the market and agreeing to a sale price rather than competing in sales. In 1978 and 1979 the price of oil doubled.

There is no doubt that, if this cartel thought it could get away with it, tomorrow it would move up the price to $100 per barrel. I wonder if hon. members opposite would still argue that automatically the Canadian price should relate to the OPEC price, even on a percentage basis, if the price per barrel were moved to $100. The essential, single most telling point

which must be remembered about that cartel price is that it is the price charged for oil that is surplus to the needs of the countries forming the cartel. Mexico does not charge Mexicans the OPEC price. In Mexico gasoline can be bought for around 40 cents per gallon. Venezuela does not charge Venezuelans the world price, nor does Saudi Arabia charge Saudi Arabians the world price.

Mr. Wilson: What about Australia?

Mr. Regan: I am talking about the OPEC countries which export oil. Those countries which produce their own oil and which have a surplus to export do not charge the OPEC price for oil and gas to their own people. Why should we in Canada charge that artificial cartel price, or anything like it, to our own people? Surely we can decide in principle that the Canadian price, whatever it should be—and there may be differences—should be based on Canadian conditions and not on some phony comparison to what OPEC happens to be charging this week or next week.

Within the Canadian price there must be incentives for new oil and for frontier oil, as currently being offered by this government. If there are to be incentives, why should we pay the same price for old oil which has been discovered and is simply being pumped out of the ground, when it was profitable at $2.50 per barrel? Why should we push the price of old oil up further to enrich the American companies which own most of those reserves? Every time the price is changed American ownership vastly increases.

Mr. Blenkarn: That is not so.

Mr. Regan: It certainly is so, and I would be very happy to have the hon. member participate in the debate and show me otherwise.

The second disagreement deals with the question of the necessity of increasing the federal take from 10 per cent. I find it shocking that members of the official opposition would side with the government of Alberta on its position. The federal government has taken less of the oil dollar than any government in any federal country, and obviously much less than any government of any unitary country in the world. Yet, as I have said, the percentage of the economy represented by the petroleum industry becomes a larger part of our economy, and the escalating national costs and the program of price equalization require that we have more money. To stay with the ratio of 45/45/10 would be ludicrous in that situation.

I mentioned earlier the figures taken by federal governments in other countries. Again, Australian producers take 37 per cent, the state takes approximately 17 per cent, and the national government takes 48 per cent.

Mr. Wilson: Where is the oil?

Mr. Regan: That applies no matter where the oil is located.

Mr. Wilson: Oh, oh!

Mr. Regan: It will work out to that, as I understand it.

In the United States the producer takes 48 per cent. The great states of Texas, with all the power and authority exercised by Texans in that country, takes only 17 per cent, and the national government takes 35 per cent. I suggest that the question of taxes is not of the essence of ownership. The fact that a province or a federal government owns a resource is not the essence of the question of the need or right of either level of government to tax that resource. I am told that in Australia the resource is owned by the state.

Mr. Wilson: It is offshore.

Mr. Regan: Most of the production is offshore, but that is not the point.

The other point I would like to make is with regard to the large amount taken by Alberta. Hon. members will remember that the government of Alberta took only 22 per cent until 1974. Of course, it receives much more when we include the federal programs. In 1974 the government of Alberta unilaterally changed the figure of 22 per cent and moved it to what works out to be 45 per cent through their involved formula. If the outcry of the industry, that there is an insufficient amount left to the corporations, is correct, it is the government of Alberta which is out of step by the amount which it is taking, not the federal government.

I notice that the hon. member for Etobicoke Centre, the hon. member for Edmonton East, for both of whom I have the greatest respect, and other hon. members, have said that there has been no bargaining in good faith. They said bargaining between the federal government and the provinces was not in good faith. They said the feds did not bargain in good faith. But this second guessing on the negotiation process about who bargained well is not new. All my life I have been accustomed to companies and unions saying that about each other when collective bargaining is under way. The usual expression is that if the other side does not move your way, it means it did not bargain in good faith. I believe that both sides bargained in good faith in this matter. But they have very different responsibilities and a lot at stake. In my opinion, that is the problem.

• (1620)

I am sure the industry feels that government intervention is quite a pain. Industry wonders why it cannot be left alone. But unfortunately if you happen to involve yourself in a business which determines the flow of the entire economy, factors have to be considered that transcend the interests of the company, and even the effect of the policies deemed necessary on the short run level of production or exploration must be considered.

Let us talk about the role of government intervention.

Mr. Deputy Speaker: I regret to interrupt the hon. minister, but the time allotted to him has expired. He may continue with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Regan: My thanks to you, Mr. Speaker, and to hon. members. I will try to be as brief as possible. The oil industry, which faces a problem at the present time because of the change in the amount of government take and the new regulations, is an industry which has shown itself over the years to be able to adjust to almost any change one could perceive. For instance, when OPEC took over the ownership of the oil resources a few years ago everyone assumed that this would be an immense problem for the oil industry. Some predicted a breakdown in relation to the way companies operated on an integrated basis, that the majors were ruined because they lost the ownership of these vast resources which were taken over by OPEC. However, if one looks at the profits of the major international oil companies, they digested that with hardly a hiccup. The profits of Exxon, which were about $1,300 million in 1971, have moved steadily upward to over $4 billion by 1979.

If we take the top 31 petroleum companies in Canada for the same period, profits went from $559 million to $3,075 million in 1979.

When Alberta changed its take from 22 per cent to 45 per cent of the dollar, again the industry in Canada was able to adjust to that. The industry has been able to adjust to new conditions and I am sure that will continue.

If the industry considers there is bad news in the budget arrangements, remember that there is also a lot of good news. In the same way Jack Armstrong and Bill Richards have said that they can see opportunities within it, keep in mind that for Canada conversion to gas will mean new markets for gas. Pipelines to be built to the east will mean new markets for western gas. The gas bank will help the smaller companies. There will be greater incentives for Canadian companies and preference for them in future gas exports. All of these things, I suggest, are very helpful signs which are being overlooked by some people in the west at this moment in time.

Any further remarks I have on the matter, I will make on another occasion, but I want to say that the government of Alberta has its priorities and its point of view. But I believe that the government of Alberta is wrong in feeling that it should take so much. It is my hope that understanding and dialogue will reconcile the differences which presently exist between the federal government and the government of Alberta, differences which are harmful to the country we all love.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Peterborough (Mr. Domm)—Parks Canada—Decision to cancel Cornwall to Peterborough move; the hon. member for Parkdale-High Park (Mr. Flis)—Canadian Broadcasting Corporation—Lack of coverage of European conference; the hon. member for Winnipeg-Birds Hill (Mr. Blaikie)—Social development—Renewal of federal-provincial funding—Government position.

GOVERNMENT ORDERS

[*English*]

PETROLEUM ADMINISTRATION ACT

PETITION TO REVOKE PROCLAMATION

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

That the proclamation laid before the House on Wednesday, November 12, 1980, pursuant to subsection 35(2) of the Petroleum Administration Act, as proclaimed in PC 1980-2915, be revoked.

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Mr. Speaker, it is with considerable regret that I rise today to speak on the proclamations issued by the government under the Petroleum Administration Act. Member after member from this side of the House for the past two days has described the tragic implications the government's energy policy will have for the economy, energy security, and federal-provincial relations.

Canada is losing companies which provide necessary jobs, expertise and capital and other spin-offs which enable this country to enjoy its current high standard of living. Right across this country, including the manufacturing and service heartland of Ontario and Quebec, the situation is about to change. Economic and political uncertainty is about to engulf Canada at the very time Canadians are seeking ways and means to become more united and less dependent upon the help of others.

Today I want to shift the focus of the debate a little bit. My colleagues in the Progressive Conservative Party have shown the incompetence of the government's policy. They have shown how Canadian families, families in my constituency, will be paying about $300 more for the cost of energy than they would have had to pay under the Crosbie budget. My colleagues have shown how the security of oil supply has been decreased as a result of these measures. Rather than achieving energy self-sufficiency by 1990, as our government proposed, we hear of threats to close down the Cold Lake project. We hear of cutbacks in exploration programs by Canadian independents. My colleagues have shown how employment will be hurt across the country.

The deferral of the oil sands project in Alberta means that Ontario and Quebec will share almost equally the economic hardships of Liberal policy as private companies cut their

exploration budgets or move to the United States. Almost daily we hear reports from my part of the country of shutdowns or of lay-offs taking place in industries in Ontario. These industries are affected by the decline in orders from western Canada, which are affected, as well, by the deterioration in the atmosphere and relations in Canada today. Western Canadians are looking for other sources of goods, instead of looking toward central Canada, because of the policies of this government. Yet the government cynically prepares to strike a deal with Saudi Arabia on the grounds, as the Prime Minister (Mr. Trudeau) said, "of security of supply". And we find the government is not serious in its dealings with Alberta, a Canadian province.

As Canadians go jobless, OPEC is receiving the equivalent of $900 a year for each Canadian family. Members of our party have shown that the Canadian oil industry, despite the government's claims to the contrary, is being hit seriously, particularly through the 8 per cent *de facto* royalty. As Canadian companies move south, the only Canadianizing effect of this energy policy is to create more government ownership. By 1983 this may well range between 45 per cent and 50 per cent, not 24 per cent, as the Minister of Energy, Mines and Resources (Mr. Lalonde) would lead us to believe.

I ask the question: will it help national unity? Clearly the answer is no. The invoking of the Petroleum Administration Act will do more than perhaps any other measure taken by the government to damage the country.

Finally, my colleagues have described the impact of the regressive energy policy and the effects that it will have upon consumers and, particularly, on the low-income family. The government has made no provision to allow energy tax credits, like my government's budget did.

I would point out as well that this government has imposed taxation upon heating oils which affect many poorer families in my constituency who do not have the option of converting to natural gas, and yet we find the government is not apologetic about its policies and is prepared to continue in this vein. This is divisive and punitive for the Canadians who can least afford to pay for it.

There is another aspect of this budget that is largely forgotten. In part, it is a consequence of complacency among members throughout the House, but it is also caused by the fact that the party opposite has ruled this country for so long that it has confused governing with government. Over the year the power of government has increased dramatically. Bureaucracy and public ownership now count for over 40 per cent of our gross national product.

I am not of the belief that government need be inherently bad. On the contrary, I think every member of this House would recognize that government has a vital role to play. However, when the elected representatives in Parliament unnecessarily delegate their task of governing to non-elected bureaucrats, or to a few select cabinet ministers, government becomes a monolithic entity, insensitive to the needs of people, subject to incompetency or, worse, deceit. I am not, therefore, inclined to give powers freely to any body or agency that has not been elected by the people to govern for the good of this country. Yet, with the invoking of division II of part II of the Petroleum Administration Act, this is precisely what the government has chosen to do.

● (1630)

I am reminded of the warnings that the long time member, friend and former colleague of mine, Hon. Ged Baldwin, gave at the time of the passing of the Petroleum Administration Act in June, 1975. He warned of a government practice that had grown steadily since the end of the Second World War. The delegation of legislative powers to non-elected government agencies or bodies was increasing yearly and becoming more widespread. Civil servants and bureaucrats were making legislative decisions that were directly affecting the lives of every Canadian. But while Mr. Baldwin recognized that delegated legislation is an historically accepted and necessary method of governing, he warned that it was not a method that should be contemplated unless it was clearly necessary and specific in detail as to the extent of the delegation.

In the past Canada has had dangerous experiences with delegated powers which not only threatened the supremacy of Parliament but also the liberty of the people. In December, 1945, for example, Parliament passed a national emergency transitional powers bill which declared that a condition of emergency still existed in Canada, despite the fact that the war had ended. Very substantial powers under the War Measures Act were delegated to the governor in council until this period of emergency was over. In a few months it was discovered that the governor in council had secretly passed an order giving the minister of justice authority to issue an order to interrogate and detain "in such place and under such conditions as he may from time to time determine" any person whom he believed to be likely to communicate information to a foreign agent. This order provided the authority for the arrest, interrogation, and detention of suspects in the great spy investigation of 1946. The arbitrary nature of this piece of legislation, and the degree to which many innocent citizens' rights were revoked, best illustrate how delegated legislation of the variety found in the invoked portion of the Petroleum Administration Act can be abused when Parliament freely chooses to forsake its role of governing. These emergency powers remained in effect until 1954.

This type of abuse of delegated legislation is by no means the exception to the rule. In my capacity as co-chairman of the Standing Joint Committee on Regulations and Other Statutory Instruments, I have seen literally dozens of cases where delegated legislation has been abused by both the executive and non-elected agencies. In the case of the former, the committee found, and I quote from the fourth report tabled in the House last July that:

> Far too many statutes contain little or no indication of legislative policy and are neutral documents the object of which is merely to confer powers on the executive to act in certain vaguely defined fields. Moreover, these powers are granted in very broad terms so that little or no detail is given as to the content or type of delegated legislation that can be made.

In the case of enabling powers, the committee found that it was:

> Far too great a temptation to departments and to ministers to grant general enabling powers and to rely on their exercise being confined to the 'four corners of the act.' They are certain, and the committee speaks in the light of its predecessors' experience, to be used, and probably abused, in the pursuit of administrative convenience, to make subordinate laws never imagined by parliamentarians at the time of passage of a bill.

That is what our report had to say on the subject. To combat the further abuse of delegated legislation, the committee recommended that the intention of Parliament in delegating powers and the scope of the legislation be explained beyond all doubt and clearly limited.

Ged Baldwin was the first to recognize that the Petroleum Administration Act was a prime example of the type of faulty legislation the committee was criticizing. Members will remember that during the 1975 debate on the Petroleum Administration Act, the government of the day assured the House that the main intent of the legislation was to provide a base for the export charge which had been used for the purpose of funding the compensation program. The objective was, according to the government, to create a single national price subject only to differences for transportation costs.

Almost as an afterthought, the minister of energy, mines and resources at that time, mentioned that the bill provided a mechanism for the setting of oil and natural gas prices in Canada. Ged Baldwin, on the other hand, pointed out during the debate that articles 36 and 40 to 44 entitled the federal government to fix the price of oil, "despite the fact that a considerable percentage of the crude is not exported." Though Liberal members at that time shouted, "What do these comments have to do about the bill?", I think history has justified Mr. Baldwin's concerns, for articles 36 and 40 to 44 are all part of division II of part II, currently being invoked by the Liberal majority in Parliament. Unfortunately, Mr. Speaker, not enough members heeded his warning in 1975 and in subsequent amending debates on the bill, so we are obligated to take up his crusade today in the hope that parliamentarians on both sides of the House will come to their senses and reject any recourse to the invoking of the Petroleum Administration Act.

Failing this, I would like the government to take a second look at the implication of articles 38 to 47 of the act. The invoking of the Petroleum Administration Act does far more than give the government the power to set prices unilaterally for oil and gas. If this were not bad enough, sections 38 to 47 give the governor in council the power to delegate broad and sweeping licensing provisions to its regulatory agency, the National Energy Board. Section 38 provides that the "governor in council may, by order, direct that the National Energy Board assume supervision and regulation of the movement of crude oil out of an exporting province."

Section 39 further states that where such an order has been received, the movement of all oil out of an exporting province becomes "subject to a licensing system operated by the board". The governor in council then gives the agency a free hand to impose terms and conditions on licences it issues for, first, selling crude oil for consumption outside the exporting province; second, purchasing any crude oil for consumption outside the exporting province; third, acquiring any crude oil for consumption outside the exporting province; and fourth, selling or purchasing outside the exporting province any crude oil from the exporting province.

These licences may be restricted or limited as to area, quantity or time, quality or kind of crude oil. They may be revoked or suspended under section 84 of the National Energy Board Act when the board, after giving a licensee a hearing, forms the opinion that the licensee has violated or failed to comply with the terms or conditions of his licence. In short, the significance of the licensing system is that once it is in place, all selling, transporting, collecting, and mixing of crude oil for purposes elsewhere than in the exporting provinces, would be illegal unless the person engaged in the transaction was a party to the licensing system. Moreover, the act provides a broad range of penalties for breach of prohibitions under section 45(1) and (2).

While the Petroleum Administration Act would appear to provide a great deal of power to at least a few elected representatives via the governor in council, article 46(B) implies that the National Energy Board may be free of whatever restraining influences that the governor in council may have. Section 46(B) reads that the governor in council may make representations, and I quote:

> Respecting the duration of licences, the quantities of crude oil that may be sold, purchased or moved under licences and the terms and conditions that may be prescribed by the board in respect of licences.

Unfortunately, the governor in council may choose, either intentionally or unintentionally, not to exercise this option. As I understand it, the word "respecting" in the article could lead the governor in council to subdelegate his law-making authority to the National Energy Board or to the minister.

Members can envisage a regulation by the governor in council which stipulates that the duration of licences or quantities shall be such as the minister notifies the board, or, shall be such as the board shall from time to time determine, and so on. That sort of provision is not uncommon. More important, perhaps, the governor in council may exempt, or empower the minister or the board to exempt, particular individuals from the regulatory requirement as to duration, quantities, or terms and conditions. In short, those sections, 38 to 47, that I have just described, postulate the possibility of a tightly controlled licensing system, containing many potentially arbitrary features governing the movement of oil in and without Canada.

Parliament in the first place should never have passed legislation that so limited its powers over actions by the government concerning the movement of oil in Canada so that the possibility of abuse could arise. I have pointed out how, in the past, broad and sweeping legislation of the variety here before us led to infringement of the principle of the supremacy of Parliament and of individual liberty itself. Today, with respect to the articles I have just described, one could hypothesize numerous examples of how the governor in council, or the National Energy Board, or the minister, or all of them to-

gether, might well abuse the power Parliament granted the government in 1975.

It is possible, under this act, that the government, in pursuit of its goal of "nationalization" of the oil industry in Canada, might choose to licence only PetroCan for the task of moving oil across Canada. The powers in this act would allow the governor in council, or the National Energy Board, or the minister, to cut short the duration of licences to private companies, Canadian or otherwise. They could determine how much oil was sold or purchased by private licences, and impose arbitrary terms on them.

Moreover, and this is an intent that I cannot believe the current government would harbour, the article in division II of part II of the Petroleum Administration Act could even govern the extent to which all or some exports from a producing province could be curtailed or stopped altogether. Shockingly, whether or not the government realizes it now, a future Liberal administration might use the licensing provisions of the Petroleum Administration Act to force Alberta into an energy deal. It could legally threaten Alberta to compromise on price or suffer the consequences of a cut-off from its export market.

It is important to remove even the temptation of this type of abuse from the hands of a select few members of the cabinet, or an individual minister, or a non-elected board.

I understand the government's policy to establish prices below world levels that has led it to invoke the relevant proclamation of the Petroleum Administration Act. Though I disagree with the policy, if the setting of prices is the only concern of the government, why has it asked that all the licensing provisions in division II of part II be invoked also? A check with the National Energy Board reveals that no orders appear to have been made with respect to regulation by the board under section 38. This is commendable, but not entirely reassuring.

If the government's stated energy goals are to achieve a fair blended price and to achieve a large degree of Canadian ownership, it is vital that the means used to achieve these goals are legitimate and based on the underlying principles of Canada's constitutional order. As such, the means used to achieve the goals of government can be far more important than the ends themselves.

To paraphrase from the standing joint committee's report, it is no exaggeration to say that the evolution of Canada's constitutional system since the Magna Carta has consisted of a series of conflicts over means. Administrative efficiency may be the primary goal of the administrative process, but for the community as a whole the means in this process bear upon an individual's liberties, harmony, and constitutional balance. Since I have heard no public attempt to justify the invoking of articles 38 to 47, balance and fairness in our constitutional and parliamentary system dictate that this section be dropped from the current discussions.

After all, if the government has not even explained why these articles need be invoked, why should Parliament grant these extraordinary licensing powers that delegate these regulations to others and effectively undermine provincial ownership of land, mines and minerals granted under section 109 of the British North America Act? Surely Parliament ought to have a continuing influence over the means by which the government's actions are achieved, and surely the ownership of these lands ought at least to give the provinces some authority to decide to whom their oil will be exported and in what quantity, quality, and time frame. Sections 38 to 47 are over-kill. They are unjustified. They are unnecessary. They are just plain irresponsible, if invoked as the government currently plans to do.

There is more here than meets the eye. I have shown how delegated authority has been abused in the past and described the relevant sections of the Petroleum Administration Act that might be abused in the future. I have cited examples of cases where individual liberties were subverted and the power of Parliament curtailed, and related these to hypothetical situations that could arise if articles 38 to 47 of this act are invoked. I have tried to point out to the government how procedure is the handmaiden of liberty, and the lack of any intent to abuse the powers granted to the governor in council, the minister or the National Energy Board, is no excuse for their failure to drop articles 38 to 47 from the proclamation of the Petroleum Administration Act.

Finally, I have tried to show members of both sides of the House that it is the duty of this Parliament to say no to the minister's proclamation of an act that gives a select few, elected and non-elected members of government, blanket authority over petroleum pricing and licensing in this country. It is about time that Parliament began reasserting its independence and supremacy over delegated legislation that can be potentially dangerous to the underlying constitutional principles and individual liberties of the country.

● (1640)

Member after member who has spoken in this debate so far has dealt with the question of the effect of the government's policies on the unity of Canada and upon energy security in Canada. The minister responsible for fitness and amateur sport, who spoke a few minutes ago, dealt with what he felt was an urgent need to protect the rights of consumers in Canada. I do not think there is a member in this House or any Canadian who is not concerned about the effect of higher energy prices upon average Canadians, but I think it is essential to remind the government that the arbitrary power it is asking for today—and we ask for justification—is having a serious effect on the national fabric of Canada itself.

We hear it said from time to time in Ottawa and throughout the country that Ontarians should be happy with what the government is doing in that Ontarians benefit, conceivably, in the short term from this federal intervention in an area which falls under provincial jurisdiction, and that to the extent to which Ottawa is able to expropriate energy wealth from the producing provinces it is to the benefit of consumers.

The hon. member from the NDP who spoke earlier pointed out that it was not the Albertans who ran up the $14.5 billion

deficit which the federal government faces today but that it is the Albertans who find their wealth confiscated by this government to pay for that deficit. My friend from the NDP did not say where he was when there were discussions in this House about high federal deficits and that this money will be used to finance them.

Mr. Benjamin: We were here.

Mr. Beatty: They were here, they were active, and they voted in every single instance to increase spending in Canada and not to decrease it. Nonetheless, I am glad to see this afternoon at least a late-blooming appreciation of the fact that what is happening here is the expropriation of the wealth of one portion of the country to pay for the federal government's inability to control its own spending.

As I said before, Mr. Speaker, some people will argue that Ontarians will benefit from that and that we should be happy to see this happens. If they believe that this is so, they seriously misread the mood of my home province. Since confederation it has been Ontario which has been a central force for the unity of this country, and it has argued in all instances that all portions of this country have to be dealt with fairly and equitably. Confederation cannot simply be there as the thumb upon the scales to benefit one region of the country to the disfavour of others.

Ontarians today are deeply concerned when they see the effects of the policies of this government, which damage the unity of this country and make it difficult for us to live our lives in a feeling of harmony, of common sense and of good will, which is so essential if we are to overcome the centrifugal forces in our country which threaten to tear it apart. Ontarians are not happy to see what the federal government is doing. They are deeply concerned about their country and they deeply oppose any actions taken by this government which pit Canadian against Canadian, and which make more difficult our job of fostering a sense of national unity.

As a member of Parliament from a small town and rural area with many constituents who are not wealthy, I am deeply concerned about the effects of this government's policies. When ministers say these policies are necessary to hold prices down, I say to you, Mr. Speaker, that the effect of the government's energy policies is to drive prices up. It was this government that imposed a tax upon the heating oil which is used by large numbers of my constituents who do not have recourse to natural gas. Yet these are the people who are being hit by the policies of this government, ostensibly brought down to give protection to the consumers and to protect the national interest. It is my constituents who are being deprived of an energy tax credit which was proposed in the Crosbie budget.

Where is the government when it talks about concern for consumers in this country and when it talks about the problems of individual Canadian families? Where are ministers when those families ask for assistance from the government in the form of an energy tax credit which was promised by the former government to help compensate for higher prices? Where is this government when constituents in my constituency and in constituencies like mine across Ontario find their jobs being taken away from them because of slowdowns in the economy as a result of this government's policies?

• (1650)

I do not think my constituents will be fooled into believing that slowdowns in oil exploration and development in western Canada will not have a very serious effect upon their jobs right here in the heartland of Canada, because it is Ontario which benefits most from the manufacturing which is required to supply the oil industry, and a slowdown in that industry affects jobs right here in the industrial heartland of Canada.

This government campaigned against the energy policy proposed by our government, which would have encouraged exploration and development in Canada and which would have given massive assistance to the search for alternative sources of energy, much of that development money going into Ontario. I ask hon. members opposite how they can justify policies which today are costing the jobs of Ontarians.

There is a sense of malaise and uncertainty—which I have not felt before in my constituency over the course of the past eight years—which I feel today when I go around it. Canadians are frightened not just about whether their children will have jobs but also about whether they will be able to hang on to their own jobs because the effect of this government's policies is to take those jobs away. Hon. members opposite would happily pay the Saudi Arabians twice what they would pay Canadians to supply oil for Canadian needs. They would happily see that money leave Canada entirely, as well as industrial benefits going elsewhere instead of staying in Canada where they would provide jobs for Canadians. They would happily see the effects of their policies, which will be to drive exploration and development out of Canada and take jobs from Canada into the United States where development of the oil industry is very welcome.

This is not an issue on which the government can expect to divide Alberta from the rest of Canadians. All of Canada suffers from the consequences of the incompetence on energy issues of this government. All of Canada had a right to expect, after the last election, that the government would keep its promises and bring in measures which would actually stimulate Canadian ownership and do something to encourage employment in Canada, yet what we have found is that promise after promise has been broken. If Canadians liked what was done to them by the Prime Minister with respect to wage and price controls, they will love what he is doing to them with respect to the energy promises and employment promises which he made during the 1980 election.

What the government is doing today is inflicting serious damage upon the unity of Canada and affecting very grievously the jobs of Canadians. I do not believe that a member on any side of the House, whether in the opposition or in the government, has any right to stand here and support such a measure, and I call upon hon. members on all sides of the House to join with the members of my party in saying to the government that these measures may not go forward and that

the time has come not to sit down with Saudi sheiks, but to sit down with the people of Alberta, who are Canadians, first, and to work out a regime of pricing and development which is fair to all Canadians and which would put Canadian interests first. That is all Canadians are asking for, and I think they are entitled to no less.

[*Translation*]

Mr. René Gingras (Abitibi): Mr. Speaker, I take advantage of the privilege granted to new members in the first session to speak about my constituency of Abitibi. Afterwards, I will deal with the matter before us, that is the proclamation of the Petroleum Administration Act.

The Abitibi area, Mr. Speaker, is more than a riding and more than a province, it is almost a country. Some will perhaps be surprised to learn that it covers an area of 750,000 square kilometres, or 48 per cent of Quebec. My constituency is larger than Manitoba, Saskatchewan, Alberta and the Yukon. The southern part is farther south than Thunder Bay and the northern part farther north than Yellowknife. It is a country of contrasts. There are plains a hundred miles long without any stones, and there are mountains and rocks a hundred miles long without any soil. In the south, we grow carrots, potatoes, lettuce, cucumbers, tomatoes, while in the north the soil will not thaw, and all this in the same riding.

There is a place in my riding where the frost is 1800 feet deep, the deepest in the world. As for the temperature, and I am still referring to contrasts in my constituency, it often reaches 40° Celsius in the summer and in the winter it almost always drops to 40° Celsius below zero.

Before 1900, there were very few white men in Abitibi, except Iberville, who travelled up the Ottawa River to Lake Abitibi. It was the construction of the Transcontinental railway which opened the Abitibi area around 1912. When they reached the shores of the Harricanaw the white men discovered an Indian village. How long had it been there? Nobody knows. A little farther north, the Crees remained in the James Bay area, while the Inuit settled on the coast of Hudson Bay and Hudson Strait. In 1914, when the railway reached the Harricanaw, the first camp was set up, only 66 years ago, Mr. Speaker. Several of those pioneers who reached the shores of the Harricanaw founded a village called Harricanaw, now known as Amos. A town was built. As I said a while ago, several of those pioneers are still living. This shows indeed that the region is rather young.

Val d'Or, now a prosperous city, was founded only in 1934, less than 50 years ago. The founders of Val d'Or all came by boat on the Harricanaw River after leaving the railroad. Building materials for the Sullivan mine were also transported by boat. Afterwards, cities grew like mushrooms on the Cadillac fault, as it is called in geology, and this is how such cities as Malartic and Cadillac were born, going toward Rouyn-Noranda, with Senneterre the railway nerve centre, since a railroad had to be built to join these towns. Later on, came Chibougamau, Chapais, Joutel and Matagami, which were mostly concerned with copper mining.

Mines, Mr. Speaker, always mines. Mines which opened and mines which closed. Abitibi produces, or produced in the past, gold, silver, copper, zinc, molybdenum, lithium and asbestos. The substratum contains iron, nickel, uranium and many other minerals. As hon. members probably know, the Vautrin plan in Quebec brought tens of thousands of settlers to Abitibi. They founded dozens of villages. They were heroes, Mr. Speaker. My father was one of them. Newcomers were told, "If you want land, clear it. If you want a house, build yourself one."

Such was the life of the pioneers. Today, there are large farms with cows, beef cattle and chickens. The climate is excellent for breeding, but the land was not, as Mr. Vautrin, the minister of colonization, thought, good only for growing tomatoes. We have a tourism industry. May I call it five o'clock, Mr. Speaker?

The Acting Speaker (Mr. Blaker): I thank the hon. member for Abitibi (Mr. Gingras) for having called it five o'clock.

• (1700)

[*English*]

It being five o'clock, the House will now proceed to the consideration of private members' business as listed on today's order paper, namely, public bills, private bills and notices of motions.

PRIVATE MEMBERS' PUBLIC BILLS

[*English*]

CANADA LABOUR CODE

MEASURE TO AMEND WITH RESPECT TO MATERNITY LEAVE

The Acting Speaker (Mr. Blaker): This gives rise to the subject matter of Bill C-206 to amend the Canada Labour Code.

Mr. Knowles: The subject matter? It is the bill.

The Acting Speaker (Mr. Blaker): Before proposing the question on Bill C-206 to amend the Canada Labour Code, the Chair ought to register reservations and enter a caveat as to the procedural acceptability of the bill. The Chair is of the view that certain provisions of the bill may involve expenditures of public funds, which can only be authorized by way of a royal recommendation. However, since the Chair does not want to take too much time of private members' hour to rule now, I intend to allow the debate on the bill, without prejudice to the decision which may have to be made on the procedural acceptability of the bill at the conclusion of the debate at second reading.

For immediate reference I would refer to clauses 2 and 3 in which there is a suggestion, if I understand the bill correctly, that there may be a requirement for the expenditure of government funds in so far as Crown corporations are concerned. That is the essence of the caveat being entered by the Chair. The hon. member for Regina West (Mr. Benjamin) may choose to raise that point during his own remarks on the bill, but for the moment it seems to be the best way to proceed.

Mr. Les Benjamin (Regina West) moved that Bill C-206, to amend the Canada Labour Code (maternity leave), be read the second time and referred to the Standing Committee on Labour, Manpower and Immigration.

He said: Mr. Speaker, I have noted your caveat on the admissibility of my bill in terms of the expenditure of public funds through Crown corporations. When the Chair is considering the matter, I should like it to take into consideration that I do not believe the caveat applies, because in effect my bill calls for leave without pay. I do not know how Crown corporations, any other business, or all employees under federal jurisdiction, would call for extra expenditures.

Bill C-206 has been on the order paper for some time. It would increase the maximum period of maternity leave which is presently in the Canada Labour Code from 17 weeks to 52 weeks. It would provide up to three years of maternity leave for the employee whose child requires constant care. It would allow an employee to credit maternity leave time toward pension plans or any benefits determined by seniority. That means if an employee chooses, when on leave without pay or after coming back to work, to make payments toward her pension plan or contributions to the Canada Pension Plan, then the employer would match the contributions, which I think does not come under the caveat Mr. Speaker mentioned earlier. The final provision of the bill would be that if an employee were to die during childbirth, or after the child is born, the spouse would be entitled to the remaining leave and benefits.

If the bill were to pass, two other things must happen. It applies only to industries and employers under federal jurisdiction; the provinces would have to be encouraged to pass similar legislation. The federal government should amend the Unemployment Insurance Act to increase the length of maternity benefits which at present is only 15 weeks. This change was not included in my private member's bill because of the risk that the entire bill might be ruled out of order in that it would involve the spending of money. I tried to keep in mind the business about a private member's bill calling for the expenditure of money. Where unemployment insurance benefits are involved, it would be up to the government to bring in its amendment to the Unemployment Insurance Act to coincide with the provisions of my bill.

There are a lot of reasons why this legislation is long over due. The importance of bonding in the first year of a child's life cannot be overemphasized. Close ties between parent and child affect the child's behaviour for the rest of its life. This has been verified by experts in the field, and it was pointed out as recently as last October in the Senate subcommittee report entitled "Child at Risk". I invite hon. members to read what the committee reported about good parenting being of overwhelming importance to the developing personality of a child. Extended maternity leave is one of the important means of achieving those close ties.

Maternity leave is no longer a fringe benefit for a selected few who can negotiate it through collective agreements. Women have been entering the labour force in increasing numbers, and can no longer be dismissed as a secondary labour force. In 1979, 49 per cent of the women in Canada, or almost half, were in the paid work force. Between 1969 and 1979 the growth of women in the work force increased by over 61 per cent. The main child-bearing years are between the years of 20 and 44. Last year 63 per cent of working women in Canada were between those ages. There has been concern about Canada's declining birth rate. The 52 weeks of maternity leave could offer further job security to women who want to have children but are reluctant to risk their job security, their pay level, their economic and social well-being.

There have been too many instances across the country where an employee has requested time off from work to bear a child and to spend some time with the child after birth, and after two or three months has been told by her employer, "Well, you have had so much time off; if you cannot get back to work within the next month or two, I will have to hire someone else."

This is not a new provision in other parts of the world. I am asking that Canada catch up with a lot of other places. Also I remind the House that under the Financial Administration Act and the Public Service Staff Relations Act federal public servants are allowed 37 weeks of maternity leave—up to 11 weeks before birth and 26 weeks after. It is an improvement over what is in the Canada Labour Code. So surely the government cannot object to improving the Canada Labour Code, compared to the provisions affecting federal public servants. I should like to mention what is occurring in other countries. Austria, Norway and the Soviet Union provide one-year leave for maternity; Czechoslovakia provides two years; Spain and Bulgaria provide three years. I find it somewhat embarrassing that we are behind these other countries.

There is another reason why I think this matter is important. Just the other day another private member's bill was before the House concerning abortion. All of us in the chamber have been required to go through the agonizing and heart-rending feelings of hon. members on both sides of the question, feelings that are sincerely held and believed in. I think this provision, as well as a number of others, would do more to end the perceived need and demand for abortion. It is one of many measures which I think would reduce a need for abortion that is not only perceived but which also may be real.

• (1710)

It seems to me that people do not resort to abortion because they suddenly do not love babies. It is because they find themselves caught in a frightening and terrifying squeeze where there is no housing, no job, no health, no acceptance or

support. I think all hon. members want to do all they can to restructure our society and make it a hospitable place in which to live. We want to reduce substantially the perceived and felt need for abortion. Of equal importance is the necessity for a mother to be with her new baby, and a one year leave of absence without pay would help. Unless she belongs to a union, if she is lucky enough to have one, she can through a collective agreement negotiate some additional benefits. That is fine. Surely the federal law should set out a minimum of 12 months leave from the position that woman held with her employer, and guarantee her right to return to it, or to a better position with the same employer. This is only one of many things we need to do to strengthen the parent or mother-child bonding, to strengthen families and reduce their perceived compulsion or need for abortion, and to make this a more decent, understanding society than it presently is.

I am aware the government is looking at amendments to the Canada Labour Code. I do not care if it is my bill that passes, or a bill put forward by an opposition member, or a government bill, as long as it gets done. Would the minister or his parliamentary secretary at least agree when they bring in amendments to the Canada Labour Code that the subject matter of this bill be referred to the standing committee so that the government can decide whether or not to incorporate the provisions of my bill into their legislation? I will be among the first to applaud and congratulate them for it. This is not the kind of issue for prima donnas or any one person to take credit for. Members from all parties have advocated this and have spoken in favour of it for many years.

I find it difficult to understand why it takes so long to resolve an issue about which there can easily be all party agreement, which can do much to reduce the divisions that occur among members of Parliament, as well as among Canadians, on social and moral issues, abortion being one of them. It seems to me the way to solve divisions is to bring in a number of measures.

It is not sufficient just to guarantee employment and leaves of absence for women to bear children. There is a host of other wide-sweeping reforms needed to strengthen families, to strengthen the love, care and the ability to care for children. A measure of economic security for single parent families must be enhanced. There must be more daycare centres in a massive way, not just through provincial, municipal and federal governments, but employers must and should make significant contributions to women at work for their children to be cared for while at work. So many of them must work because they want a house and to raise and love a family.

Mr. Speaker, chartered banks must be required to set aside a portion of their investment capital into the area of low-interest mortgages—like 8 per cent. This must be done so that mortgage rates will no longer cripple young families or, even worse, prevent them from having decent housing.

Medicare must be universal. It is something all of us are proud of. I will not just brag about Saskatchewan. It must be the norm throughout society so that it, too, can aid in the well-being of mothers and their newborn.

I submit federal funding must be made available to provinces and educational institutions to enable them to provide all forms of birth control and family planning information, not just for students but for parents. This would encourage responsibility and decrease the ignorance which exists on those subjects. It would enable each individual, and more particularly women, to be informed intelligently and it would enable them to adopt a method of birth control which best meets their own religious beliefs, economic, social and family needs. It is a decision they should be able to make in an informed and intelligent manner.

Mr. Speaker, this bill of mine is only one of many steps which must be taken in order to improve our society. I end my speech by quoting a statement released by the Canadian Conference of Catholic Bishops. It has proven of great value to me. It reads:

> To be involved in the task of making this society hospitable to life, is a foremost requirement of social justice. That is why we must take most seriously the rebuke that those who oppose abortion care too little about the special problems of mothers and the burdens of rearing children once they are born. If respect for life seems to end with birth, our perceptions and values are truncated and incomplete. The call of Christ, that we should bear one another's burdens, demands that we reach out in practical ways to share all the burdens of parenthood. The indicated aid and support will include working to change economic and social realities in the direction of justice and respect for life. From doing this, we must not flinch.

Mr. Speaker, whatever one's religious beliefs are, or if one has no religious beliefs, that is a statement that all of us can agree with and support. My bill, in its own limited way, calls for the implementing of one of many measures that needs to be taken to make this a more decent society, one that is more hospitable in which to live for mothers and families in our country.

[*Translation*]

Mr. Raymond Dupont (Chambly): Mr. Speaker, I wish to make a few important remarks on Bill C-206 now before the House.

First of all, I should like to express my unmitigated admiration for the architect of the bill, the hon. member for Regina West (Mr. Benjamin), who obviously acted under the inspiration of altruistic principles. The hon. member shows an awareness of and an interest in the well-being of Canadian women at work, well-being which often is not protected enough.

Hon. members are probably all aware that in almost all parts of the country federal and provincial statutes apply which give some form of protection to women at work, particularly with regard to maternity leave. To those must be added two international instruments that deal with maternity benefits, namely, the United Nations Declaration of 1967 on the elimination of discrimination against women which stipulates that "In order to prevent discrimination against women by reason of marriage or maternity and to guarantee their effective right to work, steps must be taken to keep them from being fired when they marry or bear children, and to provide for maternity leave with pay and the guarantee of returning to

their former job, as well as to ensure that they benefit from required social services, including child care."

Convention 103 of the International Labour Organization on maternity protection, the second international instrument, was never ratified by Canada because it considered it obsolete in several regards. In fact, the ILO itself is in the process of reviewing and reinforcing the provisions now applicable so as to bring them more into line with the current needs of all workers who are breadwinners. Here in Canada, the Labour Code, the basic federal statute in the matter, is also being revised.

The Women's Bureau has played a major role in this regard and the department has used much of its resources to promote work equality. Mr. Speaker, the principle of work equality includes several important components, and the hon. members will undoubtedly be interested to learn which factors are considered essential to define equitable treatment. In the simplest possible terms, the first factor concerns reasonable access to leave for the worker in charge of a family. The second concerns the elimination of inherent obstacles to hiring which prevent women from getting the better paid jobs and from developing fully on a professional level. The third is related to a job-evaluation method which would simplify application of the equal pay for equal work concept. The fourth concerns the elimination of any harassment in the work-place and of any behaviour which perpetuates discrimination and constitutes a threat to the job and performance of women workers. Finally, the setting up of an administrative structure to monitor, if need be, and apply the work equality concept would ensure true equality in the work place.

I have referred to prejudice and discrimination which are unfortunately still present in various aspects of the work place. Work segregation, unequal pay for men and women and sexual intimidation are a few of the practices which create and maintain a climate of inequality in the workplace. Many other factors can also come into play, such as the negative effects on a career of absence from work because of the adoption or the birth of a child. Then, there is the leave forced upon the workers concerned. The list is long and there are still many prejudices. One of the most difficult issues to define in this regard is the responsibility of private businesses in relation to that of the parents.

In that respect, as was previously mentioned, the government recently did an over-all survey of the situation here in Canada and in some other countries, and carefully considered and assessed the rules that apply in the industry, all legal provisions, as well as the latest trends. That survey has now been completed, I believe. Very shortly the government plans to introduce into the Canadian Labour Code a package of amendments based on this survey. I think we will thus be in a position to satisfy the more pressing needs. I am sure that Canada will show leadership in providing equal work opportunity.

In conclusion, Mr. Speaker, I would like to refer hon. members to a recent book published by James Bennett and Pierre Loewe entitled "Women in Business". Its subtitle is: "A shameful waste of human resources." The book shows that in the vast majority of businesses in Canada not only are women treated as second-class citizens but they are also victims of both conscious and unconscious discrimination. I for one can only applaud the fact that at the federal level at least forthcoming serious legislative amendments will be fighting this type of discrimination so that all workers having family responsibilities may work in a more equitable environment.

• (1720)

[*English*]

Mr. Gordon Taylor (Bow River): Mr. Speaker, I rise to support this carefully-thought-out bill which would be a real addition to the social legislation of this country. Even though a caveat has been placed on the bill, I urge the government side to let it proceed through second reading so that it may be fully discussed in committee.

I am astounded by the number of excellent bills that are talked out in this House during second reading when only the principle of a bill, not the clause by clause detail, is being discussed. The reasons these bills are talked out are not very apparent. A bill should be defeated only after very careful consideration in committee. This particular bill should not be talked out, for many reasons.

Many of the points raised by the hon. member for Regina West (Mr. Benjamin), who introduced the bill, are points which can be supported by almost every political party, religious organization, or facet of our society. Since I began my career in federal politics I have always been bothered by the red tape expectant working mothers must go through to obtain unemployment insurance benefits. I am sure all hon. members are acquainted with studies which indicate that the period before the birth of a child is very important to the health and stability of the child. If the mother is worried or ill at ease about what will happen after the birth of the child, it is bound to have an adverse affect on its health and well-being when it is born.

The hon. member who introduced the motion indicated that 52 weeks maternity leave would reduce the incidence of abortion, and I believe he is correct. No matter whether one is in favour of or opposed to abortion, one must be concerned with the increase in the number of abortions in the country, a number which increases every year. While I was a member of the Alberta legislature I asked for a report which would indicate how many women had gone through the medicare program to obtain an abortion more than once. I was astounded to hear that some women had experienced three or four abortions. The first time may have been a mistake or a concern, but some women have experienced three or four abortions. Abortion is being used as a birth control method with which I completely disagree.

● (1730)

When one looks at all of the factors leading to abortion, in my view the economic one is the one that comes up most often. The girl or woman is concerned about how she will keep the wolf from the door or about how she will make a living. I attended a type of profile meeting a week ago. I believe everyone there was opposed to abortion. But a woman came up and spoke to me. She said quietly that she had experienced an abortion herself when she was in her late teens. She told me that the anguish she suffered still awakened her at night when she thought about aborting her child who would now be 19 or 20 years of age. She told me that her prime reason for aborting the child was the lack of livelihood and she could not see how she could keep the child. These reasons were the ones which led her to have an abortion. I believe the economic factor is a very important one in a great number of cases where abortion is carried out. It is not the factor in everyone, but certainly it is in a large number. I do not know exactly what the percentage is, but I would say that about one-third of the abortions are due to economic reasons.

If that is so, this bill, if it reduces the number of abortions by one-third in this country, would be a wonderful thing. Who knows what wonderful children might be born. These children would grow into adults. We do not know what they can do for the world or the genius that we might be killing because of these abortions.

The 52-week maternity leave would be a major factor in changing the mind, or at least eliminating the worry of a girl, who otherwise might agree to an abortion.

We all talk about making the workplace a place where women and men are equal. In many cases, this is not so. In many cases it is impossible to make them equal. In my view, men and women will never be close to being equal unless we recognize that women bear children. If women are going to be penalized when they have a child, either through a reduction in benefits or through a reduction in chances for promotion, then equality goes straight out of the window. This situation happens many times. At a teachers' meeting I heard someone say that Mrs. so and so could qualify as the vice principal if she were not married. They were afraid she might have a child and be absent. Absence in those days was not very much, I can tell you. As a matter of fact, it was embarrassing for those who were pregnant and had to work up to within a month or perhaps even a couple of weeks of giving birth. It was embarrassing to them and embarrassing to all of their loved ones. If we are going to have equality in the work place between men and women we have to recognize that childbirth is something a woman naturally wants. If she does have a child then the woman should not be penalized because of it. Otherwise, we are simply talking about equality with our lips and forgetting all about it as far as our hearts and minds are concerned.

The federal government can be commended for giving 11 weeks maternity leave prior to birth. That is almost three months. The last three months is an embarrassing period of time. This is a time when a woman should not be bothered with the frustrations of the everyday workplace. However, I would like to see that time extended to three months at least and possibly more in some cases depending on doctors' advice. But 11 weeks is certainly far in advance of what many employers are giving today to women who are bearing children.

If the 52-week period were granted, it would bring a sense of stability to married women who want to raise a family. Women should not be denied the contribution they will make through raising a family and looking after a family simply because there may be some inconvenience in the workplace. Inconvenience has to be put down as an item which will lead to a better country and a better community. If the number of children born is reduced through artificial methods or economic factors, then the future of the country is really at stake.

I think a pope said once that the first seven years of a child's life were the most important years. It has been said that if people could have the care of a child for the first seven years they would not worry about what happened after that. The foundation of what that child will do has been established in the first seven years of life. Researchers have indicated that the period before birth is also a vitally important time in the life of a child. This aspect was dealt with quite excellently by the mover of this bill. The welfare of the child should be the predominating thought in our minds as should be the welfare of the mother. Both of these are considered in this bill where the 52 weeks maximum is permitted for a maternity case.

To get more equality in the workplace, we should eliminate some of the discrimination we see today. Women should not be subject to embarrassment because of pregnancy. The number of abortions in this country should be reduced. We should provide for the healthy future of the child and the mother. I think this bill should be supported and I urge hon. members to give it their full support on second reading.

Some hon. Members: Hear, hear!

Mr. Knowles: Question!

[*Translation*]

Mrs. Céline Hervieux-Payette (Parliamentary Secretary to Solicitor General): Mr. Speaker, I hope that my colleague for Regina West (Mr. Benjamin) will allow at least one woman to address this issue. I am not denying him the rights of a father, but I hope that he will at least recognize that I have some rights as a mother.

Mr. Speaker, I would first like to speak of the essence of the matter, of the principle involved, and note that this bill favours parental bonding, and in this regard, I would like to quote for my colleagues one of the statements made in the Senate report entitled "Child at Risk," which was published recently and which is an excellent report, concerning the importance of parental bonding. This report refers to the mother at the time of birth and right after, but I believe that the statement concerning the weeks immediately following birth could also apply to the father. The report says:

Today, women are having terrible difficulties in parenting and in knowing how to parent . . . Therefore, we need those moments that nature gives us, in a sense, to become attached to our infants, to become better mothers, to become more sensitive in relation to infants. It does not mean it won't happen on day three, or two weeks hence;—

I must say, Mr. Speaker, that existing benefits granted through unemployment insurance may not always allow this parental attachment to form or to favour the development of the infant. This is why I must say that I agree with the spirit of Bill C-206 introduced by my colleague from Regina West, which promotes attachment on the part of one of the parents, either the father or the mother, but the emphasis is placed on maternity leave, and in this regard, I must say that the bill may show a certain weakness because I think that it should also apply to the father.

I must say that, as a former administrator of a school board in Quebec, I have had the occasion to apply such a policy of 52 weeks renewable for another year at the request of the teacher. In other words, this policy is already implemented in certain public bodies in the province of Quebec. This is now the policy of the Quebec government, but when we took this initiative, we were able to grant teachers leave so that they might see to the education of their own children, and I believe that a country and a government which allow parents to take care of their own children while guaranteeing their jobs are basically taking their responsibilities seriously. However, I must say that I also agree with the clause which guarantees that the employee may continue to contribute toward his fringe benefits. We all know that the federal government is now reviewing the question of pensions, and I believe that such a provision for workers who leave the labour force to have or bring up children is very positive and would solve some of the problems that now exist concerning pensions, especially for women.

As concerns the three years of constant care for children with special problems, I must say that this legislation seems extremely positive to me. I would like to quote in this regard section 80 of the report of the Senate committee concerning emotional privation:

80. The importance of establishing good, affectionate, early attachments has already been mentioned. If this does not happen, the child has lost an opportunity for the optimal early development of a healthy personality—Normally, this person is the mother—In some cases neither parent is able to fulfil the needed role of a steadfast and affectionate presence in the child's life. Such circumstances have been referred to as "parental deprivation". This is "recognized as a prime cause of delinquency and other personality disorders".

This means that in the case of children who might have special problems, it is even more important to grant leave to the parent while protecting his or her job. Obviously, what remains is to set specific criteria to define the situation and grant such leave for a period which could be extended.

● (1740)

I must say, however, that such a provision cannot be implemented alone without other important measures, namely, an extended program of daycare centres. As a matter of fact, in its report, the Senate committee mentions the case of a child who can secure a love relationship with another person and of the mother who might not be able to afford 52 weeks leave without pay. A child who can have a love relationship with another person can develop in the normal way after the first few weeks. Therefore, I think that this provision to extend the length of maternity leave and to protect the employment of Canadian male and female workers who have a new child is extremely positive.

However, I think that there is a second shortcoming in the legislation. There is no mention of maternity leave in the context of adoption. I think that, in the case of adoption, maternity leave is equally important and that it enables parents to establish that love relationship with the young child they are going to adopt. I should have liked the bill to be more precise in that regard and to allow that alternative to leave because as a champion of equality for women, I think that if, at a certain time, it were possible for the father to look after the child at home, that proposed leave could be equally shared by the father and the mother. In fact, the report of the Senate committee emphasizes the fact that it is very important for the child, even for a young child, to establish that love relationship with the parents in order to develop harmoniously.

In conclusion, Mr. Speaker, I should like to insist that such a measure should be introduced in the context of a global family policy. We often have pieces of legislation which tend to remedy a problem but which finally do not solve the specific problems a Canadian family can have.

[*English*]

For that reason, I wish the bill could be amended by the Minister of Labour (Mr. Regan), who is responsible for amendments to the Canada Labour Code, so that this measure could be easily accessible to those with a new baby. I would like to see the measure discussed with the Department of National Health and Welfare in order to provide better child care service for those women who do not have enough revenue to stay home after the birth and receive only unemployment insurance benefits. These women should enjoy decent services. This would help avoid the problem of children in their early stages not receiving proper consideration.

I hope the hon. member for Regina West will take into account that we gladly support this measure, but we feel there are a few items missing. I hope the minister will take this as a recommendation and implement it as soon as possible.

Mr. Louis R. Desmarais (Parliamentary Secretary to Minister of Labour): Mr. Speaker, I wish to address some pertinent remarks to Bill C-206, an act to amend the Canada Labour Code. The principle intent of this bill is to extend the maximum period of maternity leave to 52 weeks from the present 17. Other amendments would provide for up to three years maternity leave in the case of a child requiring constant care, permit maternity leave to be credited toward a pension

plan and, in the case of a mother's death during or after childbirth, transfer to her spouse her remaining leave and other benefits. These, in short, are the main proposals of Bill C-206.

The hon. member's bill strikes a responsive chord, coming as it does on the heels of the settlement of the translators' strike. It would certainly be a wonderful world if the provisions of the kind outlined, such as 52 weeks maternity leave, were generally available. Most legislative provisions across the country today range between 17 and 18 weeks. At the outset, however, I think it would be useful if I were to briefly describe existing maternity leave legislation.

● (1750)

As hon. members will be aware, such legislation appears in virtually all Canadian jurisdictions in various forms. The jurisdiction affected by the proposed bill is, of course, the federal jurisdiction.

[*Translation*]

The federal legislation maternity leave to be found in part III of the Canada Labour Code was passed in 1971. At that time only British Columbia and Ontario had similar legislation. This legislation provided for 17 weeks leave for employees with 12 consecutive months of service with the same employer. The beneficiary could avail herself of this leave 11 weeks before the expected date of delivery and for a period of six weeks following the birth of the child. The legislation ensured security of employment by providing that the employee had the right to get her job back or any similar position without reduction of wages or loss of benefits. Furthermore, upon her return, employment was deemed to have been continuous with regard to the position she held before leave was granted.

In 1975 the legislation on maternity leave became more flexible thanks to Bill C-16. A pregnant employee then became entitled to up to 11 weeks leave prior to the anticipated date of delivery and to up to 17 weeks after the birth of the child. She could also benefit from additional leaves equal to the difference between the estimated and actual dates of delivery. The leave could therefore cover a period of 26 weeks instead of 17 as was the case before. Three years later. Bill C-8 again amended the legislation by improving the security of employment clause which provides that an employer cannot dismiss or lay off an employee on the sole ground that she is pregnant or has asked for leave.

[*English*]

As hon. members may recall, the President of the Treasury Board (Mr. Johnston) earlier this month indicated the board's willingness to offer all federal employees new maternity and paternity benefits. These include the maternity benefits already mentioned, unpaid paternity and adoption leave of up to 26 weeks, some provision for the care of sick family members and medical and adoption appointments.

Following the federal lead, similar legislation now exists in all other jurisdictions in Canada with the exception of Prince Edward Island, the Yukon and the Northwest Territories. The qualification is 12 months continuous service in five jurisdictions, 12 months and 11 weeks in one jurisdiction and 20 weeks in one jurisdiction. Two jurisdictions have no qualification period. The length of the leave period is 16 weeks in one jurisdiction, 17 weeks in five jurisdictions and 18 weeks in three jurisdictions. Only four jurisdictions provide for protection from lay-off or dismissal and, with the exception of two provinces, it is specifically stated that the woman must be reinstated in the same or a similar position. So we can see that the 17-week period is the most commonly applied across Canada.

Beyond these minor differences in legislation there are some jurisdictions which have made some innovative changes to provide the pregnant woman with more job security. For example, in two jurisdictions—Ontario and Saskatchewan—specific mention is made of pregnancy-related illnesses. The legislation in these provinces prohibits employers from discriminating in the provision of sick leave and disability benefits on the basis that the illness is pregnancy-related. The Quebec legislation provides a safety clause which permits the woman who provides a medical certificate to ask for a change of duties if the working conditions are hazardous to her or to the fetus. Also, if the employer does not provide her with alternative employment within eight days, the woman may go on special paid leave up until the commencement of her maternity leave, that is, eight weeks preceding the expected birth.

Provisions for maternity leave also exist in a number of collective agreements in Canada. In 1979 various jurisdictions were surveyed to determine the frequency of maternity leave clauses, and it was found that provisions in existence in various jurisdictions ranged from 10 per cent to 58 per cent of the agreements studied. In general, the clauses followed the provisions of the legislation with some providing for additional leave of up to one year, shorter qualification periods, several weeks of paid leave and continuation of benefits during leave with accumulation of seniority.

However, the majority of union contracts do not provide for any form of maternity leave, relying totally on legislation to provide protection. It must also be noted that of more than four million women in the labour force little more than a quarter are unionized.

[*Translation*]

In November, 1979, the government of Quebec offered its public and related employees the most interesting provisions regarding parental leave. All agreements are not yet in effect at the present time, but here are some of the clauses they contain: 20 weeks of leave with pay divided as follows: 93 per cent of the salary will be paid to the employee during the two-week waiting period before payment of unemployment benefits; moreover, during the 15-week benefit period, the employer agrees to pay the difference between the amount of the benefits and 93 per cent of the salary and to pay the same portion of the salary during the additional three weeks.

Another provision allows extension of maternity leave without pay for a two-year period. This leave is available to the mother or the father. It can also be split between the two. The employee on leave gets credit for seniority, other leave and benefits.

Countries other than Canada have similar legislation and some have made outstanding progress in that respect. Sweden, for example, extends up to two years of leave with pay to either parent. That country also favours part-time work and flexible working hours for parents with children under six. In Sweden, maternity provisions go far beyond leave for confinement and the subsequent recovery period. In that country the legislation provides that parents may take whatever time they need to look after their children. In other words, Sweden has recognized that women are a vital and permanent part of the labour force, and that they can go on with their careers after their children are born.

Such changes did not come about only due to the pressure of the women's liberation movement. They are also derived from economic factors. This means that working conditions have had to adapt themselves to the changes in the role of man and woman in order to promote a healthier family life. The Swedish legislation is quite wide in its scope, and the philosophy underlying it might very well serve as an example here.

[*English*]

South of the border, an increasing number of employers in the United States private sector are taking the lead in introducing creative employment benefits. The latest move in this direction relates to adoption. A recent study of benefit programs offered by 14 large corporations indicates that adoption benefits were established as an equity consideration. The survey found that the infrequency of adoption made the program inexpensive when compared with other benefits, particularly the amount of positive public relations value generated.

Mr. Benjamin: Good. Question!

Mr. Desmarais: Although the number of firms offering such benefits is still relatively small, it is a step in the right direction.

Mr. Paproski: Question!

Mr. Desmarais: This, then, is a very brief review of some of the highlights—

Mr. Collenette: Mr. Speaker, on a point of order—

The Acting Speaker (Mr. Blaker): Order, please. The hour provided for the consideration of private members' business is expiring, but I will recognize the parliamentary secretary on a point of order.

BUSINESS OF THE HOUSE

Mr. Collenette: Mr. Speaker, I wish to draw the attention of the House to the fact that according to the provisions of section 35 of the Petroleum Administration Act, the question, if any, must be put at 9.45 on the last day of debate on that section, which will be this evening, as agreed in the House order.

After consultation between the parties it has been agreed that the question will be put at 10 p.m. tonight.

The Acting Speaker (Mr. Blaker): The parliamentary secretary indicates that there may be agreement to the suggestion that the vote on the Petroleum Administration Act proclamation take place at 10 p.m. rather than 9.45. Is that agreed?

Some hon. Members: Agreed.

Mr. Collenette: Mr. Speaker, in case anyone misunderstands, I should just reiterate that the question will be deferred until tomorrow; the actual putting of the question must be tonight, but the vote will be tomorrow.

Mr. Knowles: The question is put tonight, but the vote is tomorrow.

The Acting Speaker (Mr. Blaker): I do not think I need to repeat. I do now leave the chair until 8 p.m.

At 6.01 p.m. the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*Translation*]

PETROLEUM ADMINISTRATION ACT

PETITION TO REVOKE PROCLAMATION

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

That the proclamation laid before the House on Wednesday, November 12, 1980, pursuant to subsection 35(2) of the Petroleum Administration Act, as proclaimed in PC 1980-2915, be revoked.

The Acting Speaker (Mr. Blaker): When the debate was interrupted at five o'clock this afternoon, the hon. member for Abitibi (Mr. Gingras) had the floor.

Mr. René Gingras (Abitibi): Mr. Speaker, when the House took recess at 5 p.m., I was speaking generally of my riding of Abitibi, which is according to the privilege granted to new members in their first session. I referred to its immense

territory, 750,000 square kilometres, that is 48 per cent of the province of Quebec. I dealt with its contrasts, its history and its rural vocation. At five o'clock, I was broaching the subject of tourism in that part of our country.

The Abitibi region, Mr. Speaker, is a marvellous region for those who love nature; it embraces thousands of lakes and rivers, wide open spaces, and plenty of fresh unpolluted air. It is a small paradise for fishermen and hunters. Indeed, Mr. Speaker, I would like to remind you, if I may, that the Right Hon. Prime Minister (Mr. Trudeau) while a young student in the forties canoed down the Harricanaw River to James Bay. No wonder, Mr. Speaker, that he insists on being in good physical shape while he is at the helm of this country of ours.

The Harricanaw River runs within my riding, Mr. Speaker, and flows into James Bay, site of the project of the century. I would like to give a few energy data on the James Bay project. By 1990, the La Grande complex will generate 11,400 megawatts. With the expected excess water, dams could be over-equipped to produce 4,652 megawatts more. The NBR project proposed in the same James Bay area will include the Nottaway Broadback and Rupert rivers, with a possible production of 2,870 megawatts. When completed, the whole James Bay program will have a total production of 27,632 megawatts.

I would like to take this opportunity tonight to point out how far-sighted Mr. Robert Bourassa was in giving the go ahead to the project when he was the premier of Quebec.

I could not make a complete survey of my riding without mentioning forestry. From the small sawmill of the thirties to what we see today, things have changed quite a bit.

We now have modern plants with an increasing capacity to finish products right here. A kraft pulp and paper mill was established at Lebel-sur-Quevillon, a brand new town in existence since 1965. At Val d'Or, we have a particle board plant, and a newspaper mill is now being built at Amos, at a cost of over $190 million, thanks to the regional development assistance granted by DREE. This is the very first newsprint plant to be built in Quebec since 1938. Moreover, it is the only one wholly owned and controlled by Francophones. The plant will use nothing but locally produced energy, that is coming from the riding of Abitibi, electricity coming from James Bay and forest waste products.

That brings me, Mr. Speaker, to the national energy program, and more specifically renewable energy and energy conservation. With regard to the national energy program, allow me to make a few comments concerning sources of renewable energy and the role the government intends to play across the whole spectrum of those energies.

I want to speak today about forests. I quote from page 67 of the document entitled "The National Energy Program":

> The federal government currently administers the FIRE (Forest Industries Renewable Energy) program, which provides a substantial grant for forest industries that convert to wood waste. To encourage even greater displacement of petroleum by biomass fuels, this program will be expanded to apply to other organic materials such as agricultural and municipal wastes, and to cover all industrial and commercial establishments, in all areas. Grants will also be made available to firms that undertake cogeneration of electricity (the generation of electricity and process heat at the plant site). To provide additional flexibility, and make this program attractive even to the largest industries, the existing $4 million upper limit on grants will be removed.

● (2010)

Mr. Speaker, I have here another document entitled "The Green Gold." It is an article written by Mr. Louis-Jean Lussier and published in *Forêt Conservation*, August-September 1980. I quote:

> In this world going through an energy crisis . . . could it be possible that the huge Quebec forests, an essentially renewable resource, replace someday the exhaustible oil of the Arab sheiks, the price of which is skyrocketing every year, somewhat as the whim takes them? From time to time, a daily newspaper looking for a good story will tell you about methanol, this precious fluid made from wood which will soon fire your car engine. And don't you dismiss it as a dream: already in Brazil they use as a motor fuel a mixture of gasoline and 30 per cent methanol known as gasohol.

I will limit my remarks tonight to a concept that is more elementary than gasohol, but which still interests me a great deal. I would like to give as an example a public building located in my riding and that building, as everything else in Abitibi, is close to a wood waste burner. In that particular case, the building is close to five such burners.

So, that building uses 250,000 gallons of heating oil or the equivalent of 6,250 barrels of oil. As hon. members know, an imported barrel of oil today costs Canadian taxpayers $21.50 in subsidy to importers. So the heating bill for that building is $175,000. If that oil were paid at the international price it would cost after deductions $134,375 more, that is $309,375 for heating that building.

Mr. Speaker, as I said earlier, that building is very close to five wood waste burners. A simple calculation has shown that one tonne of dry chips is equivalent, as far as energy is concerned, to three barrels of oil. So that establishment would use about 2,000 tonnes of chips a year, the energy equivalent at prevailing prices would be $84 a tonne of dry chips and almost twice that if the cost of oil were estimated at the international price. You will ask me: do we have in the northwest enough chips to heat that building? I mentioned 2,000 tonnes of chips a year for that building.

At the Department of Lands and Forests, in Abitibi, I was assured that natural reforestation represents 1,676,000 cunits. For the laymen, a cunit is 100 cubic feet. It is the equivalent of a cut forest of coniferous trees. In fact, the forest regenerates entirely. One thing is difficult to find: that cut wood represents 55 per cent of the tree. So, to cut 1,676,000 cunits you must cut a volume of trees of three million cunits. Those three million cunits are made up of 12 per cent chips which makes 360,000 cunits of chips. Those volumes have a weight of about 500,000 tonnes which represent, as I said earlier, three barrels of oil per tonne. So, the chips we produce in Abitibi are the equiva-

lent of 1.5 million barrels of oil every year. Furthermore, such energy losses cost us $32 million in oil imports at today's prices. And that, Mr. Speaker, is only the bark; 33 per cent of the tree is still left in the bush.

I am pleased that the government is aiming at energy self-sufficiency by 1990. The example I have given clearly proves there are huge wastes of energy. The CHIP program is oil conservation legislation. The conversion of heating systems, particularly in my constituency, and the incentives to do it, that is up to $800, is a step aimed at reducing our oil consumption. I leave it to my colleagues to deal with the other benefits of the national energy program.

Mr. Speaker, I do not want to go on and on in my maiden speech in the House. I thank you again for allowing me to rise in this debate. This proclamation could have been avoided if an agreement on oil pricing had been possible with the main producing province. I feel, however, that an agreement might be reached before long. However, we must go forward in order to achieve energy self-sufficiency. I hope that these brief remarks on one aspect only of the energy program will bring home to us here, in Canada, our lack of concern about conserving this valuable energy.

[*English*]

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, this debate is on the Petroleum Administration Act. I think we ought to analyse it to some extent and consider what in fact is happening.

First of all I should like to refer to section 22(2) which reads as follows:

> An agreement for the purpose of this part need not be expressed in any formal document executed on behalf of the parties thereto if the expression of that agreement is contained in reciprocal orders in council issued by the governments concerned.

● (2020)

Mr. Speaker, last December 11 the Conservative government of the day presented a budget which set out the details of an energy agreement. That energy agreement would have been confirmed by orders in council had the budget been passed. The agreement would have been in accordance with the provisions of the Petroleum Administration Act. Members on the government side today say "show me the agreement." Sir, the agreement was expressed and shown to them on December 11. It was not completed in accordance with section 22 of the act simply because the government was defeated and an election called. The government did not feel it proper to go through the order in council procedure with the government of Alberta to complete a deal under the Petroleum Administration Act. Members opposite talk about an agreement and the ability to reach an agreement. Sir, there was an agreement. That agreement would have been reduced to order in council in accordance with the act. Of course it could not have been because of the defeat of the government on December 13. Throughout the election campaign we were criticized for the terms of that agreement.

What happened during that period? When that agreement was made the price of oil on the international market was approximately $22 U.S. per barrel. Today it is approximately $30 to $32 U.S. a barrel in the Persian Gulf. And what has happened about the 18 cents a gallon? Well, it was 21.9 cents per litre for gasoline in my riding in December of 1979. It is now November, 1980, and the price is 29.9 cents per litre. That is 8 cents more per litre. There are 4.5 litres to a gallon and by my figuring the price of gasoline has gone up 36 cents under this government so far this year.

We talk about agreements. The concept of the Petroleum Administration Act is that effort should be made to obtain agreement between the producing province and the federal government. This calls into question the nature of the effort to obtain an agreement. There were virtually no discussions of consequence between the Minister of Energy, Mines and Resources (Mr. Lalonde) and the minister of energy in the legislature of Alberta during this period. Not until July 25 did the minister of energy from this House decided to have one more meeting. I point out that there have been no meetings since July 25 with the government of Alberta. The old agreement under the existing act expired on June 30. We have been without an agreement since that time. There has been no honest effort by the minister of energy or the Prime Minister (Mr. Trudeau) to come to grips with the making of an agreement. We are now faced with the enactment of section 35 of the Petroleum Administration Act whereby this government is telling us that it cannot get an agreement. Mr. Speaker, ministers over there have an obligation to demonstrate to this House and to the people of Canada that they have tried.

We have all had the opportunity of seeing Premier Lougheed on television telling us about the letter he wrote three weeks before the budget was handed down asking for another meeting. There has yet to be a meeting between the minister of energy and the Premier of Alberta, or a meeting between the Prime Minister of this country and the Premier of Alberta. Indeed, the Prime Minister has spent more time negotiating with the President of Mexico, Mr. Portillo, and Sheik Yamani than he has with the Premier of Alberta. He is more interested in dealing with the Mexicans and the Arabs than he is with the Premier of Alberta or, indeed, the Premier of Saskatchewan. He has made no honest effort to come to an agreement.

I would like to speak for a moment about this Mexican deal. What do we get from it? He went around talking about the great deal with Mexico. Well, it is a deal that will aggravate marketing of heavy oil to the point where we will have difficulty in refining it. It imposes significant cost burdens on Canadians and Canadian consumers. We are paying an outrageous price for this oil, a price far in excess of what we get for selling equivalent heavy oil, produced in the Lloydminster fields, to the United States. This is difficult oil to refine; it has a high sulphur content. We are buying it at world price plus, yet we cannot even sell our own heavy oil produced in Lloydminster and other fields in the west. Indeed, some of those fields are prorated down to 50 per cent. That is the type of oil

deal we have had. That is the kind of effort we have seen to make an agreement—agreements with Mexicans but no agreements with Canadians. What is being said through this act to the people of Canada is: "I cannot make a deal". Well, the Prime Minister has not tried. He has not wanted to.

I could talk about other deals they made with foreigners. Specifically, they made a deal with Roumania back in 1972. They bought 100,000 barrels of oil which was so poor that it could not be refined. They could not burn it, or use it. Whatever happened to that oil we do not know. What have we seen in terms of negotiations with the Prime Minister, the sheik of sheiks, who is going around the world trying to make deals but who is really not honestly trying to put together compromises that will make an energy policy?

I am very pleased to see the Minister of State for Multiculturalism (Mr. Fleming) is here tonight since I want to talk about the philosophy of this government and I want to refer to the speech he made to the Canadian Club in Vancouver, British Columbia, on November 12, 1980. I refer the minister to page 11 of his speech and I intend to quote the whole paragraph, which reads:

> Until the energy crisis, the provinces had almost a free hand in exporting resources as they saw fit. Ottawa didn't want to stand—didn't even appear to want to stand—in the way of western development. It didn't want to weaken national unity while separatism was gaining ground in Quebec. Nor could it afford a confrontation with the combined power of the provinces, the multinationals, and the government of the United States. And power unused is power abdicated.

Who are our enemies? The minister says that the provinces are our enemies. The minister says number two enemy is the multinationals and enemy number three of the government is the government of the United States. That is the way in which this government approaches national unity. Their number one enemy is the provinces. And this is the minister talking, sir, a man who is a representative of the government and of government policy here. Their number two enemy is the multinationals and enemy number three is the government of the United States. "And power unused is power abdicated." That is what this act is all about. Power unused is power abdicated and "—confrontation with the combined power of the provinces, the multinationals—" is what the minister refers to. I would like to read another paragraph from that speech:

> Clearly, the federal government has lost some credibility. But if it can be blamed for Canada's problems, it's not for asserting too much control but too little; not for too much confrontation but too much accommodation.

Where is the accommodation?

Mr. Fleming: Read the whole speech.

Mr. Blenkarn: Mr. Speaker, I read his whole speech. The hon. minister can speak later and explain it. When he talks about confrontation that is the policy of this government.

● (2030)

The policy of the government is to beat down the provinces and the companies which have been trying to develop this country. That is the reason the Petroleum Administration Act was proclaimed. It is not for want of agreement, but for want of confrontation, because that is the way in which the government approaches, and has always approached, such issues. I first spoke on this matter in 1973 during debate on a bill to bring about the Energy Supplies Emergency Act. I spoke in this House on December 12, 1973. While preparing for this debate I thought I would take a look at what I had already said in this House with respect to energy, so I dug up that speech. I was most interested in some of the remarks contained therein, and I would like to quote from my own speech.

An hon. Member: Oh, God!

An hon. Member: Are you that hard up for material?

Mr. Blenkarn: Perhaps some members of the New Democratic Party were here at the time, but most of them were not because they do not last long in this House. I would like to quote from page 8690 of *Hansard* of December 12, 1973:

> The government does not really care about those provinces. It has simply told them what it intends to do: it has operated on a principle of confrontation.
>
> Mr. Speaker, in a situation like that, when one person declares unilaterally that he will tax the resources of your province, the next thing that happens is that the person who has been treated in this fashion acts, or reacts, in the same fashion. It is impossible to develop a spirit of community in Canada on the basis of the concept of two lawyers engaged in a lawsuit, or of two businessmen competing with each other at an auction. This whole atmosphere of confrontation in dominion-provincial relations, is one which ought to arise and did not arise before this Prime Minister became Liberal leader. This has been the climate over the past four years and it is about time it changed because it is not doing Canada any good.

I will not read my entire speech. My friend for Edmonton North (Mr. Paproski) was here and he will remember his comments. I went on to say at page 8691:

> If we continue to tweak their noses, and continue to push the interests of central Canada against the resource provinces, we are not going to keep confederation together—and that is a pretty serious matter.

I made those remarks in 1973, and since that time the government has continued to carry on in that fashion. It is no wonder there is no agreement. Its policy is confrontation and further confrontation. What has happened since 1973? We eventually arranged the passage of the Petroleum Administration Act and there was agreement for $1 half yearly increases in oil prices. A portion of that increase went to the federal government, 45 per cent went to the provinces and 45 per cent to the companies. It became apparent early in 1979 that it was necessary to renegotiate that deal.

As a result of that necessity to renegotiate, the Clark government proceeded through the summer and fall of 1979 to renegotiate the deal and settlement which became the subject of the Crosbie budget of December 11. The question is, could we have continued with the negotiations this year which were terminated as a result of the defeat of the Crosbie budget and as a result of the fact that the arrangement under section 22 of the Petroleum Administration Act could not be completed.

Ronald Anderson in his column in the Toronto *Globe and Mail* recently reported that a company called Data Resources of Canada has suggested the probability of a compromise does exist, that a compromise can be reached. Compromise is essential to this whole question of dominion-provincial rela-

tions, of fairness and of the way in which one part of Canada perceives the tax levied on its resources. The suggestion in the article is that while Alberta has been asking for a $4.50 increase in the price of oil, under the current split in increases the province would probably reduce that claim to approximately $3.25 per barrel. Indeed, the Premier of Alberta indicated that he sees no reason why oil prices in Canada should be any more than 75 per cent of the world price, to be phased in over a period of time.

There have been all sorts of efforts at compromise, but because this government perceives the provinces, the companies and the United States as its enemies, these efforts have not been effective. When I spoke in the House in 1973 this country was a net exporter of oil. The problem then was moving oil from our surplus region in western Canada to our deficit regions in eastern Canada. It was difficult to move oil then because there were no pipelines or other systems of easy delivery to the east.

It was also apparent in 1973 that Canada had to become self-sufficient in oil because OPEC had been organized and oil prices had escalated to $4 a barrel. These events were seen to be disastrous. Of course, prices have escalated many times since, but at that point we understood the potential of the tar sands and what could be done. We knew that in the bituminous sands of the west there was buried heavy oil—more oil than in the whole of Arabia. At that time the government of Alberta along with Imperial Oil and other companies put together the Syncrude project. It was suggested that instead of a royalty they would take 50 per cent of the profits. It was suggested by the then leader of the New Democratic Party that there probably would not be any profits from the Syncrude project for a long time and that the province of Alberta would get very little out of it. All of this has happened since 1973, and 18 months ago the Syncrude project came on-stream. However, there have been no further projects of that nature since.

As a nation, we have really done nothing to mobilize the resources of our country. We have witnessed confrontation and fights, but there has been no need for these antics. We have the greatest land in the world and resources which are unmatched by any other country. We have long known about our potential oil resources in the north, but we have not taken a single drop of those resources to market. We have known about the gas reserves in the north, but again, none of that gas has gone to market. Again, we have had nothing but regulation, confrontation and the government going after the multinationals because they are bad boys—they might conceivably make a profit and we might become self-sufficient.

Mr. Speaker, we could become self-sufficient and we should be self-sufficient now. The tragedy is that we have left it so late. If it was to take ten years to be self-sufficient, we should have started in 1973. The crime is the responsibility of competing governments, particularly of this government which views as its enemies, the provinces, the multinationals and the United States. It is unfortunate we should wind up with this kind of attitude. Look at the way this government views one company which some years ago experimented in the tar sands. That company was called The Great Canadian Oil Sands. It has since amalgamated and been renamed Suncor. It is largely foreign owned by Sun Oil Company which owns 98 per cent of it. It is a multinational company and therefore an enemy of the government. But that company invested and built the technology on which we can now rely for oil self-sufficiency in the tar sands development. How does this government treat that company? It says to that company, to the explorer, the developer of the technology, "You are no better than any other Joe who drills an easy well. The price of your oil is $16.75—or whatever—a barrel. That is what you get. You do not get the $38 plus change and the CPI on top which your competitor Syncrude gets or any other person who goes into developing heavy oil or tar sands recovery. You have done all the work. You have developed all the technology but you will not get the price because that is the way we treat the risk investors. Besides you are a dirty multinational and enemy number two." They are not enemy number one. Enemy number two is good enough, but maybe they could be enemy number three because their head office is located in the United States.

● (2040)

There are all sorts of possibilities in this country in terms of energy development. We hear from this side about the lack of employment for people in the north, the lack of employment for native people, and so on. How will we ever put people to work if we do not develop the resources we have, resources capable of putting them to work? How can we put them to work? What do we do? Do we put them on welfare forever? Can we not put people to work? Can we not give people opportunities to be part of this world in this century? Would hon. members rather pay these people off? Do they want to look after them in the welfare cage forever? That is the NDP attitude. That is the attitude which says our enemies are the multinationals, the United States and the provinces. That is the attitude of the confrontation which this group to my left, the red rump of the group over there, would like to develop and push on. The hon. member for Comox-Powell River (Mr. Skelly) talked about making sure the private companies do something. Then he stopped and said he had said something wrong; he meant public companies. He knows perfectly well that public companies will never produce anything really worth while. They never have before, nor will they in the future.

I do not normally repeat what I have said on other occasions in this House but I have talked about some of the things we should be doing. We have the potential for being energy producers and energy exporters of petroleum and natural gas. But what do we do? We do not use that potential to negotiate tariff reductions with the United States. The U.S. is our enemy. We just sell that country natural gas at whatever price we can get. But we do not use the ability to negotiate to make sure that we sell plastics, oil in tin cans and all the things one can make with the resins from the petrochemical industry.

We have a concept that it is wrong to make a profit. I do not know of any successful business yet—that did not make a

profit. A profit is the motivating force behind doing something. If people organized in a business do not make that activity profitable, they will not do it. If people are asked to invest their money and they do not see a return on it, they will not make that investment. These fellows over here do not understand that, Mr. Speaker. Presumably the government does not understand it either. Presumably the government is going to make sure it is not profitable to be in the oil business. In other words, the government is going to make sure it will be exceedingly unprofitable to do so.

I shall read a short letter which was delivered to the Minister of Finance. It came from a small oil company in Alberta called Gladstone Petroleum Ltd. and it reads:

I am forwarding under separate cover to the provincial government, applications to abandon six oil wells. This decision to abandon oil wells has been made necessary due to the onerous taxes and royalties to which have been added the terms of the presently proposed budget.

Admittedly, these wells are marginal, each capable of yielding 40 to 60 barrels of light gravity oil per month. In a favourable royalty, taxation, and pricing climate, these wells could operate at cost, or at slight profit.

That is the kind of attitude this budget has presented to these small companies. They say to themselves, "Better that we do not invest our money." Or else they say, "We cannot make any profit pumping 40 to 60 barrels a month from a well which costs a lot to operate. It is better to turn off the taps and not doing anything." That is the incentive given under the pricing system imposed under this act. The refusal, the unwillingness and the absolute disregard for the interests of the provinces and the people involved in the oil industry in determining the price formula demanded under this proclamation are what is wrong with the proclamation.

The concept has been developed in the ivory towers here in Ottawa by people far away from drilling rigs. These people over in the EMR building, the Taj Mahal, are the ones who have figured out what they think is a proper rate of return for someone going into a risky business, what they think they can get away with in terms of an imposed pricing structure. But this attitude is not working. Companies are abandoning exploration and development opportunities. Companies have decided they cannot make enough money here, so they will go somewhere else. Members from this side of the House talk about rigs leaving Canada. They know about it because they happen to come from western Canada. They talk about the industry not going ahead the way it should. We all know the industry is not going the way it should. We all know that under this government there has been no new tar sands project started since Syncrude. We all know that no new development has gone on.

The efforts of this government have been directed to the Sheik Yamanis or the Portillos. Those are the kinds of people with whom this government wants to negotiate. It does not want to negotiate and settle with Canadians.

Mr. Rae: Thank Exxon.

Mr. Blenkarn: We have a situation where productivity in this country this year has declined 3.3. per cent on the basis of individuals employed. While employment has gone up 2 per cent, we are producing 1.1 per cent or 1.2 per cent gross less goods and services this year than we did last. In other words, we are employing more people this year to produce less goods and services. Yet there is opportunity to make this country great. We have the resources. We know there is a world out there demanding our petroleum and gas resources and the chemicals we can produce from them. All of this means employment for Canadians. When we have 8 per cent of Canadians unemployed—and maybe more pretty soon—and when businesses are slowing down and there is a drop in productivity, something is wrong.

I want to mention a concern that I and others have with respect to what is happening in Canada and the effect the invocation of the Petroleum Administration Act has on the unity of this country.

● (2050)

Normally speaking, an ordinary statute setting the price of a commodity would not cause much concern. However, we have witnessed a period of constitutional debate and increased concern about oil, oil pricing and resource policy. On top of that, we have seen the unilateral imposition of a pricing formula which is clearly not satisfactory to any of the producing provinces or even the potential producing provinces.

As a result, when speaking in this House, my colleagues have said there is a bit of a prairie fire developing in western Canada. That prairie fire has been fanned by a confrontation attitude on the part of this government. It is not the first time a prairie fire has developed there. Members of this House will realize that at one point the old line parties—an expression used by my friends to the left—were totally frozen out from the UFO, the progressive movement, the social credit movement and the CCF movement. These political movements developed in western Canada because of true economic reasons.

There is today a political movement developing there, led by many people. I have known for quite a while—and I wish I could call him a friend again—the former leader of the opposition in the province of Saskatchewan, Dick Culver. There are people in politics seriously advocating that a part of this country leave and join the United States or leave and become some other country. That is serious. While the poll taken prior to the budget may have showed only 10 per cent separatist leanings, there was a significant indication of unhappiness and of a feeling that the west could go it alone. As a result of the policies of this government, confirmed in the proclamation of this act, we could very easily wind up with no honest attempt to obtain an agreement. This could cause a disaster, a unity problem and the separation of our country.

Mr. Roger Simmons (Parliamentary Secretary to Minister of State for Science and Technology and Minister of the Environment): Mr. Speaker, I am delighted to see my good friend from Edmonton North (Mr. Paproski) so much in anticipation. I shall not disappoint him. I thank him for coming out tonight, braving the weather, sacrificing to be here. My good friend from Portage-Marquette (Mr. Mayer) is here

tonight in body and spirit. I thank him as well. I want to especially thank my good friend from Mississauga South (Mr. Blenkarn). I want to say something to him before he leaves the chamber, as he is about to do, to indulge in one of his weaknesses.

Mr. Wilson: Explain.

Mr. Simmons: I say to him there was no agreement. He really should not mislead the Canadian people about that. I remind him that a day or so before the budget came down, indeed, I think the day after the Tory budget came down on December 11, a senior governmental official in Alberta said quite candidly and publicly there was no agreement. I know there are those who want to rewrite history and say it was otherwise, but the public record is quite clear that there was no agreement.

I concede to the hon. member they may well have been near an agreement. After all, they are bedfellows, being of the same political stripe. They should have been able to get their heads together, given the seven or eight months they had. However, the hon. member should not mislead the people of Canada by perpetrating this motion of agreement. There was no agreement.

While I have the ear of the hon. member for Mississauga South, may I say he did some rather interesting arithmetic when he talked about the price of gas in his riding last December compared to now. He said it had gone up 32 or 36 cents. He tied that somehow to the Tory gas tax. What he did not tell his listeners was that under the Tory administration, had it continued beyond December 13, the price of gas would have gone up by perhaps an equivalent amount. One can argue about whether it would have gone up 32, 34 or 36 cents, but it would have been roughly an equivalent amount. In addition, there would have been an 18-cent tax on top of that. That is the point he should have made to his listeners.

I thank the hon. member for his wisdom and his arithmetic. The last time he treated the people of Canada to his considerable wisdom, he was telling them what he thought of Canada's native people. As we did not share his views on that subject, we do not share his arithmetic either.

I am told the Chinese have a set of symbols or a word in their language which not only means crisis, but opportunity. They use the same word or set of characters for both crisis and opportunity. There are those who tell us that the oil controversy is reaching a crisis. Whether that is the case or not, it is certainly at the point where it is an opportunity for us to do something in this country that should have been done a long time ago. It is time for some planning and determined action. That is what brings us to "The National Energy Program" tabled in this House two weeks ago.

There are three elements in the program I wish to mention briefly tonight. Before doing so, I want to reflect for a moment on a point I was making in response to the hon. member for Mississauga South. No national government, Liberal or Tory, and I am not deliberately omitting my friends from the NDP, because it is not a worry they have to contend with in the foreseeable future—

Some hon. Members: Oh, oh!

Mr. Simmons: My good friend from Broadview-Greenwood (Mr. Rae) is always worth mentioning. We are delighted to see him out this evening. As a matter of fact, the opposition is out in force tonight. There are at least a dozen or 15.

Mr. Wilson: How are you doing over there?

Mr. Simmons: We are doing very well over here.

Mr. Wilson: Some are, but not you.

Mr. Simmons: No national government, whatever its political stripe, is going to be able to get an agreement easily. The hon. member for Yellowhead (Mr. Clark) found that out when he was prime minister. He came close, but he did not quite get the agreement. We have reached the conclusion that the time has come, if we intend to build something of a heritage for those who come after us, to cease doing things on an ad hoc basis as far as energy matters are concerned.

Mr. Paproski: On a point of order, Mr. Speaker. The hon. member from Come-By-Chance just mentioned that there are a number of members in the House. I do not think he should begin to reflect on the attendance of this House when we have different committees meeting in other places.

Mr. Deputy Speaker: Order, please. With all due respect to the hon. member for Edmonton North (Mr. Paproski), I think he has made his point.

Mr. Simmons: I am proud to tell my good friend from Edmonton North that my riding is Burin-St. George's. His good friend from St. John's West (Mr. Crosbie) actually represents Come-By-Chance. He will learn that if he stays around long enough.

• (2100)

There are three elements to the program, Mr. Speaker; security of supply, the opportunity for Canadians to participate in the oil industry and some fairness in pricing and revenue sharing. I should like to spend a little time on each of these. I submit they cannot be obtained if we are to depend on OPEC, if we are forced to allow circumstances half way round the world, the vagaries of political life in a politically unstable part of the world, to determine one of the basic economic facts of life here in Canada. If we continue to do that, we are fooling ourselves. We will have difficulty in planning the economic and industrial development of this country. How can a farmer or a fisherman build his enterprise over the next few years if he does not know what the price of oil will be two, three or five years from now?

We are fortunate in this country that we have enough petroleum for our immediate requirements. We do not need to worry of being deprived of winter heating oil because there has been a sudden change of government half way round the globe.

In this we are more fortunate than most countries. It would be immoral if we let slip by this marvellous opportunity to plan the energy supply and pricing mechanism for Canada and to secure for our fellow countrymen some measure of security.

The second part of the government's energy program is opportunity, opportunity for Canadians to participate in the energy industry. It is difficult to achieve this as long as the greater part of our gas and oil industry is under foreign control and ownership. These resources are finite and they are the heritage of the people of Canada. The federal and provincial governments are the custodians, the trustees of that particular heritage. The people of this country should in the end be the prime beneficiaries of the resources of the oil industry. As long as the greater part of this country's oil and gas industry remains foreign owned and foreign dominated, that is impossible.

The foreign companies export capital from this country at an alarming rate. Between 1975 and 1979 the total outflow of capital was $3.7 billion. That is a monstrous transfer of wealth from Canada to foreign shareholders. It is a state of affairs tolerated by no other nation in the world.

Mr. Thacker: Ten million dollars?

Mr. Simmons: I know my friend for Lethbridge-Foothills (Mr. Thacker) might not want to hear this because his party has adopted the position of being the spokesman for the multinationals. I know the truth is hard to bear but this has to be said. I say to him, this outflow of capital has to stop.

I am not surprised that the oil companies have begun to squirm, that the large multinationals have reacted so violently to the national energy program. This does not surprise me at all because our proposal means they will not make quite as many dollars as in the past. They can afford to cut back on their profits. For example, for the six months ending August 18, 1980, Gulf Canada's net income rose 74 per cent; for the second quarter of 1980 it rose 76 per cent to $95 million.

Is that an isolated example, Mr. Speaker? Let us look at Imperial Oil. Their income rose 52 per cent. What about BP Canada? I promise my friends in the NDP I am not going to mention Husky Oil tonight. I have too much respect for my good friend Tommy Douglas. I am talking about the companies the other opposition party supports.

Some hon. Members: Oh, oh!

Mr. Simmons: Mr. Speaker, the net income of BP Canada for the six months ended June 30, 1980, more than doubled to over $59 million. That is the group the hon. member for Mississauga South defends. That is the group he is worried about lest they slip back from $59 million to $58 million or $57 million. What nonsense! Of course, the multinationals are going to squirm, they are going to react. They are going to lay out their public relations millions. They are going to put the steamroller into action to see if they can stop all opposition to anything but the carte blanche they have been given in this country for too many years.

The third part of the national energy program is the thrust for fairness, fairness in pricing—

Some hon. Members: Oh, oh!

Mr. Deputy Speaker: Order, please.

Mr. Simmons: —fairness in revenue sharing. The present distribution of revenue from oil and gas is 45 per cent for the provinces, 45 per cent for the oil industry and 10 per cent for the national government.

An hon. Member: Who owns it?

Mr. Simmons: Who owns it, the member asks. The people of Canada own it, the same people who own this government, the same people who sent the members to this Parliament. We are not owned by the multinationals. We do not have to bow to the multinationals. We do have to bow to respect the wishes of the people of Canada and we make no apologies for that, Mr. Speaker. The federal government bears the financial brunt of the exercise—

Some hon. Members: Oh, oh!

Mr. Deputy Speaker: Order, please.

Mr. Simmons: The federal government does bear the financial brunt of the exercise of financing the tax expenditures. The national government has borne 63 per cent of the costs of exploration programs. The Canadian taxpayer has underwritten 63 per cent of the cost of these programs. The federal government, representing all Canadians, has an obligation to cushion regions from the sudden effects of price rises and fuel shortages. These activities are expensive and they must be paid for. What we are doing is not unlike what is being done in many other countries. This afternoon the Minister of Labour (Mr. Regan) drew attention to the situation in Australia and United States, where the state administration or the provincial administration is receiving far less under the programs in these countries than is the case under the national energy program.

This government recognizes that while resources must be utilized for the benefit of all citizens in this country the first claim on the benefit of these resources must be by the people who live in the provinces where the resources are located. It is not the intention of the national energy program to increase the federal government's share substantially at the expense of the provincial treasuries involved but rather to do so at the expense of the multinationals. For that we make no apology.

I wish to speak now on fairness in pricing. Why should the price of oil be determined by OPEC in circumstances that are completely beyond our control? Why this sudden urge to pay world prices for a commodity we produce in this country? Where is the precedent for it? Does this mean we should rush out and pay the world price for other items? If we found the Arabs were paying $2 for a litre of milk, does that mean we too should pay $2 for a litre of milk? Should we not say instead, what does it cost to produce a litre of milk and what is a reasonable return on the investment? Should we not add

these two figures together so as to determine a consumer price? That is the way we do it.

● (2110)

That is the way we are determining the price of oil in this country. We are asking what it costs to produce and what is a fair return on investment in the first place. Add those two together, and you will have our price of oil this year, next year and five years down the road. It seems eminently sensible to me that we should arrive at the price of a commodity based on what it costs to produce that commodity, keeping in mind that the person who invests the dollars to produce the commodity should get a reasonable return on his or her investment.

Mr. Laniel: That is what the people voted for in the last election.

Mr. Simmons: What has been the practice in this country when the world price of a commodity shoots dramatically upward or dramatically downward? That is a fair question. What has been the practice when the price of wheat, copper or oil has shot dramatically upward or downward? Let us consider those three examples, oil, copper and wheat. What have we been doing?

Is this made-in-Canada price for oil about which we are talking some new scheme we have cooked up over here to aggravate the Alberta government and the oil companies?

Mr. Munro (Esquimalt-Saanich): Yes.

Mr. Simmons: I know that is what the hon. member for Esquimalt-Saanich (Mr. Munro) would like to believe, but what he believes is not necessarily true, as I found out from reading his *Householder* which I tripped over getting out of the elevator this morning in the Confederation Building. Having read it, I say to the hon. member instructively that I did not understand hate mail until I saw that *Householder*. It is a terrible piece of stuff. Should my tax dollars be financing that?

Mr. Rae: That's all right. We pay for yours.

Mr. Simmons: Hon. members may ask which governments were in power between 1960 and 1973. There were three, a Tory government under Mr. Diefenbaker and a couple of different Liberal administrations, one under Mr. Pearson and one under the present Prime Minister (Mr. Trudeau).

Under three separate administrations of two party stripes from 1960 to 1973 all of Canada west of the Ottawa River paid about a 25 per cent premium on oil in order to protect Alberta against low oil prices outside this country. There is a precedent. This administration and two or three before it have cushioned Canadians against the effect of dramatically changing prices of oil on the international stage. In the example I gave it was a case where the price of oil went dramatically down, or at least below levels required to continue the production of oil in Canada on an economic basis.

For another example why not look at 1969 when international copper prices rose sharply? What was the action taken of the federal government of the day then, led by the same gentleman who leads it today? The federal government kept the Canadian price low and restrained exports to ensure sufficient supplies for Canadian consumers. That is a precedent in the copper industry for what we are doing with the oil industry today.

Do hon. members want a further example which again relates particularly to the western provinces? In 1969 international prices for wheat dropped drastically. The federal government legislated a price higher than world prices to protect the western farmer with regard to grain sold in Canada. The price was higher because the international price dropped so drastically.

Those are just three examples involving parties of two different stripes in government and initiatives which those administrations took to cushion Canadians against rapidly rising or falling prices, as the circumstance may be. These are examples which go back a full 20 years. What we are talking about is not particularly new or novel.

Who will benefit? Let us suppose for the purpose of my argument that tomorrow morning the price of oil were allowed to rise to world levels.

Mr. Thacker: What does Canada charge the United States and the world?

Mr. Simmons: Who would benefit? The multinational oil companies would certainly benefit. Their profits would go up more tens of percentage points, and that would make the official opposition happy, but it would not make me very happy. It would not make my constituents very happy.

An hon. Member: They have enough problems with taxes.

Mr. Simmons: Of course the oil companies would be happy, but we have not been sent here, and I have not been sent here, to represent multinational oil companies. I do not make any apologies to them. It surprises me that the official opposition spends so much time defending multinational oil companies.

Mr. Nielsen: That is a crock of crude.

Mr. Simmons: The hon. member for Yukon (Mr. Nielsen) has come in.

Mr. Nielsen: I just woke up.

Mr. Simmons: It looks as though he has had an interesting evening. He has obviously dined well.

Mr. Blenkarn: It doesn't look like you are exactly starving.

Mr. Simmons: I remember when my good friend from Yellowhead was elected leader of the Tory party. The following week a national news magazine, *Maclean's*, had printed across the front cover "Joe Who?" The accompanying article went on to raise some questions about who this new leader was and what he stood for. During the last few weeks when there

has been this energy controversy it has become clear what "Joe Who What" means.

It means "Joe XX". The unknown. Those are the two Xs in Exxon. Joe Exxon.

An hon. Member: Who gave them $40 million?

Mr. Simmons: He represents the multinationals. He is the unwitting spokesman, together with his band of Tories, for the multinationals. We heard tonight from the hon. member for Mississauga South. He was quite blatant about it. Most Tories are much more coy in the way they put forward representations on behalf of those companies, but the hon. member for Mississauga South at least deserves credit for being frank and up front about it. If we read the transcript of his address, we will find he was exactly that, very up front about his support for what I think he termed the "poor multinationals" at one point.

We know the multinationals will benefit, but who else will benefit? What about the millwright out in Drayton Valley Alberta, the welder in Brooks, Alberta or the pipefitter out there? Will he benefit if the price of oil now being produced at $16.50 a barrel were to shoot up to $38 a barrel tomorrow morning? How would he benefit? Would the companies rush to the unions and say, "We are going to double the rate for that man"? Would we suddenly see him get twice as much per hour for his work?

Mr. Waddell: He would have to go back to Newfoundland.

Mr. Simmons: What would it mean to that worker? Would he pay more for items from the plastics industry which he has to purchase? Would he pay more for gas for his car? Would he pay more for food from the farm because of increased farm prices which would be the result of increased oil prices? The answers are yes, yes and yes. He would pay more. His cost of living would go up if oil prices went up. But let us not suggest for a minute that that welder or that pipefitter would suddenly get more money. Let us not be so naive to think that the companies would rush in and say, "Mr. Union Leader, we want to negotiate a new agreement; your man is not getting enough."

Mr. Mayer: He might be able to keep his job.

Mr. Simmons: He might hang on to his job, and he might get as much as he is getting now, but the "might" that he would get a little more is a pretty long "might". He would have to work pretty hard. His union would have to do some very tough bargaining before it would convince those "poor" multinationals that somehow a doubling of the price ought to be reflected in his paycheque. Who would benefit? The multinationals.

Mr. Mayer: Should we pay more to Saudi Arabian workers?

Mr. Simmons: I ask the hon. member in the official opposition who is shouting now to bear with me. When I am finished, he can rise and answer that question himself. Who would benefit, other than the multinationals, if the price of oil suddenly went up? What is all this shouting and screaming about rushing out tomorrow morning and declaring the world price for oil? What would be the benefit for the constituents these members are supposed to be representing in this chamber?

Mr. Mayer: Isn't the purpose of this act to raise the price of oil?

Mr. Blenkarn: Isn't that the purpose of this proclamation?

Mr. Mayer: The Liberals want to raise the price to the world price; that is what they are saying.

Mr. Deputy Speaker: Order, please.

• (2120)

Mr. Simmons: Who is delaying the Alsands project and the Cold Lake project? Let me talk about those projects for a moment. The federal government is not delaying these two projects.

Mr. Blenkarn: That is nonsense, absolute nonsense!

Mr. Simmons: I wish the hon. member for Athabasca (Mr. Shields) were here tonight. I read the speech he made last night with great interest. Also I read the comments he made in Fort McMurray last Friday night. The disappointing thing is that he did not say in the chamber last night what he said in Fort McMurray last Friday before his constituents. He made two contradictory statements, and I invite him to correct the record on that. Before his constituents in Fort McMurray he indicated what I just said a moment ago, that it was not the fault of the Government of Canada that these projects have not proceeded. He laid the blame squarely upon the government of Alberta.

Mr. Wilson: Say that again.

Mr. Simmons: I will say some more things which might clarify the point for the hon. member for Etobicoke Centre (Mr. Wilson). I refer to a Canadian Press story published a couple of days ago. It reads as follows:

> Cold Lake businessmen want Alberta Premier Peter Lougheed to let Imperial Oil Ltd.'s $9-billion Cold Lake heavy oil project proceed.

They ask Premier Lougheed to let the project proceed. I am sure it is clear who is stopping it in the minds of the businessmen of Cold Lake. It is not this government, but the government of Alberta.

Perhaps I should refer to a recent editorial which appeared in *The Edmonton Sun,* a paper which has not been known to agree with everything the government has done in the energy field, but which nevertheless calls unequivocally on the Alberta government to stop delaying the projects. In part it reads:

> There is simply nothing to be gained by such an approach. The megaplants will not produce oil of any quantity to speak of until 1987, long after the current energy war. The plants will thus have no immediate impact on oil supplies to eastern Canada.
>
> Mr. Lougheed's stance on the plants is totally punitive and totally negative.

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. member but his allotted time has expired. He may continue only with the unanimous consent of the House.

Mr. Rod Murphy (Churchill): Mr. Speaker, the speech we have just heard was very interesting and entertaining. After hearing it I think I finally understand the Liberal policy on energy. Basically they are very strong socialists and very strong nationalists when it comes to the empty wells, but they believe in subsidizing the multinationals when it comes to the full wells.

Some hon. Members: Hear, hear!

Mr. Murphy: A number of areas in Canada will be adversely affected by the government's energy decision. The government has refused to recognize the effects of its energy policies on the north. Last month in northern Manitoba, in the constituency of Churchill which I represent, there was a 29 per cent increase by Steelgas which provides the gas for most northern Manitoba communities. This happened before the budget increase. It is owned and supplied by Dome Petroleum. Dome Petroleum will not give us its cost figures in setting the price to its wholly-owned subsidiary.

There was another action in the last couple of weeks, with CN Express announcing that it will be closing down its operations which will increase the cost of food and other items going to northern communities. Food is already flown into many isolated communities in northern Canada. The higher cost of fuel increases the cost of each and every good to those communities. There are communities in my constituency where gas already costs over $5 per gallon. In other northern communities the price of gas and other items is even higher.

I read with interest an article which appeared in *The Globe and Mail* earlier this week. It pointed out that the Port Severn Indians, most of whom are on some form of welfare, pay $2.22 for a dozen eggs, as compared to $1.29 in Toronto; $4.02 for two kilograms of sugar which sell for only $2.49 in Toronto; $1.57 for a loaf of bread which costs 80 cents in Toronto; $3.44 for a pound of hamburger which costs $1.98 in Toronto; $1.75 for a fresh quart of milk which costs only 75 cents in Toronto. The price of goods in northern communities is extremely high.

In Saskatchewan the provincial government implemented a program of subsidizing the shipment of these foods into northern communities. The federal government has no program for its northern residents. The cost of transportation over the long distances involved has worked against industrial development in each and every one of those communities. This was the situation prior to the budget.

Now we must add the increased cost of energy imposed by the government, not because of any increase in the cost of production, but because the Liberal government, like its Tory predecessor, is increasing prices in order to enrich its own coffers and those of the multinationals. As the hon. member for Comox-Powell River (Mr. Skelly) said, it might be a smaller slice but it is a much larger pie. The multinationals will benefit from the budget, even without the blackmail and the strikes we hear about in the press at this time. Because the government is weak by nature and by tradition, it will give in to the multinationals eventually. The history of the Walter Gordon budget and the entire Liberal machine has been to talk tough but to carry a very small stick.

Some hon. Members: Hear, hear!

Mr. Murphy: No consideration was given to the increased costs of living faced by the residents of northern communities. There were no new programs. There were no new subsidies to help low-income natives and other Canadians who live in isolated areas. There were no programs to compensate for the high cost of running a business in the north. Steelgas, the Dome controlled and owned company about which I spoke earlier, after receiving a 29 per cent increase three weeks ago, is asking for another one.

Throughout the west there is dissent because of what the government has presented in the budget and the energy package. In return for losing potential revenue, the west received a western development fund. It is the old story—the Liberal government takes away with one hand and gives with the other. What does the west receive? It receives a $4-billion fund, of which only $2 billion will be given in three years; no date was given for the other $2 billion. It will be a program controlled by Ottawa bureaucrats. There are no guidelines to ensure that these funds will be used for needed development. There are no guidelines to prove that this money will not be used just to replace existing federal funds which go to the west. There are no guidelines to ensure that the minister responsible—not the minister responsible for DREE, the Minister of Regional Economic Expansion (Mr. De Bané), but the Minister of Employment and Immigration (Mr. Axworthy)—will not use this fund as a slush fund to rebuild the Liberal party in western Canada. When there is $4 billion for economic development in the country, it should be used where it is needed. The guidelines should be set by Parliament, and as the DREE committee unanimously agreed, it should be under the control and co-ordination of the Minister of Regional Economic Expansion.

The Minister of Employment and Immigration loves to make controversial remarks, only because he needs the press. Last week he was out west and he said that Liberals are born-again westerners. I cannot find anyone in my constituency who evens admits to being a Liberal. If hon. members opposite were born-again westerners, they would not have issued this energy proclamation. It would never have taken place because they would understand the resentment and the hatred which they are provoking by this kind of action. I will talk more about the west later.

• (2130)

Right now I would like to talk about the impact of the energy program on the Atlantic provinces. Prices are traditionally higher in the Atlantic provinces. Prices of oil and gas are higher whether or not there is a subsidy. The prices of goods in

those communities are higher. The prices of goods shipped to those communities are higher. Communities in the Atlantic provinces are not eligible for the conversion subsidy which other provinces will receive if people convert from oil to gas heating. This region was discriminated against because it was supposed that a number of oil fired generators were being used and, therefore, the program would not save people or the federal government any oil. It would save some in the other provinces. This does not mean that people in Atlantic Canada should not benefit from a program like this. Those people will have to pay the higher costs of oil and gas. They should benefit from a program of this nature.

In addition, the Liberals, as usual, did not get their facts straight. New Brunswick does not qualify for this program yet if you look at the facts you will find that only two of their eight power stations presently use oil as a source of energy—only two. What happened to the Liberal members of Parliament from New Brunswick? Were they quiet? Did they not have any influence on their government? Incidentally, Mr. Speaker, of those two power stations one is in the process of being converted to coal at the present time. So in the future seven of the eight power stations will be using coal, hydro power or nuclear power. But the people in New Brunswick will not qualify for this conversion program.

Obviously in setting their budget, as in setting their energy policy, this government did not know what it was doing. Statistics will illustrate that for every dollar increase in the price of oil there is a 1 per cent increase in the rate of inflation. Inflation is already higher in the maritime provinces than it is in the rest of Canada. This energy package will only increase the cost of living for people in that region.

The national energy policy said some nice things about the future of the Atlantic region. I would like to quote:

> As for opportunity, the Atlantic region, long disadvantaged in a number of ways, stands on the verge of an energy boom—oil and gas, electricity and coal—that could provide the basis for a new sustainable prosperity. The national energy program can—and does—provide the framework to ensure that this happens.

Those were lovely words but if you take a look at the energy program they are hard to believe. Things do not happen *for* the Atlantic region, they happen *to* the Atlantic region. As I said, unemployment there is already high but with higher energy costs it will only increase. The cost of living is higher. The cost of heating is higher. The cost of transportation is higher. And as a result of this national energy policy those costs will double by 1984.

What will happen with respect to regional economic development? Nothing. There is no co-ordination by the minister responsible for DREE because the cabinet will not give him that power. There is half an effort to do something for that region through the industrial tax credit but that will not work very well for a number of reasons. The most promising industries like lumber, fishing and farming are excluded from benefiting from this tax credit.

As I mentioned in an earlier speech, this program was implemented retroactive to the night of the tabling of the budget. Even though it is supposed to be a tax incentive plan to attract industry into the Atlantic regions and other parts of Canada which are so designated, it is retroactive to the night of the tabling of the budget. Obviously, companies which were already building in the Atlantic region on October 28 and 29, November 1 and 2, did not come to the Atlantic region because of this tax incentive. For those corporations it is strictly another rip-off. That tax incentive will be given to every corporation which develops in various regions of Canada that are designated, regardless of need and regardless of other subsidies they may be receiving. In other words, if you look at what was supposed to be an effort at regional economic expansion you will find another tax rip-off by the very same people who are now talking in such strong socialist and national tones. Again, the words sound nice but when you examine the actions you find there is nothing there. More important, any positive effects which would have taken place because of the industrial tax credit will be nullified by the huge increases in energy costs predicted in this program. A corporation that is considering developing in the Atlantic will not come in if it knows that its cost of energy will double in the next four years and rise even higher after that. Any benefit from that tax incentive will just not be there.

I would like to say something now about the western development fund to which I was referring earlier. This $4 billion boondoggle is not for Atlantic Canada yet in the west, with the exception of the province of Manitoba, there are booming economies. There is growth in that region of Canada yet they are to receive this $4 billion. It is amazing that the Liberal government should have decided the Atlantic region does not need that kind of money. In the west there are only two Liberal members of Parliament and the west receives $4 billion. I suspect we now have a new definition of political patronage. It used to be the case that the Liberal government would say in a mild, suggestive manner that it would be really good to have a Liberal MP from your region because it would ensure that money flowed back to those constituencies. With the $4 billion plan the opposite is true. What we now have is a benefit for not voting Liberal—the west is being rewarded for not voting Liberal.

Some hon. Members: Hear, hear!

Mr. Murphy: Just imagine what $4 billion could have done for Nova Scotia. Imagine what it could have done for New Brunswick, Newfoundland, Prince Edward Island—

Mr. Skelly: Where are their MPs?

Mr. Murphy: Not only that. Where are the cabinet ministers from those regions? I ask the Minister of Labour (Mr. Regan), who is unusually quiet today about the effect of higher energy prices on Nova Scotia, what $4 billion could have done for Sysco? I would ask the Minister of Finance (Mr. MacEachen) what $4 billion could have done for Devco, Sysco or other corporations which are in need in Nova Scotia? Can you imagine the benefit if the Minister of Finance had allocated that money to eastern Canada, the provinces that are really in need? We would not find him studying a business plan for

Sysco at this time. He would be running out there in order to hand out the cheque, especially with a byelection coming. Well, we in the west have learned our lesson. We found that it pays in many ways not to vote Liberal. The people in Atlantic Canada will be finding out the same thing in the future.

Because of the government's lack of planning the boom they talk about as a result of the national energy program, may not happen. There is no guarantee that the ownership and development of our offshore oils will be Canadian. There is no guarantee that the jobs provided will be for Canadians. Last week the Economic Council of Canada released a report pointing out that offshore exploration does not necessarily mean the Messiah has come.

● (2140)

It will take action by both the federal government and the provincial government to ensure that the people of that region are trained to take the jobs which will be available. My party is on record as saying we believe that offshore resources should be controlled by the provinces. We also recognize that there is a strong need for a federal presence in determining the future of those resources. But that will not come about under the Liberal government because it does not really believe in planning when it gets down to the nitty-gritty, hard-core decision-making. It believes in putting out pamphlets, advertising and the glitter of progress, but when we get underneath that shell, we find it is the same old game. The whole country is suffering from the government's lack of policy.

Never has there been a strong energy program in this country. To give an example, I refer to my province of Manitoba where there is great potential for the development of hydroelectricity. Indeed Manitoba has a surplus in this resource. It also has a number of power plants which could be brought on stream in the near future, yet that power goes unused. The federal government, however, is encouraging the people of Manitoba to switch from oil to gas. The program does not allow for the development and use of Manitoba's hydro power. It does not set up a western grid or a grid into Ontario to enable that power to be used; it simply ignores it entirely. The program does not look at the alternative sources which are available and which could be developed in the future.

There is no energy shortage in Canada. There is certainly misuse and underuse of resources. The government has set up a paper tiger, something which it can tackle rather than a program which would tackle the real problems which we face. The New Democratic Party believes that oil prices should go up but only in certain circumstances and only at a gradual rate. It believes there must be a cost of living allowance so that consumers who are hit the hardest would be cushioned against the higher prices. We believe that the extra revenues from increased prices should not go to the multinationals as they would under the present policy, or to the federal-provincial coffers but that they should be put into a special fund which would be set up to look into the alternative energy schemes and innovative ways of providing rapid transit.

The NDP also believes in an over-all industrial strategy which must be flexible enough to adapt to any increases in the price of oil and gas. These proposals are not provided for in the Liberal energy program. The Petroleum Administration Act is a last ditch effort by the government to take over the control of resources. The Liberals have failed to try to achieve any agreement with the provinces. Their ability as negotiators is a real problem. The Conservatives might also listen because they are not so good at negotiating themselves or they would still be in power. The Liberals' record of negotiation is a record of failure.

For example, in negotiating the fisheries treaty with the United States, the government was too weak to develop and conclude an agreement. It was well aware that the agreement must be ratified by the U.S. Senate, because it is written in the constitution of that country, but it did not negotiate from a position of strength and say, "If the treaty is ratified, there is something more for you". Instead the government gave them the whole package after one week's negotiation in the hope that the Senate would graciously give us the treaty we wanted.

The same thing happens when the government negotiates with its employees. The government does not know what it wants to do so it delays by making unrealistics offers which only result in increasing the anger of the employees. Had it given some reasonable offers in the first place and had it known what direction it was going to take, there would not be the militancy about which the President of the Treasury Board (Mr. Johnston) is so concerned today.

Nor could the Liberal government negotiate on the constitution. The Prime Minister (Mr. Trudeau) managed to range all ten provincial premiers against him. Those fellows—there are no ladies yet, but there should be one in Nova Scotia soon—particularly the Conservative premiers, had never agreed on anything in their lives until the Prime Minister made his proposal. We recognize that it is not easy to get agreement with the premiers, but I cannot understand how the Prime Minister could not get at least three or four of those premiers to agree with him on his package, which he would then present to the House.

It is not just a matter of arrogance, it is a matter of the lack of negotiating skill. The Prime Minister does not have to be a hard-core, well-trained unionist, but unfortunately he has none of the skills of negotiation, and as a result the government is in a position of confrontation at this time.

Mr. Nielsen: He negotiated an agreement with your leader.

Mr. Murphy: We negotiated, he accepted. For the benefit of my friend, I would also point out that it is not easy to negotiate with each and every premier. Sterling Lyon of Manitoba has the ability to make Ronald Reagan look like a Liberal. The Liberals have failed to present a package to the provinces. Instead of healing the wounds which are tearing this country apart, the Liberals have increased the division. Alberta has found itself on the losing end of the constitutional debate, the budget proposals and now this energy plan.

The people of Alberta love Canada just as much as any group in any part of this land, but the government cannot continue to shove things down their throats and expect those people to love and respect it. Just as I suggested that the Liberals did not know how to negotiate on the constitution, they did not know how to negotiate on the energy package and they refused to accept that there are people in western Canada who believe they have a right to some voice as to the future of their resources. The people of the west should be consulted as a part of the negotiations, not treated to the old method of newspaper debating of which the Liberals are so fond.

The Tory party has taken a very destructive attitude toward the constitutional package, and the Liberal party has taken a very destructive attitude in its energy package. They have failed to recognize that there must be some form of national unity and that people must be made to feel good about the way in which they are being treated. Canadians want a united country. They want co-operative federalism as mentioned by the hon. member for Vancouver-Kingsway (Mr. Waddell) yesterday when he quoted former prime minister Pearson.

Canadians want a government which will rise above the interests of the factions, as prime minister Pearson mentioned so many years ago, but that is not the attitude of the Liberal government today. We recognize that the government has the right and duty to present the federal alternative, but it can only do this if all the people are willing to work together as citizens of a country in which the governments are openly and honestly negotiating with each other, a country in which the federal government can claim to represent all the regions. Imposition of this measure will serve only to divide Canadians. This government must change its mind. It must open up negotiations. It must open up the hearts of Albertans and others in the west. It must really try to bring Canada together.

● (2150)

Mr. Doug Lewis (Simcoe North): Mr. Speaker, first I wish to refer to remarks made by the hon. member for Burin-St. George's (Mr. Simmons). I have been fortunate enough to hear him explain the theory of supply and demand twice. The first time I heard him was a week ago at Queen's University. At that time he explained to third-year business students that the theory of taking your costs, adding reasonable profit and calculating your sales price accordingly was all out of the window. These students had spent three years learning this. It was amazing to see the look in their eyes when his theory of taking the cost, adding a reasonable profit and then selling your product for whatever you can gouge out of people hit home. That may come as somewhat of a surprise to members in this House, but I have had the benefit of hearing it once before. The hon. member for Vancouver-Kingsway (Mr. Waddell) was there as well. One of the employees of the Department of Industry, Trade and Commerce left the room during the exposé of costs and sales. He could not handle it, but the hon. member for Vancouver-Kingsway and I had to stay and listen.

I was interested to hear the New Democratic Party explain tonight that the Liberals are not supporting the multinationals. Does this mean the $40 million loan has been recalled already? Last week this place handed out $40 million to the multinationals with no strings attached. It was a situation of "here you are. We need you. We are desperate". That is the degree of support for the multinationals.

I was interested in the remarks made by the hon. member for Churchill (Mr. Murphy). Apparently he is the spokesman on behalf of the New Democratic Party for Atlantic Canada. I thought the job of spokesman for Atlantic Canada would belong to the most easterly member of Parliament for the New Democratic Party, namely, the hon. member for Oshawa (Mr. Broadbent). Apparently if there is no one available from the east, the next best thing is a member who lives close to the water. So the hon. member for Churchill is the spokesman because Churchill is close to Hudson Bay, and in that way he qualifies. I would like to thank the hon. member for Churchill. One cannot dismiss his remarks that quickly. During the course of his remarks he was very careful to endorse theories, such as the energy tax credit and the excess profits tax on companies. He missed the reduced depletion allowances but he remembered the energy bank. These were all policies that our party enunciated in its budget of last December.

During the debate on the Speech from the Throne members of the government side used this House of Commons as a forum to address their speeches to the province of Quebec and to fight the referendum battle in that province. As a result of the policies of this government, we are now faced with unrest in the west. If that unrest is not dealt with, it could reach untenable and unmanageable proportions.

I want to take a few moments now to address my friends in the west and to tell them about the people of Ontario, not central Canada, but Ontario. We are puzzled by the antagonism of the people in the west toward Ontario. We want to know the specific areas of concern. We promise that if these are brought to our attention, we will apply ourselves, correct the wrongs and explain the situation fully. We do not want the current citizens of Ontario blamed for the problems of this government. If members could come with me tomorrow to the tenth concession in my township and tell everyone there that the people in the west are blaming us for the situation, they would not understand. People in my riding are simply engaged in the process of earning a living, bringing up children and being citizens of our community. Our sons, daughters, nephews and nieces and our friends have gone west with our encouragement. The west is part of this country after all. Our friends and relatives now live in Manitoba, Saskatchewan, Alberta and British Columbia. But they are still our brothers and sisters. If people out there want to blame anyone, let them blame this government, not the people in Ontario.

This Liberal government is not now and has not been for some time representative of Canada. I would suggest to Ontario members in this House that the Liberal government is not representative of the great province of Ontario. You were elected to govern Canada because you had 99 per cent of the

vote in one province. You are completely swamped, subjected and impotent—

Mr. Deputy Speaker: Order, please. The hon. member's remarks should be addressed to the Chair.

Mr. Lewis: Mr. Speaker, I would not suggest for a moment that you were swamped, subjected or impotent. This leads to what we call confrontation politics. The hon. member for Churchill made reference to confrontation. That means the Liberal party decides that it has more to gain from confrontation than it has from co-operation. There is no bona fide attempt on the part of this government to sit down and negotiate a fair price and agreement with all of the producing provinces. There are some heroes in the cabinet. They have no desire to co-operate or conciliate. They make a lot of the fact that during the last election campaign they promised lower energy costs. But election promises have never bothered them in the past, so why should they bother them now? Nevertheless, these people are risking our country.

I want to deal with some of the comments made earlier in this debate, especially those made by the Minister of Energy, Mines and Resources (Mr. Lalonde). The minister stated that: "I think it is time that members of this House, and Canadians in general, grew up with respect to Canada's role in international affairs." The statement that every other country in the world would give their right arms to have a prime minister like the Prime Minister of Canada (Mr. Trudeau) is one which I find completely incomprehensible. I suggest that Canada is already giving its right arm because of this Prime Minister. The problem is we are giving it to Saudi Arabia, Venezuela and Mexico. Perhaps it is about time the government appreciated the domestic situation in this country. Perhaps it is about time the government had more respect for Canada's ambitions than for the people of Saudi Arabia. If the government members really did appreciate our domestic situation, we would not be engaged in this debate. The Prime Minister does not want to stay here and face reality. The government has failed to reach a pricing agreement.

Mr. Deputy Speaker: Order, please. It being ten o'clock, pursuant to order made earlier this day, it is my duty to interrupt the proceedings and put forthwith every question necessary to dispose of the motion now before the House.

[*Translation*]

The question is therefore as follows: Mr. Waddell, seconded by Mr. Knowles, moved that the proclamation laid before the House on Wednesday, November 12, 1980—

● (2200)

[*English*]

Mr. Nielsen: Excuse me for interrupting the Chair. It is the first time I have ever done it, particularly when putting a motion. However, I think you will find there is agreement—

Mr. Knowles: We know that. The question is being put now. The vote is tomorrow.

Mr. Nielsen: All right.

[*Translation*]

Mr. Deputy Speaker: —pursuant to subsection 35(2) of the Petroleum Administration Act, as proclaimed in PC 1980-2915, be revoked.

[*English*]

Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Deputy Speaker: All those in favour of the motion please say yea?

Some hon. Members: Yea!

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

Some hon. Members: Nay!

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

And more than five members having risen:

Mr. Deputy Speaker: Pursuant to order made Friday, November 21, 1980, the division stands deferred until 5.45 p.m. Wednesday, November 26, 1980.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

PARKS CANADA—DECISION TO CANCEL CORNWALL TO PETERBOROUGH MOVE

Mr. Bill Domm (Peterborough): Mr. Speaker, I intend to spend some time tonight discussing certain of the comments made by the Parliamentary Secretary to the Minister of the Environment (Mr. Simmons). In an announcement to cancel the Parks Canada move from Cornwall to Peterborough, the Minister of the Environment (Mr. Roberts) claimed, with lofty and saintly tones of compassion that his concerns are with the interests and morale of the majority of Parks Canada employees in Cornwall, especially the support staff who are less mobile and generally have fewer alternative work opportunities. Let me point out to this House that as of tonight there are over 20 unsettled claims before Treasury Board brought by the employees of the Parks Canada regional office in the city of Cornwall as a result of the cancellation of that move.

Leaving aside for the moment that 115 of the 145 employees of the Cornwall office went on record as being in favour of the move of the office to Peterborough, I take great exception to the sanctimonious appeal that the minister in cancelling the move is acting principally in the best interests of the employees of the Parks Canada regional office.

It is more than passing strange that this one small move of a regional office with no more than 150 employees was cancelled on the strength of employee morale. The reasons given in the Liberal policy announcements for the centralization were, first, to move the administration of federal government programs closer to the people directly affected by them and, second, to assist areas of slow economic development and high unemployment.

A 1978 Parks Canada document states, and I quote:

—average unemployment in the Peterborough area during 1977 was estimated at about 10 per cent of the labour force compared with . . . 7 per cent in Ontario.

I might add that October, 1980, figures from the local employment office in Peterborough indicate that there has been a 33 per cent increase in unemployment there in the last 12 months. This compares to a less than one per cent increase nationally. With regard to the second point of the government's decentralization policy, that of economic development, the document states:

Peterborough's current economic difficulties are directly related to major layoffs and shutdowns . . . overall. The Peterborough area cannot continue to depend on its long established manufacturing industries for the steady supply of new jobs required by its expanding labour force.

Finally, with regard to the contention that a proposed move brings programs closer to the people affected by them, I would cite the following from an ADM in Parks Canada to the minister dated July 3, 1979. This document stated in part:

In 1974, a study of the implications of operating from Cornwall showed that inordinate transportation costs were involved in operating the region (as a whole). The essential close working relationships and co-ordination with the Ontario regional operation was seriously inhibited by the office location . . . (In 1978) due to changed economic conditions, it was decided that Peterborough was now the best choice of location.

● (2205)

I hope I do not weary members opposite with my unrelenting reiteration of the true facts of this case. But I digress for a moment. The minister was concerned with the welfare of the staff. I would like to point out that if the welfare of the staff is his major concern, what about the move of the staff of veterans affairs to other parts of Canada; what about the Liberal government's agonizing over the morale of the employees in Supply and Services when they moved to Shediac, New Brunswick, in the riding of the present Minister of Fisheries and Oceans (Mr. LeBlanc)? Did they squirm in mealy-mouthed Liberal platitudes voicing their compassion toward all the employees affected by moves which benefited no fewer than six Liberal cabinet ministers after federal relocation from Ottawa?

I suggest the reasons given by the Minister of the Environment on May 5, 1980, for cancelling the move of Parks Canada from Cornwall to Peterborough were nothing less than hypocritical hogwash designed to camouflage this unmitigated piece of pork-barrelling, this clear case of patronage, this varnished example of cabinet level double dealing to satisfy rashly made election promises on the part of the present Minister of State for Trade, the minister from Cornwall (Mr. Lumley).

I would like to take this opportunity to make a certain sequence of events in this issue very clear. On August 3, 1979, I announced, and I quote, that "The Ontario regional office of Parks Canada will be moved to Peterborough during the summer of 1980". This was obviously not, as the Parliamentary Secretary to the Minister of the Environment was pleased to put it in this House on May 12, 1980, an "announcement to defer". It was an announcement to inaugurate the proposal. The member for Burin-St. George's is simply factitious, adulterated and pettifogging and mendacious to suggest otherwise.

I suggest that I have not yet been satisfied on this point by the hon. member opposite. I would also ask that he fulfil the promise he made in this House on May 13 to produce documentation to support his claim, and to support the Minister of the Environment's contention that the minister "did not overlook the question of costs and the effects on the Parks Canada administration" in deciding to cancel the move.

I have in my hand an authority to enter into a lease in Peterborough, file No. 1020-P22/38, issued by Treasury Board on behalf of Public Works Canada, dated January 18, 1980. This document states:

It is estimated that the rental rate for the space now occupied by the client in Cornwall would increase to approximately $270,000 for fiscal year 1980-81, should the client continue to occupy this space.

In the absence of any convincing evidence to the contrary these figures stand as an indictment of this government's shameful, unforgivable and manipulative disregard for anyone or anything which does not relate directly to their own revolting self-interest.

Mr. Roger Simmons (Parliamentary Secretary to Minister of State for Science and Technology and Minister of the Environment): Mr. Speaker, the move from Cornwall to Peterborough was cancelled. It was cancelled on May 5, and I really would suggest to my good friend for Peterborough (Mr. Domm) that he get that message clear. It is cancelled. It is done. I said that to him last week. If I have to say it next week, I will be pleased to do so, until he gets the message that there is no mileage in this for him. We are aware, as he says, that not everyone was happy with the proposed move or with the decision to cancel. How many times does he want the careers of those people in limbo? The fact is, Mr. Speaker, the move is cancelled, it is done with and is not up for reconsideration.

The Minister of the Environment (Mr. Roberts), acting in his capacity as minister responsible for Parks Canada, made the decision and announced it publicly on May 5 of this year.

● (2210)

The hon. member for Peterborough and I differ on what it was he, the hon. member for Peterborough, said in August of last year. He says that when he announced in August that something would take place the following year, that was an announcement to go ahead. I say that that was an announcement to delay a further year. He is not going to convince me, and I doubt whether I will convince him, so I suggest to him that we just leave it at a healthy difference of opinion.

As to the promise I am alleged to have made to this House, as I said to the hon. member last week, I made no commitment to him. I made a commitment to Madam Speaker to assist her in expediting the matter, as I knew she would. She did expedite it without my assistance, and I saw then and see now no need to pursue the matter any further.

At the same time, if the House feels that the document ought to be tabled, I would would be very glad to do so. There is nothing mischievous about the document at all, but I do think at some point, in fairness to the people of Peterborough and Cornwall and particularly to the Parks Canada employees involved, the hon. member should stop fighting yesterday's battles.

Surely the people of Peterborough riding sent the hon. member here to deal with more than one issue. I appeal to him to honour the mandate he has been given and to get on with some other more productive things such as tomorrow's issues and today's issues instead of yesterday's issues.

CANADIAN BROADCASTING CORPORATION—LACK OF COVERAGE OF EUROPEAN CONFERENCE

Mr. Jesse P. Flis (Parkdale-High Park): Mr. Speaker, on Monday, November 24, I asked a question of the Secretary of State and Minister of Communications (Mr. Fox) about why the Canadian Broadcasting Corporation, a Crown corporation, did not give adequate coverage to the Conference on Security and Co-operation in Europe presently being held in Madrid. This conference is the second follow-up meeting to discuss the implementation of the Helsinki Final Act of 1975. The first such meeting was held at Belgrade at the end of 1977 and during the early months of 1978.

The Madrid conference, as it has now become known, is expected to last through to the end of March, 1981. The Conference on Security and Co-operation in Europe is focusing on three major themes or "baskets".

Basket 1 deals with respect for human rights and other principles of the Final Act: disarmament, arms control proposals, military confidence-building measures and military build-up in Europe.

Basket 2 deals with economic co-operation. This includes imports and exports, protectionism, transportation, energy and scientific research.

Basket 3, which is of great importance to Canadians, covers such topics as family reunification, family visits, free flow of information and cultural exchanges.

The Helsinki conference in 1975 adopted ten principles which would guide relations between participating states. The ten principles adopted are as follows: First, sovereign equality, respect for the rights inherent in sovereignty; second, refraining from the threat or use of force; third, inviolability of frontiers; fourth, territorial integrity of states; fifth, peaceful settlement of disputes; sixth, non-intervention in internal affairs; seventh, respect for human rights and fundamental freedoms, including freedom of thought, conscience, religion or belief; eighth, equal rights and self-determination of peoples; ninth, co-operation among states; and tenth, fulfilment in good faith of obligations under international law.

The Final Act states, and I quote:

> All the principles set forth above are of primary significance and, accordingly, they will be equally and unreservedly applied, each of them being interpreted taking into account the others. The participating states express their determination fully to respect and apply these principles—

One of the goals of the Madrid conference is to analyse how far signatories of the Final Act have gone in implementing the provisions of the Final Act and to examine the progress which has been made in achieving the objectives of Helsinki.

Canada's Secretary of State for External Affairs (Mr. MacGuigan) at the opening session of the Madrid follow-up meeting of the Conference on Security and Co-operation on November 12, 1980, was one of the first speakers to address the delegates from the 35 participating countries. The minister said that over the past five years we have seen important developments in co-operation between participating states through economic, scientific, cultural and other exchanges. The world is a better place for the conclusion of the Helsinki Final Act, 1975. There has been a recognition, with all due respect to national sovereignty, that no state is an island unto itself, able to conduct its affairs, either internal or external, in complete disregard for its neighbours.

● (2215)

The minister went on to say that the Final Act is designed to reduce tensions and to increase co-operation in Europe. In reviewing the implementations of the provisions of the Final Act, the Secretary of State for External Affairs said the following:

> The deterioration in east-west relations, culminating last December in the Soviet intervention in Afghanistan, cannot be ignored in this forum . . . Soviet actions have challenged directly the principles in the Final Act of sovereign equality, refraining from the threat or use of force, inviolability of frontiers, the territorial integrity of states, non-intervention in internal affairs, and equal rights and self-determination of all peoples.

The minister went on to say that the alternative to detente is armed conflict. The shadow of Afghanistan will inevitably chill detente as long as Soviet troops remain there.

Under the human rights basket, the minister noted with great sadness that since the Final Act was signed people have been harassed, arrested, tried, exiled and imprisoned simply for trying to monitor and exercise their rights endorsed in the

act. This persecution is inevitably a cause of friction in east-west relations today. The minister proposed a CSCE experts' meeting or some high level meeting to discuss the protection of human rights and fundamental freedoms which are reaffirmed in principle No. 7 of the Final Act and the application of those rights in basket No. 3 dealing particularly with the question of the freer movement of people among participating states.

I have made the preceding remarks to indicate to Canadians the importance of the CSCE conference being held presently in Madrid and my great disappointment that our own Crown corporation, the Canadian Broadcasting Corporation, did not see fit to send even one reporter to cover this conference.

In reply to my question and concern, the Secretary of State and Minister of Communications (Mr. Fox) answered in this House that the CBC entered into an agreement with Visnews which is a European news-gathering agency. Mr. Speaker, Canadians want to hear a Canadian viewpoint of this conference, not a European one.

Canadians are fed up with getting news secondhand, either through American or European news-collecting agencies. When taxpayers pay the money they do to have a publicly owned media, they expect better service than what they have been getting to date. I again put my question to the Minister of Communications: what steps does he propose to take to ensure that the remainder of the conference will get better coverage than it has received in the first two weeks of its deliberations?

Mr. Roger Simmons (Parliamentary Secretary to Minister of State for Science and Technology and Minister of the Environment): Mr. Speaker, on behalf of the Secretary of State and Minister of Communications (Mr. Fox) and his parliamentary secretary, who are unavoidably absent tonight, I should like to respond to the hon. member for Parkdale-High Park (Mr. Flis). I thank him for bringing this matter to the attention of the House. He is quite right in stressing the importance of the Madrid conference which is being watched with interest throughout the world. It is to my friend's credit that he raised the issue at this time.

I do not think I need to remind members of the House of the arm's length relationship between the government and the CBC. While the Minister of Communications reports to Parliament for the CBC, he does not interfere in the day to day management of the corporation. I am sure all members are in agreement with this policy, especially in the area of news services.

However, as the minister undertook in the House yesterday, this question has been pursued with the CBC management. In response to the minister's inquiries, the CBC examined its coverage of the conference and informed the minister as follows. As far as English television is concerned, the decision was made not to assign a reporter to Madrid for two reasons. The first was that all the coverage which would be needed was available to the CBC through Visnews, the world's foremost agency in the field of television news. By the way, the CBC is a founding member of Visnews which was formed by a number of broadcasting agencies specifically to provide television coverage of international news events. In this way individual broadcaster's resources are not stretched by having to assign reporters or film crews to an event which is already fully covered. Visnews provides pooled coverage of the conference which is available to all its member organizations. Within that context it was felt by CBC that as the conference lasts for many weeks, and no one could be spared for that length of time, the Visnews service would be adequate for network purposes.

● (2220)

During the first week of the conference in Madrid, "The National" carried four stories, first a scene-setter from Mark Phillips in London using film footage from Visnews and Eurovision of the delegates gathering. For three successive evenings after this, "The National" carried footage by satellite from Europe and voice-over reports from speeches by the Secretary of State (Mr. MacGuigan) and the chief delegates from the United States and the Soviet Union. The English television service is monitoring the work of the conference closely with the help of its London bureau and will resume the story as warranted by events.

On English radio 19 separate items on the conference were carried on network newscasts between November 10 and 16. There is no CBC reporter in attendance but reports have been taken from the BBC, NBC and freelancers. English radio's current affairs section carried interviews about the conference on "As it Happens" and "Sunday Morning." Also, commentary on the meeting featured Jim Cutler, law professor at McGill University and lawyer for Soviet dissidents.

Coverage on the French services is being greatly hampered by the strike of their journalists in Quebec, but the radio service has, as well as carrying a pre-conference item, included in its information programs a number of items about the conference.

Mr. Speaker, the conference has a long way to go. The CBC feels its news staff must exercise judgment in deciding which parts of the proceedings to report. The hon. member for Parkdale-High Park can be assured that his comments tonight will be noted by CBC management and the Minister of Communications will make a point of bringing them to the attention of the president of the CBC.

In conclusion, on behalf of the minister, I would like to thank the hon. member for Parkdale-High Park for raising this important issue.

SOCIAL DEVELOPMENT—RENEWAL OF FEDERAL-PROVINCIAL FUNDING—GOVERNMENT POSITION

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, my remarks tonight deal with the question I asked the Minister of National Health and Welfare (Miss Bégin) on November 4 about the meaning of the words in the second last paragraph on page 13 of the budget paper in which the Minister of Finance (Mr. MacEachen) claims that he expects significant

savings to come out of the upcoming renewal of federal-provincial funding arrangements for health and social development. I asked the Minister of National Health and Welfare where she expected the savings to come from. Mr. Speaker, instead of receiving an answer I received the usual lecture, plus a vague indication—and I quote:

—the savings to come as a result of discussions with those provinces which presently have a surplus—

This evening I ask: what does this mean? Does it mean there is to be a continuation of block funding for medicare, with a reduction of federal contributions to block funding? Likewise, are the provinces being expected to pick up a higher percentage of the established programs themselves with the federal government moving in, perhaps as Justice Hall recommended, to cost-share with the poorer provinces in order to maintain a comprehensive health care system? Is this the intent of the minister? This may sound good superficially but I think caution is in order since it further erodes federal ability to enforce national health care standards. It presupposes that richer provinces have better programs, which is false. It is in the three richest provinces of British Columbia, Alberta and Ontario that we find phenomena like premiums and extra billing, evidence that the quality of health care in any particular province is as much a matter of philosophy as it is a matter of wealth. The minister needs to tell us more. The Canadian public deserves to know more about what she intends for health care funding in Canada. Because the Hall report has been released, she can no longer hide behind the fact that it has yet to be released. Instead, we find her hiding behind the idea of federal-provincial consultation. She cannot give anything away because she is embroiled in this process of consultation. I ask this evening, Mr. Speaker, what happened to the great defender of medicare who we heard so much about during the time the Liberals were in opposition?

On that same day the minister indicated she would not turn to block funding for social services. We are glad to hear that. We welcome that announcement on her part since we feel that block funding has not been a success where it has been applied, particularly with regard to medicare. Unfortunately, she is also reported to have said, outside the House on the same day, that post-secondary education, another aspect of established program-financing, might be an area where savings could be made. The minister was quoted in the papers as saying that post-secondary education was an area where savings could be made because it was élitist. Does this mean she thinks post-secondary education should be élitist? If the federal government pulls out of this area and reduces its commitment to it post-secondary education will become élitist in this country.

● (2225)

There is a trend toward a renewed élitism in post-secondary education. I hope the minister will try to fight this trend and not give in or use it as an excuse to save money at the expense of equality of opportunity. It is time we heard from the minister personally, if not tonight, then on some other occasion, as to just what she meant when she indicated that in her view post-secondary education was élitist and therefore an avenue which the government might use in the upcoming renewal of federal-provincial funding arrangements for established programs.

Mr. Doug Frith (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, I would like to begin by addressing the second part of the question raised by the hon. member for Winnipeg-Birds Hill (Mr. Blaikie). The hon. member has consistently made allegations in the House with respect to the minister's commitment to medicare and the government's response to the recommendations of the Hall report. The minister has pointed out in the House on previous occasions that the government is spending $7.1 billion on medicare. We have also pointed out that the increased commitment of the federal government with respect to the established program funding laid out in 1977 has enabled the provinces to use those additional funds to expand into the field of extended health care. As a result of this increased federal spending, the provinces, with the exception of Alberta and Ontario, have been able to, for example, extend denticare to children and intermediate nursing home care to the elderly. These are the areas of growth with respect to medicare.

As a result of the policies developed by the minister and the government these programs have been implemented. Many of the remarks made by the hon. member for Winnipeg-Birds Hill and other hon. members opposite have led the public to believe that the government intends to decrease the amount of money to be spent on social development in Canada. It has been pointed out by the Minister of National Health and Welfare (Miss Bégin) and the Minister of Finance (Mr. MacEachen) on several occasions in the House that this is simply not the case. It is a basic priority of this government to cover those groups in our society which it has traditionally supported in terms of our priorities and our principles. I refer to the elderly, the sick, the oppressed and the underprivileged.

I think our expenditures in these areas indicate that we have been true to our commitment and our philosophy. Over the past ten years expenditures in the social development envelope have increased by 300 per cent. In the coming year there will be an increase in the total amount spent on social development in Canada. The government is still committed to those basic priorities which have traditionally been part of its philosophy, and we have no intention, as the hon. member has mentioned, of going to block funding for social development.

[*Translation*]

Mr. Deputy Speaker: The motion to adjourn the House is now deemed to have been adopted. Accordingly the House stands adjourned until two o'clock tomorrow afternoon.

At 10.29 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Wednesday, November 26, 1980

The House met at 2 p.m.

• (1405)

ROUTINE PROCEEDINGS

[*English*]

SCIENCE AND TECHNOLOGY

CALL FOR APPOINTMENT OF NEW MINISTER—MOTION UNDER S.O. 43

Mr. Lorne Greenaway (Cariboo-Chilcotin): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. In view of the fact that the present Minister of State for Science and Technology (Mr. Roberts) is also responsible for the environmental ministry and in addition is burdened with constitutional reform duties, and in view of the fact the former government recognized the tremendous importance of the ministry of science and technology by regarding it as a separate entity, I move, seconded by the hon. member for Scarborough East (Mr. Gilchrist):

That the Prime Minister give immediate and serious consideration to elevating this vital portfolio to its rightful position by appointing a new minister who understands the urgent need in Canada for massive reform of outdated and inadequate programs, and who will have the sole responsibility for science and technology unencumbered by other diversions.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

FINANCE

CALL FOR DELAY IN IMPOSITION OF SALES TAX—MOTION UNDER S.O. 43

Mr. Charles Mayer (Portage-Marquette): Madam Speaker, I rise under the provisions of Standing Order 43. Whereas the October 28 budget has imposed new sales tax regulations on manufacturing firms that assemble or package goods, and whereas the new regulations will impose financial hardships on some of these firms in that they have already quoted prices and sold goods to be delivered after January 1, 1981, when the regulations come into effect, I move, seconded by the hon. member for Prince George-Bulkley Valley (Mr. McCuish):

That this House direct the Minister of Finance to allow at least a six-month lead time for the imposition of this tax to give these firms time to adjust their prices accordingly.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

HEALTH CARE

EXTRA BILLING BY PHYSICIANS—MOTION UNDER S.O. 43

Mr. Bill Blaikie (Winnipeg-Birds Hill): Madam Speaker, I rise under the provisions of Standing Order 43. Whereas the Alberta government refuses to end extra billing by physicians and therefore gives its blessing to the 37 per cent of Alberta doctors who extra bill their patients; whereas Premier Davis of Ontario merely muses publicly about the unacceptability of extra billing but refuses to take any measures whatsoever to end the practice; and whereas former Justice Emmett Hall in his review of our medicare system has said that extra billing by physicians inhibits reasonable access to services and is contrary to the intent and purpose of the act, I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That this House direct the Minister of National Health and Welfare to ensure that the federal government, in her own words, "re-establish control of the medicare program", as she argued so passionately during her brief period of exile from her department, or state categorically that she is content to let the practice of extra billing continue in order that a two-tier health care system can rise from the ashes of what was once a program in which Canadians had confidence.

Madam Speaker: For presentation, such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

EXTERNAL AFFAIRS

POSSIBLE INTERFERENCE BY FRANCE IN CANADIAN AFFAIRS—MOTION UNDER S.O. 43

Mr. Marcel Dionne (Chicoutimi): Madam Speaker, under the terms of Standing Order 43, I request the unanimous

consent of the House to move a motion dealing with an urgent matter.

Whereas, under the Canadian Constitution, relations between Canada and foreign states fall within federal jurisdiction; whereas the Canadian government has always been flexible in allowing the provinces, especially Quebec, to take part on their own behalf in many international meetings because the agenda included matters of provincial jurisdiction; whereas the agenda of the Dakar summit lists topics of federal, rather than provincial jurisdiction; whereas, by its attitude, France is once again interfering in the internal affairs of Canada, I move, seconded by the hon. member for Timmins-Chapleau (Mr. Chénier):

That if France persists in interfering in our internal affairs, the Canadian government consider resorting to economic sanctions such as unfriendly surtaxes on French wines, cheeses, perfumes and other products.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1410)

[*English*]

HAZARDOUS SUBSTANCES

UREA FORMALDEHYDE FOAM INSULATION—REPORT OF COMMITTEE—MOTION UNDER S.O. 43

Mr. Doug Lewis (Simcoe North): Madam Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43. Despite the fact that the state of Massachusetts banned the use of urea formaldehyde foam insulation over a year ago, and although the Minister of National Health and Welfare (Miss Bégin) and her officials indicated to the health and welfare committee in July of this year that they were aware of this serious problem and were studying it, no report is yet available. I move, seconded by the hon. member for Portage-Marquette (Mr. Mayer):

That in the interest of the health and welfare of Canadians, this House direct the minister to table the report on urea formaldehyde foam insulation within the next week.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

CANADIAN NATIONAL RAILWAYS

USE OF RAILWAY CAR TO ATTEND GREY CUP GAME—MOTION UNDER S.O. 43

Mr. Tom Cossitt (Leeds-Grenville): Madam Speaker, I rise on an urgent matter regarding a government railway passenger car travelling Ottawa-Toronto the night before the Grey Cup game, returning Toronto-Ottawa the evening after the Grey Cup game, and the fact that the Minister of Transport (Mr. Pepin) has clamped a lid on the identity of the occupants of the car, that such names have been forbidden entry in railway records and that railway personnel along the entire route were denied knowledge of those on board. I move, seconded by the hon. member for Peterborough (Mr. Domm):

That the Minister of Transport reveal forthwith the names of any and all members of the cabinet or other persons making use of this Grey Cup special in order to remove the sinister air of secrecy surrounding same; that the minister examine the whereabouts during the time that the car was being used of the Postmaster General of Canada; and finally, that the government instruct the Postmaster General to order his private secretary not to use rude or crude language or hang up telephones when called by members of Parliament, as was done today.

Some hon. Members: Oh, oh!

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

ROYAL CANADIAN MOUNTED POLICE

COSTS RESPECTING POLICING SERVICES IN PROVINCES—MOTION UNDER S.O. 43

Mr. F. Oberle (Prince George-Peace River): Madam Speaker, I too have a motion under Standing Order 43 which is urgent and pressing. The Solicitor General (Mr. Kaplan) recently announced before the committee that it is the intention of the government to shift $100 million of costs related to policing the provinces to the provinces and municipalities. I therefore move, seconded by the hon. member for Esquimalt-Saanich (Mr. Munro):

That the House instruct the government to abandon its proposal to shift up to $100 million in police contract costs to provinces and municipalities which are not now served by a provincial police force, as these additional costs would further erode the already weakened financial position in which the western provinces particularly and the maritime provinces find themselves as a result of the budget and energy measures of recent date.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

CANADIAN NATIONAL RAILWAYS

ALLEGED CONTRAVENTION OF RAILWAY ACT—MOTION UNDER S.O. 43

Mr. Rod Murphy (Churchill): Madam Speaker, I too rise under the provisions of Standing Order 43. Since Canadian National Railways plans to cut back on its express service by up to 40 per cent nationally, which will affect many communities which do not have reasonable, low-priced alternatives, since in northern Manitoba the cutbacks will mean an abandonment of service in many communities which do not even have road access, meaning that essential goods will cost much more for those residents, and since section 262 of the Railway Act gives the federal government the authority to intervene to ensure that the railways provide suitable accommodation for traffic offered, I move, seconded by the hon. member for Winnipeg-Birds Hill (Mr. Blaikie):

That the Minister of Transport immediately intervene in this matter by charging CN as being in contravention of the Railway Act, and by ensuring that parcel service is continued to Manitoba's northern communities.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

THE CONSTITUTION

SPECIAL JOINT COMMITTEE—APPEARANCE OF EXPERT WITNESSES

Hon. Jake Epp (Provencher): Madam Speaker, I would like to direct my question to the Prime Minister. The question relates to government policy. At the time the joint committee studied the constitutional proposals known as Bill C-60, the committee had the opportunity to hear a number of expert witnesses give their opinions and views on the bill. In fact, the committee heard a total of 11 so-called expert witnesses at that time. Will the Prime Minister advise whether it is government policy to deny parliamentary committees the right to hear expert witnesses and whether it is government policy to deny Canadians who are expert witnesses to appear before the constitution committee.

● (1415)

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, there is no policy in this regard. Our intention with regard to that committee is that it should do its job, particularly regarding the substance of the proposals before it, to wit, the patriation of the Canadian constitution, the acceptance of an amending formula and the insertion of a bill of rights. Within its time framework the committee is master of its own procedures and it should get on with the job rather than bog down in procedural debates for fear that it would have to debate the substance.

Mr. Epp: The Prime Minister says that the committee should be, and is master of its own proceedings and agenda, yet the Parliamentary Secretary to the Minister of Justice, in replying to the committee yesterday, said that it should be up to the House to decide the matter of the scheduling of the expert witnesses. I would like to ask the right hon. gentleman, since many of the umbrella groups which have appeared before the committee have shown that there are serious flaws in the proposed package that is before the committee, is it the fear of the government that, if such experts were allowed to appear, additional and more glaring deficiencies of the proposed resolution would be made public to Canadians at large?

Mr. Trudeau: Madam Speaker, I think you will recognize that the tenor of the question indicates the wisdom of the rule that we not comment in this place on what is going on in committee until the committee makes the report. I think the hon. member has given a good illustration of why that rule should be adhered to.

As to his suggestion that we are not willing to hear witnesses, I point out to the hon. member that although I do not have the exact figure, it seems to me there are more than 200 submissions which have been made. There has been ample occasion for Canadians through these submissions to indicate their points of view. What the opposition seems to fear is that it might have to make up its mind on the substance. That is why they seem to be spending so much time on this kind of preoccupation that is raised now by the hon. member.

Mr. Epp: Madam Speaker, again my supplementary question is for the Right Hon. Prime Minister. This party has no fear as to the substance of our position.

Some hon. Members: Hear, hear!

Mr. Epp: I am pleased that the Prime Minister has indicated that there are 200 groups or individuals who want to appear before the committee. As a result of the government's timetable, they will not be able to appear. That is the point. They cannot appear, nor are they asked now by the government to appear. They are denied the right to appear by the very policy which his government has adopted through its members on the committee. In view of that policy and the manner in which those members voted yesterday to deny Canadians the right to be heard, will the Prime Minister now—

Some hon. Members: Oh!

Madam Speaker: Order, please. The hon. member is referring to a vote or some proceeding that took place in the committee.

An hon. Member: No.

Madam Speaker: The hon. member was asking a question about policy but then he proceeded to comment on a vote that took place in the committee. I would ask him not to do that.

Mr. Epp: Madam Speaker, I am relating my question to policy. I ask the Prime Minister whether he will now reverse the government policy of denying expert Canadian witnesses the right to appear before the constitutional committee.

Some hon. Members: Hear, hear!

Mr. Trudeau: Madam Speaker, the hon. member obviously did not listen to my first answer. I said there was no government policy in that regard. I indicated the government policy was to have this matter dealt with as expeditiously as possible. Members of Parliament know well the subject matter which is before them.

As to the legality or otherwise of certain procedures, the hon. member knows that some provinces have taken the matter to court. If the provinces want to bring in expert witnesses to explain legal subtleties to the courts, they can always do that. But what we are asking for, Madam Speaker, is that this House essentially pronounce on three things: patriation of the Canadian Constitution, the insertion of the bill of rights and an amending formula. I wish the Tory opposition would get on with the job.

• (1420)

SPECIAL JOINT COMMITTEE—OPPORTUNITY FOR INDEPENDENT ADVICE

Hon. James A. McGrath (St. John's East): Madam Speaker, my supplementary question is directed to the Minister of Justice. In replying to my colleague, the Prime Minister said that the committee should get on with its job. Our problem is that the committee has been hampered in getting on with its job by the government majority on the committee. That is what prompts our concern.

The Minister of Justice has said that he is prepared to provide the committee with the legal advice of his officials. Given our experience with respect to Bill C-60 and the advice we received and given the testimony last night by Mr. Justice Clyne that the bill was badly drafted and would not stand the test of law in Canada, will the minister now give the House an assurance that he will provide an opportunity for the parliamentary committee to hear independent, expert advice and not the bad advice he has been getting?

[*Translation*]

Hon. Jean Chrétien (Minister of Justice and Minister of State for Social Development): Madam speaker, it is clear that Parliament is called upon to pass pieces of legislation and if they are not lawful they can be reviewed by the courts. I have testified 17 hours before the committee, and the committee members have had all possible opportunities to question me as well as my advisers about the legality. During those 17 hours, there were very few questions on the matter of legality, and the committee members seemed satisfied with my answers.

When I appear again before the committee, I shall still be willing to answer the questions put to me. However, as stated by the Prime Minister, if the legality of any legislation is to be challenged, it must be done before the courts. Since some provincial governments have started court proceedings, it does not belong to me to make any comment on their submissions. The federal government will be represented before the courts and will assess the legality of the action taken by the sovereign Government of Canada.

[*English*]

Mr. McGrath: Madam Speaker, far from satisfying the committee with his evidence, the minister made the committee and the people of Canada more apprehensive about what he proposes with this bill of rights. In view of the fact that at least four departments of the government, including the department of the minister's seatmate, the Minister of Indian Affairs and Northern Development, are now seeking their own legal advice with regard to the impact of the bill of rights on mobility and the effects it will have on these various departments, is it the view of the government that what is being provided to these four departments, independent legal advice, is to be denied a committee of Parliament?

Mr. Chrétien: Madam Speaker, we intend to enshrine in the constitution non-discrimination clauses and mobility rights for all Canadians. Every department will have to look at the legislation they administer to make sure that it conforms with the desire of the Parliament of Canada that there shall be no discrimination and that the mobility rights of Canadians are protected. Of course, we have to look at the present legislation to make sure that the laws of Parliament passed in the past will be in conformity with the charter we will be giving Canadian citizens.

* * *

NORTHERN PIPELINES

EXPROPRIATION OF LAND IN BRITISH COLUMBIA

Mr. Sid Parker (Kootenay East-Revelstoke): Madam Speaker, my question is directed to the Minister of Energy, Mines and Resources. Last Friday the minister assured this House that Foothills would negotiate with B.C. land owners whose property it requires under procedures outlined by Senator Olson in 1979. I have in my hand copies of writs filed by Foothills expropriating the lands of four of my constituents. These writs were issued under the provisions of the antiquated Railway Act, which is something the minister assured this House would not happen. Will the minister direct Foothills to use the provisions outlined in Bill S-12, as he promised us would be the case, or is he going to allow Foothills to continue to trample on the civil liberties of my constituents?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I refer the hon. member to my answer in the House last week. There is no way by which Foothills can act other than under the provisions of a law which is in effect in this country, namely the Railway Act. I have told the House, however, that Foothills has indicated that, as far as compensation is concerned, Foothills is ready to work out compensation arrangements on the basis of the bill introduced by my colleague, Senator Olson, which has not yet been passed by Parliament. Foothills voluntarily agreed to follow the rules proposed in that particular bill. As far as I can see, nothing has happened which is contradictory to what I indicated to the House or what Foothills had indicated publicly before.

As far as giving directions or orders to Foothills is concerned, I have no power under the law to give any such orders.

● (1425)

Mr. Parker: Madam Speaker, my supplementary question is for the same minister. As I indicated two weeks ago, my constituents watched as riot police occupied their land against their will. I refer to the minister's statement in the House last Friday, when he said that "we have succeeded in obtaining a commitment from the builders that they will settle on the basis of the rules put forward in a bill in the Senate".

I should like to ask the minister the following question. If that is his intention, then why not use clause 75(1) which allows mediation to take place, so that a proper settlement can be reached instead of using the arbitrary figures in the Railway Act of 1919?

Some hon. Members: Hear, hear!

Mr. Lalonde: I have said that my information is to the effect that the company has indicated they are ready to pay compensation on the basis of Senator Olson's bill. I fail to see the problem raised by my hon. friend if the company has agreed to pay compensation on the basis of the bill proposed by Senator Olson.

Mr. Parker: My final supplementary question is also for the minister, Madam Speaker. I should like to remind him that Foothills is expropriating Canadian land so that it can export Canadian gas to Americans for their use. Our people are being subjected to laws which date back to 1919. I have contacted Senator Olson, who gave us the very commitment which the minister gave us in the House, and asked him to negotiate on that basis—

Madam Speaker: Order, please. Will the hon. member put his question.

Mr. Parker: Will the minister instruct Senator Olson, who is in charge of the pipeline, to ask Foothills to negotiate on a fair and equitable basis?

Mr. Lalonde: I certainly have no power or authority to instruct any of my colleagues, but I will be very happy to raise the problem which my hon. friend has pointed out with Senator Olson. I also understand that my friend has spoken to Senator Olson who has indicated that he had the commitment from Foothills that they would pay compensation on the basis of the bill he had put forward. I will draw to the attention of Senator Olson the question raised by my hon. friend this afternoon, but I am happy to see that he himself has taken the initiative of talking to Senator Olson.

* * *

[*Translation*]

THE CONSTITUTION

PROPOSED RESOLUTION—REQUEST FOR MEETING WITH PROVINCES PRIOR TO PATRIATION

Hon. Roch La Salle (Joliette): Madam Speaker, my question is for the Prime Minister. A couple of days ago in the National Assembly, Mr. Ryan appealed to the federal government leader asking him to confine himself to patriation and an amending formula and to meet again with the provinces before sending his address to London. In view of the circumstances and of these objections and considering the wisdom and the interest shown by Mr. Ryan, is the Prime Minister prepared to discuss Mr. Ryan's appeal and to support it?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I must regretfully inform the hon. member that I have not heard Mr. Ryan's statement. It is certainly most welcome. I must remind the hon. member that for about the past ten years, I have been proposing such a solution, namely, to patriate the constitution with an amending formula. Several provinces have repeatedly refused and, if I am not mistaken, Mr. Ryan also. That is why we have decided to try another approach. Had the provinces, a few years ago or even this summer, indicated their agreement with this, perhaps our position would differ and the resolution before the House would be different. But the hon. member realizes, I am sure, that Mr. Ryan's proposal would be unacceptable to Mr. Lévesque, to Mr. Peckford and to several other premiers who are purely and simply against patriation unless we are prepared to satisfy their specific demands, which in essence means more power for Quebec, or Newfoundland, or Alberta, or B.C., and that, Madam Speaker, is the crux of the problem. Now the provinces are saying that they would support patriation, but the last ten years have shown us that if we had proposed patriation of the constitution, they would have been against it unless they were granted offshore rights in one case, cultural sovereignty in another, and so on. I remind the hon. member for Joliette that we must be realistic and consider what has happened in the last few years.

Mr. La Salle: I have a supplementary, Madam Speaker. I am sorry that the Prime Minister questioned the good faith of the provinces by adding today that he is convinced they would say no to a simple patriation with an amending formula.

The second question that I should like to ask is this: since the Prime Minister has said that Mr. Ryan's recommendation was welcome, this is already a step in the right direction. In any case, it is the first time we have heard the Prime Minister say in the House of Commons that Mr. Ryan's recommendation would be welcome. The leader of the Quebec Liberal party also indicated to the federal government that it would be wise to wait until the Supreme Court has ruled on the legality of the constitution, since some provinces have already expressed the wish to ask for such a ruling.

Under the circumstances, would the Prime Minister be at least willing to give an affirmative answer to the leader of the Quebec Liberal party by postponing his address to the British parliament until he learns how the Supreme Court will rule on this proposal?

Mr. Trudeau: Madam Speaker, I must repeat to the hon. member that I am not questioning the good faith of the provinces. I will state to him the position made publicly by the provinces during the week of September 9. They said: Patriation is out of the question until you accept certain things. Mr. Peckford talked about offshore rights, Mr. Buchanan mentioned federal jurisdiction over fisheries, Mr. Lévesque talked about communications as a whole and sovereignty in this area, and so on. They said this publicly, and we have taken the position that since the provinces are determined to try to extend their powers before giving to the Canadian people what they have wanted for 50 years, namely, a Canadian Constitution, negotiation is impossible.

I would prefer that the hon. member ask supplementary questions if he does not agree with what I say. In this case, this statement was made publicly on television in September, and I know what I am talking about.

● (1430)

[*English*]

PATRIATION—REPORTED PRESSURE BY CANADA ON UNITED KINGDOM GOVERNMENT

Hon. Flora MacDonald (Kingston and the Islands): Madam Speaker, my question is also directed to the Prime Minister, who I am sure will be aware that the Secretary of State for External Affairs seriously misled the House last week when he denied that pressures were being brought to bear on the government of Britain by the Government of Canada with respect to getting its constitutional proposals through. I say that in light of the report which appeared in yesterday's edition of the *Edmonton Journal* in which Sir Anthony Kershaw, chairman of the select parliamentary committee on foreign and commonwealth affairs, confirmed in a telephone interview that Ottawa is putting extreme pressure on Westminster to rubberstamp the Trudeau formula for patriation of the British North America Act. Who is responsible for this extreme pressure? What does the government feel about the propriety of this act? Why does it feel it has to resort to this kind of tactic?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, it would seem to me that that question should be addressed to Sir Anthony rather than to me. I can state quite clearly that there has been no extreme pressure or no pressure at all. Indeed, I would find it undignified that any member of this—

Some hon. Members: Oh, oh!

Mr. Trudeau: If hon. members opposite do not understand the meaning of the word "dignity", I suggest they look it up in their dictionaries.

Some hon. Members: Hear, hear!

Mr. Trudeau: I would not want this government to be in the position of begging anything of the United Kingdom. We think it is their duty to respond to a joint address of both Houses of Parliament.

An hon. Member: Blackmail.

Mr. Trudeau: It is as simple as that. That is the way it has happened in the past. They have no more right to look behind an act or resolution passed by this Parliament than the government of any other country would have a right to look behind the composition of some delegation we would want to send to an international meeting.

Some hon. Members: Hear, hear!

Miss MacDonald: Madam Speaker, the Prime Minister may try to refer me to Sir Anthony, but when he denies stories of extreme pressure being brought to bear on British parliamentarians by the Canadian government, indeed he is accusing these people of lying. That is what the question is all about; that is how far he has gone.

Some hon. Members: Oh, oh!

Miss MacDonald: There have been statements issued by Sir Anthony which indicate that there are Canadian officials operating in London—

Some hon. Members: Question.

Miss MacDonald: —who are bringing pressures to bear on British parliamentarians. That story is backed up by a number of British members of parliament. It is backed up by George Foulkes, the Labour member for South Ayrshire—

Madam Speaker: Order, please. The supplementary question is getting a bit long, and I would ask the hon. member to co-operate with the House by putting her question.

Miss MacDonald: Who are these Canadian officials who are making these threats and giving warnings to British parliamentarians?

An hon. Member: The Peckfords.

Miss MacDonald: Whose direction are they acting under? If they are not being directed, what steps are being taken to see that they are publicly and quickly reprimanded for the steps they are taking in interfering in the British parliamentary system?

Mr. Trudeau: Madam Speaker, the only officials I know who are trying to put pressure on the British government are a few officials who were appointed to London by some provincial governments. Mr. Loiselle, appointed by the Quebec government, has said that he is attempting to do that. We take the view that this is pure colonialism, and no person in my government—

Some hon. Members: Oh, oh!

Mr. Trudeau: —and no official responsible to this government has the authority to beg anything of the British Parliament in this respect.

Some hon. Members: Hear, hear!

* * *

HAZARDOUS SUBSTANCES

SHIPMENT OF VITAVAX PESTICIDE TO NEPAL AND INDIA

Mr. Simon de Jong (Regina East): Madam Speaker, in the absence of the Secretary of State for External Affairs, I direct my question to his parliamentary secretary, whose office I phoned earlier today in order to give notice of the subject matter I would be raising this afternoon.

During the month of September, 1980, 15 metric tons of the pesticide Vitavax was shipped to Nepal and India as a donation through CIDA. I would like to know why the department is shipping this potentially hazardous chemical to Third World countries, considering that at present there is a judicial inquiry being held in Manitoba into the death of a farmer exposed to Vitavax. His death has been attributed by the medical examiner to Vitavax. Also it has been alleged by Uniroyal, the company involved, as well as federal government departments, that the Manitoba farmer did not read the label properly and did not use the proper clothing. If Vitavax requires such extreme caution in handling, how does the Department of External Affairs imagine that agricultural workers in India or Nepal could handle it safely? Has the department informed the countries involved of the potential health hazards of Vitavax?

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, like many of us I have read the clippings attributed to the hon. member in the newspapers this morning which amplify what he said at the Standing Committee on Agriculture yesterday. He suggested that Canada has done damage to the people of the Third World by sending them some pesticides which we see fit to use in Canada.

● (1440)

I take exception to the incredible question which the hon. member has raised. By way of consequence the hon. member has suggested that the Canadian government has such a policy toward the Third World countries. He has suggested in a very paternalistic way that the people of India and Nepal are not sophisticated enough to use properly the pesticides which we use in Canada. Is the hon. member suggesting that there should not be rural electrification because of the possibility of electrical shock? What exactly is he suggesting?

Mr. de Jong: Madam Speaker, what I am suggesting is that the darned government be realistic about the realities in Third World countries.

Some hon. Members: Oh, oh!

Mr. Chrétien: Father knows best.

Mr. de Jong: My supplementary concerns the effectiveness of Vitavax in agriculture. Today in Saskatchewan there are 500,000 pounds of rapeseed treated with Vitavax which has a germination rate of 10 per cent. I wonder if the Department of Agriculture advised the department of foreign affairs to inform Nepal and India that the rapeseed only has a germination rate of 10 per cent, and that if Vitavax is used extensively in those countries, there could be a famine. I wonder how the government would explain that reality.

Miss Bégin: Madam Speaker, it is essential to clarify the fact that the reasoning of the hon. member is based on the conclusion that the death of a farmer in Manitoba was directly connected to the use or misuse of Vitavax.

Mr. de Jong: Talk about germination.

Miss Bégin: That death has not been connected to the use of Vitavax or products containing lindane. This fact should be established first and an inquiry is under way right now. The hon. member should tell the whole truth, including the fact that the liver analysis showed only six parts of lindane per billion, which is inconsistent with the conclusion that the person was a victim of an overdose. One must not draw conclusions based on a single fact with no correlation to other known facts which would apply to the sending of pesticides to the Third World. I believe that this is unacceptable intellectually.

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[*Translation*]

POST OFFICE

POSSIBLE ISSUANCE OF STAMP COMMEMORATING LATE RIGHT HON. JULES LÉGER

Mr. Pierre Gimaïel (Lac-Saint-Jean): Madam Speaker, my question is for the Postmaster General. In view of the death of the Right Hon. Jules Léger, whom I have personally always considered a great Canadian and whom most Canadians have

always admired for the many years he gave to our country, can the minister say whether his department is considering issuing a commemorative stamp in his honour?

Hon. André Ouellet (Minister of Consumer and Corporate Affairs and Postmaster General): Madam Speaker, I am happy to confirm that the Canada Post Office will issue a commemorative stamp in honour of the Right Hon. Jules Léger on March 5 of next year, which will be the anniversary of his appointment as Governor General.

* * *

[*English*]

THE CONSTITUTION

PATRIATION—REQUEST FOR REFERENCE OF PROPOSED RESOLUTION TO SUPREME COURT

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Madam Speaker, my question is for the Prime Minister. He will be aware that yesterday former British prime minister James Callaghan said that the British parliament would likely act on Canada's request "unless there was some legal challenge in the courts of Canada which betrayed a taint of illegality".

In view of the growing number of distinguished Canadian experts on constitutional law, such as the former deputy minister of justice, Mr. Elmer Driedger, and Mr. Justice Clyne, who have raised serious doubts about the constitutionality of the government's action, is the Prime Minister personally prepared to take action to resolve these doubts by asking for a reference to the Supreme Court of Canada so that once and for all Canadians can be satisfied, in Canada, that the actions being proposed by the Prime Minister are both legal and constitutional before he asks the British parliament to take those actions?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, many times since I have been in this House the opposition has demanded that this or that bill be referred to the Supreme Court. My answer generally has been that the courts should be brought into the subject when some citizen refers the matter to the courts, and this is what the Minister of Justice answered earlier. Let us patriate the constitution, let us have a bill of rights, and if some citizen or province feels aggrieved by that action and that it is, to use the words of the hon. member, "tainted with illegality", the place to plead that would be in front of the courts.

Mr. Beatty: Madam Speaker, the Prime Minister will know that three provinces have indeed taken the government to court on this matter. In view of the fact that three provinces have taken the matter to court to obtain a decision on the legality and constitutionality of the government's action, will the Prime Minister now reject the advice given to him in the infamous Privy Council office document, which stated:

> There would be a strong strategic advantage in having the joint resolution passed and the U.K. legislation enacted before a Canadian court had occasion to pronounce on the validity of the measure and the procedure employed to achieve it. This would suggest the desirability of swift passage of the resolution and U.K. legislation.

Will the Prime Minister give the Canadian people the assurance that he will allow the courts to adjudicate and to make a ruling as to whether or not what he is doing is legal, so that if it is illegal or improper it would be possible to prevent this action from being taken, instead of having it passed by Westminster where it is beyond the reach of the Canadian courts?

Mr. Trudeau: Madam Speaker, the essence of much of what we are doing is, of course, to carry out the intention expressed by this House with unanimity last May when we all agreed that the constitution be patriated with an amending formula. I point out that the party opposite approximately a month ago moved a motion in this House proposing patriation with an amending formula.

Miss MacDonald: Which you defeated.

Mr. Trudeau: That is the essence of what I have proposed—

Some hon. Members: Oh, oh!

Mr. Epp: You voted against it.

Mr. Trudeau: That is the essence of what I proposed to the premiers in a letter which I sent to all of them as long ago as January, 1977. Indeed, that is the essence of the proposal we had before us in Victoria when Premier Robarts, as he then was, suggested that we set aside all this debate on the division of powers and get on with patriation and an amending formula, things which were essentially of interest to the people.

This idea has been before Parliament, the Canadian people and the premiers for at least ten years in its present form. What I have argued in answer to an earlier question is that the provinces have always said no, that they would not permit this to be done unless we gave them this or that power. It is in the face of that kind of deadlock that we have indeed acted unilaterally with the support, as hon. members will know, of at least some provinces, and certainly of many Canadians, to get on with the business so that we could have a constitution made in Canada which could be amended in Canada by Canadians.

Some hon. Members: Hear, hear!

* * *

ENERGY

IMPORTATION OF OIL FROM SAUDI ARABIA—INSTRUCTIONS TO PETRO-CANADA

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, my question is for the Minister of Energy, Mines and Resources. Yesterday in the House I asked the minister to elaborate on a question which I had put to the Prime Minister, and which he did not answer very fully, in connection with the Saudi Arabian oil contract. My question today is: Has the minister instructed Petro-Canada to obtain more precise terms

on the deal with Saudi Arabia than the government was able to get from Mexico?

I remind the minister that the contract with Mexico did not provide Canada with any control over timing, price, volume or quality. All these elements were under the control of the Mexican government. Has the minister given instructions to Petro-Canada so that this situation does not arise again?

[*Translation*]

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, my officials are reviewing the situation. We have already discussed that, and I will have other discussions with them. I will meet the chairman of Petro-Canada in the coming weeks and at that time I will have the opportunity to tell him what conclusions my department has reached about that offer from Saudi Arabia concerning oil products.

Meanwhile, there are no ongoing negotiations, no representations are being made to Saudi Arabia, but if such representations were to be made later on, we should obviously see to it that the contract is really negotiated in the best interest of Canada.

[*English*]

Mr. Wilson: Madam Speaker, my supplementary question is for the same minister. The minister has forced eastern Canadian refiners to take the Mexican oil, somewhat to their reluctance, because it is more costly and more difficult to refine. At the same time there are 50,000 barrels of shut-in heavy oil in western Canada, which is the same amount we have agreed to purchase from Mexico. Why has the minister forced these eastern Canadian refiners to take this oil from Mexico when the government has done nothing to seek assurance from those refiners to take similar qualities and quantities of oil from western Canada? Surely if we had done that, our balance of payments, our costs and our security would be much better under control than they are from buying this oil from Mexico.

● (1450)

[*Translation*]

Mr. Lalonde: Madam Speaker, my hon. friend seems to be rather ill-informed about the situation, especially with regard to western heavy oil. In the last two years, eastern Canada has increased quite considerably its consumption of western heavy oil. But the fact remains that there is a problem, which my colleague is doubtless aware of, because of the difficulties encountered in the transportation of western oil to eastern Canada. Very often, an exchange must be made whereby oil is shipped from Saskatchewan to the United States, while eastern Canada takes in American products. With regard to the decrease in the American demand for heavy oil in the last few months, we have taken steps to reduce the Canadian tax on heavy oil in order to restore American demand, and according to my conversations with western producers in this regard the results are most encouraging.

[*English*]

MEXICAN OIL IMPORTS—AVAILABILITY OF CHEAPER CANADIAN CRUDE

Hon. Bill Jarvis (Perth): Madam Speaker, my supplementary question is addressed to the same minister. He indicates a problem in which the government has had to reduce its tax in order to try to firm up very weak, or lack of, markets for Canadian heavy oils, much of which is locked in the ground in Saskatchewan and Alberta. As the minister knows, these oils are of the same quantity and quality as the Mexican Maya oil that we are now importing. As a point of clarification, can the minister explain to the House what benefits there are to Canada in paying approximately $38 per barrel for inferior Mexican crude, when at the same time we have a Canadian source of supply at less than half the price?

[*Translation*]

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, again my colleague seems to be badly informed. The oil we import from Mexico includes some heavy oil but also a considerable amount of light oil of the same quality as that imported from other countries. Concerning western heavy oil in particular, I would remind him that the transportation systems for this product are limited: it is not easy to transport it economically by pipeline or other means to eastern refineries. So, at this time, it is erroneous to claim that western heavy oil producers are suffering because we are importing oil from Mexico. Once again, I remind him that a hefty proportion of the imports from Mexico include light oil.

[*English*]

Mr. Jarvis: Madam Speaker, my supplementary question is for the same minister. I agree with part of his answer. However, he will remember that originally with respect to the Mexican contract we anticipated 80 per cent would be isthmus crude of a quality which is acceptable and comparable to other imported crudes, and only 20 per cent would be the inferior Maya oil. Now it appears that those proportions will be almost exactly reversed and we will be getting up to about 80 per cent of the inferior crude, even up to 100 per cent because we have no control over that contract.

In view of the fact that we are going to get all of this inferior crude, does the minister not agree that that will act to weaken already soft markets, as he pointed out, for Canadian heavy oils, and does he not think it time to instruct Petro-Canada to renegotiate the Mexican contract?

Mr. Lalonde: Madam Speaker, I do not know exactly to what anticipation my hon. friend is referring. There was no such anticipation on the part of this particular government. I know that when his party was in office for six months it did not bother to talk to the Mexicans.

Mr. Baker (Nepean-Carleton): Wrong.

Mr. Lalonde: As far as the percentages are concerned, my friend knows very well that the figures he mentioned do not reflect what is happening at the present time; the relationship is more like 55 per cent.

As to the last point raised by my friend, I want to remind him that I have consulted with the producers of heavy oil in the west, particularly people in Husky Oil, and their view is that the market is going to firm up. It is quite encouraging to them that we have reduced the levy on heavy oil, and this will allow them to gain a substantial part of the market which they were serving.

* * *

IMMIGRATION

IMMIGRANT STATUS FOR VICTIMS OF ITALIAN EARTHQUAKE

Mr. Roland de Corneille (Eglinton-Lawrence): Madam Speaker, my question is for the Minister of Employment and Immigration. At this moment of grief and concern for so many people, not only abroad but also in this country, I wish to inquire into recent press reports that the government is prepared to facilitate the access to Canada as landed immigrants of those Italians tragically victimized by the current earthquake disaster, people who, because of tragedy, are literally refugees in their own country. I presume this is a question which is of concern to all of us in this House.

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, what we can do most importantly in the aftermath on this disaster is, first, to assist Canadians to make contact with any relatives they may have in the affected areas. I will be instructing my regional officials to meet with Italian organizations across Canada so that we can use our communications system and immigration offices in Italy to trace relatives so that news about their whereabouts and well-being can be obtained.

Second, we have instructed our embassy in Rome to provide for the immediate processing of all applications for immigrant status of those who are in the affected provinces. We have been working with the Department of National Health and Welfare and the RCMP to waive requirements for the normal medical and security checks which can then be conducted in Canada.

Third, we have provided for means whereby those who are homeless or left affected can be given visas into Canada on a temporary basis, provided that their relatives here will give them assistance when they arrive, and we will take their word on trust.

Those are the immediate measures we have implemented. We assume after contact with the Italian government and with Italian organizations here that if there are other ways we can provide assistance, we will be more than happy to do so.

Some hon. Members: Hear, hear!

CANADA PENSION PLAN

VOLUNTARY PAYMENTS BY WOMEN—GOVERNMENT POSITION

Mrs. Margaret Mitchell (Vancouver East): Madam Speaker, our party would also strongly support the last question and answer.

My question is for the Minister of National Health and Welfare. It concerns pay and pensions for homemakers. Although our party has long advocated universal Canada Pension Plan coverage for all housewives, we are concerned that the minister's recent proposal for voluntary payments into the pension plan further discriminates against poor women. Will the minister explain whether women raising children on welfare will receive increases so as to be able to pay into the Canada Pension Plan, as she has proposed? Second, how can low-income earners, who cannot find the money for groceries, pay premiums for spouses? Third, why can we not have a system which treats these women as first-class citizens with a right to Canada pension at age 65 rather than welfare?

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, if we can reach a consensus that opening up the Canada Pension Plan is a good thing, the proposal is to allow those people who can and want to contribute to do so. I acknowledge the problem of women in the lower economic groups who will not have enough money to contribute to the pension plan which is built on employer-employee contributions. I will continue to put forward the proposal that it is valid to address the problem of women and pensions by the nature of the programs existing in Canada, improving each of them to encompass women. Generally speaking, the Canada Pension Plan applies to the average Canadian worker. If we can reach an agreement, we will open it up to those housewives who want to contribute to it. That will be one avenue which will permit many more women, although not all, to build a pension in their own name.

● (1500)

With regard to the problem of mothers on welfare referred to by the hon. member, we intend to look after them through the GIS. This will, we hope, give those who live alone, many of them women, the full amount to take them above the poverty line. That is another program, another fight, which we are carrying on at the same time.

Mrs. Mitchell: Madam Speaker, my question is for the same minister who seems to condone inequity in a program which really discriminates against low-income women. Given the fact that the minister proposes in this plan to treat housewives as self-employed persons, yet over four million Canadian women, and some men also, who work long hours in their important jobs of rearing children, receive no pay, no benefits, and could not pay premiums under this scheme, will the minister consider a "pay for homemakers" allowance, with a tax back provision for higher income families, to recognize the important job of homemaking as essential, to include low-income women and, in fact, allow all women to become

more independent with the chance to pay Canada Pension Plan premiums in their own right, not through their husbands?

Miss Bégin: Madam Speaker, I am not sure I have fully understood the question. If the hon. member is asking about what is called the "salary for housewives" paid through a state program, my answer would be that it is not for the state to judge whether women wish to be full-time housewives or have paid employment as well. We decided on that a long time ago.

As the hon. member knows, the income tax structure provides tax privileges to housewives and others in a similar position. I believe that is the proper route. It is for women to choose whether they want to work full or part-time outside the home, or full-time at home. That is not for us to decide.

As to the problem of pensions, which the hon. member mentioned at the beginning of her question, I think it is valid, and far more pragmatic than trying to attack all the problems at the same time, to tackle that—*au fur et à mesure*—when we can make progress on one front. We can begin by opening up the Canada Pension Plan to permit many housewives, average Canadians throughout this country, to build a pension in their own name. I believe this proposition is valid.

* * *

AIR TRANSPORT

PROMOTION OF TRAVEL WITHIN CANADA

Hon. Elmer M. MacKay (Central Nova): Madam Speaker, my question is addressed to the Minister of Transport. Since we are faced with conditions which appear to discourage Canadians from embarking upon air travel in Canada, such as more stringent ticket practices, more strict reservation requirements and cancellation penalties, I wonder if the Minister of Transport, who I believe is aware of these problems, is prepared to contact the air transport committee of the Canadian Transport Commission and request them to address themselves to these anomalies, to see what can be done to promote Canadian air travel within our own country.

Hon. Jean-Luc Pepin (Minister of Transport): I am quite prepared to do that, Madam Speaker.

* * *

HAZARDOUS SUBSTANCES

UREA FORMALDEHYDE FOAM INSULATION—INQUIRY WHEN REPORT OF COMMITTEE WILL BE PRESENTED

Mr. Doug Lewis (Simcoe North): Madam Speaker, my question is for the Minister of National Health and Welfare. In a press release from her department, it was indicated that a report into the health hazards of urea formaldehyde foam insulation would be completed by the end of November. Today we have two statements. On the one hand, we have an official of her department saying that the study will be complete by December 10; on the other hand, a member of the study group has stated that he has no way of knowing when it will be completed. In view of the seriousness of this matter, can the minister tell the House when we can expect that report?

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, the report and recommendations of the committee on the study of urea formaldehyde foam insulation will be ready around December 10. This is a small delay of about ten days compared to the original target date, which I find valid. By the way, the committee did meet with officials in Washington and added to their review the recent United States findings.

Mr. Lewis: The American group recommended to the U.S. consumer products safety commission that they ban it completely in all of the United States, not just Massachusetts. However, one of the members of the study group in Canada has stated that he sees no reason why we should be guided by a U.S. study. Is it the policy of this government to risk the health and safety of Canadians for the sake of scientific nationalism?

Miss Bégin: The answer is obvious, Madam Speaker—of course not. I am sure the hon. member will agree we should not prejudge the report. We will read it when it is received. I am sure the advisers outside of government will give the best advice to Canadians.

* * *

[*Translation*]

EXTERNAL AFFAIRS

DAKAR CONFERENCE—FEDERAL JURISDICTION OVER REPRESENTATIVES

Mr. Rémi Bujold (Bonaventure-Îles-de-la-Madeleine): Madam Speaker, I have a question for the Prime Minister. I would appreciate if he could elaborate somewhat on the conclusion of his response to the hon. member for Kingston and the Islands concerning the French-speaking nations summit in Dakar, and also today's press reports that France would support Quebec behind the scenes. Could the Prime Minister indicate whether he had an opportunity last weekend, when he met the Prime Minister and the President of France, to discuss the matter and impress upon the French that this is a purely domestic problem?

Right Hon. P. E. Trudeau (Prime Minister): Well, Madam Speaker, I have been made aware of that news item, apparently by Agence France-Presse, in which there are contradictory indications as to France's position. For instance the following quote:

> —President Giscard d'Estaing emphasized that it is not for France to comment on the issue of Quebec's representation, which . . . should be settled between Ottawa and Quebec.

It seems to me this is the right position, and I look no further. There is something else in the news item that appar-

ently contradicts this, and were it to be the view of the French government, I would be in total agreement with the hon. member that it is for this country alone to settle the matter of its representation abroad, just as it is for Senegal and France to decide how they are going to be represented abroad. But for the time being, I repeat that I question the authenticity of the report, because it is contradictory in content. As far as I am concerned, I shall look no further than France's correct attitude, that it is not for France to comment on the matter of Quebec's representation.

* * *

[*English*]

POINT OF ORDER

MR. ROBINSON (BURNABY)—TABLING OF CABINET DISCUSSION PAPERS

Mr. Svend J. Robinson (Burnaby): Madam Speaker, I rise on a point of order relating to the tabling on Monday of this week of two bills, C-45 and C-46. It has to do with the commitment made by the government some time ago when tabling Bill C-43, the freedom of information legislation. At that time the government indicated it would be prepared, in the spirit of Bill C-43, to table cabinet discussion papers at the time bills were to be tabled in this House. I believe that no such discussion papers were tabled in the House at the time Bills C-45 and C-46 were tabled.

Perhaps the Secretary of State (Mr. Fox) can confirm that the government does indeed plan to make public the discussion papers in question in line with the principles of the freedom of information legislation. Second, possibly the Secretary of State can indicate when the government will finally be prepared to bring this important bill before Parliament for second reading.

[*Translation*]

Hon. Francis Fox (Secretary of State and Minister of Communications): Madam Speaker, in reply to the hon. member's question as to when we intend to proceed with Bill C-43, I have discussed the matter on several occasions with the government House leader and he would also like to proceed as soon as possible. Had the official opposition been a bit more co-operative in the last few days, we might have had second reading of this bill and referred the whole matter to the relevant committee, and this would have allowed us to make progress with regard to this piece of legislation which I personally consider crucial. The opposition House leader has not yet informed us how much time he wants to spend on the issue and how many speakers wish to take part in the debate. I remind the hon. member that when the opposition House leader introduced his bill in the House last year, all parties, including ours, which was in opposition at the time, agreed, in view of the importance and urgency of the bill, to have only one speaker from our side in order to ensure rapid progress on that piece of legislation. I certainly hope that the opposition House leader will soon come to the same type of agreement so that we may make rapid progress in the consideration of this highly important bill.

• (1510)

[*English*]

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, the parliamentary secretary to the government House leader looked across at me as the minister was speaking and raised his eyes heavenward in despair with respect to the answer that had just been given to a question that was not asked by the member. The hon. member put it clearly, and I think it is a perfectly supportable position that he put. He asked, where are these discussion papers in the spirit of freedom of information? That question was not answered. I am interested in the answer to that question. I do not know if there is any consultation over there at all, I am beginning to wonder. It may have escaped the hon. member that the freedom of information bill has been on the lips of the government House leader for a few days with respect to its priority. I understand it has priority today. I sometimes wonder why we did not bring it in with priority over some other legislation we have been dealing with. I wonder why freedom of information, some work with respect to the economy and a whole host of other areas, has not been given some priority by this government. They stand up now and say we have no agreement with the government as to how many speakers we are going to have. Why should we have agreements with the government? These bills come and go on their merits. The fact is that our Bill C-15 on freedom of information was so meritorious that the opposition themselves, and now the government, decided that one speaker would deal with the few defects that were there. I cannot guarantee that this bill is of that nature. I can guarantee it will have the debate that it deserves.

Hon. Stanley Knowles (Winnipeg North Centre): Madam Speaker, I planned to rise on a different point of order, but perhaps I could relate my remarks to this subject first. To put it very simply, the order of business for the House for today, tomorrow and Friday has been determined. The order of business for next Tuesday and the rest of next week has been determined. Monday, which is a government day, is free. I suggest therefore that the order of business on Monday be the freedom of information bill. I am satisfied, on behalf of my party, and I think members to the right would agree, that if that bill is called on Monday it will be given second reading before the day is out. I hope the government will take that seriously.

I have another point of order, Madam Speaker.

Madam Speaker: If the hon. member has another point of order I would appreciate if he would rise later on with respect to it. We will deal with this one if everyone agrees.

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, I do not mind if the hon. member for Nepean-Carleton (Mr. Baker) disagrees with me or reflects upon what I say, but certainly I ask him

not to reflect upon my facial movement in the house. I know he did it, as usual, in the best of spirits.

I think part of the problem was that in the confusion at the end of question period, with members leaving, the Secretary of State (Mr. Fox) was engaged in a conversation; I then alerted him to the fact that the question was being addressed and, perhaps, the purport of the question of the hon. member for Burnaby (Mr. Robinson) was lost. I regret that we were sidetracked a little.

As to the question of the business before the House today we know what is before the House, it is the Petroleum Administration Act. We also know that the government House leader has outlined certain priorities for the government, one of them is the access to information legislation. When that measure comes before the House it will be discussed in the usual way.

Mr. Knowles: Madam Speaker, I rise again on the same point of order. May I point out to the parliamentary secretary that we will not be sitting tomorrow afternoon, which is when we usually receive the Thursday bill of fare for the next week. Why not tell us today that the order of business on Monday will be the second reading of the freedom of information bill?

Mr. Collenette: Madam Speaker, at this stage there have not been discussions among the parties, and I think, perhaps, we should wait until a bit later. I am not in a position to state what the position on Monday will be but there will be discussions over the next few days, I am sure, between the parties and a decision will be arrived at.

Mr. Baker (Nepean-Carleton): With respect to that matter, there is some implication that our party will not agree to deal with the freedom of information measure in one day. That is quite right. We do not agree to deal with freedom of information in one day. I want to make that clear publicly because of the difficulties I have had before, not with the Minister of Communications (Mr. Fox) from whom I have had very little communication. But so the government House leader will know, if he is counting on one day's debate for his legislative program, I have a number of speakers, as I said earlier, who want to deal with the bill on its merits or demerits with a view to improving it. I want it clearly understood that there is no agreement to get that bill through in one day.

I also want to indicate to the government House leader, the House, the minister and my friend from Winnipeg North Centre that I undertake that all speeches with respect to this legislation by our members will be to improve the bill. We do want to lift the government up, even by its own bootstraps.

Mr. Robinson (Burnaby): Madam Speaker, on this same point of order. First of all, I hope the Secretary of State will answer the first question which I asked. Perhaps I might just repeat that under the spirit of Bill C-43 cabinet discussion papers are to be tabled at the time a bill is tabled. The minister will recall, in fairness, that he did, indeed, table the cabinet discussion papers on Bill C-43. Since that time three bills have been tabled, two of them, Bill C-45 and Bill C-46, on Monday of this week. No cabinet discussion papers were tabled with those bills. My question very simply was: when will we see those cabinet discussion papers in line with the spirit of the new legislation?

Second, I want to indicate my regret at the decision of the Conservative party not to expedite this bill in one day and to get it into committee where the bill can be properly studied. I think that is an unfortunate decision.

[*Translation*]

Mr. Fox: In the first place, Madam Speaker, as the hon. member pointed out himself, as far as Bill C-43 is concerned, we have issued the cabinet discussion papers on which the government policy on information has been based. I will have to check the precise terms that have been used. I am under the impression that we are committed not to table the said papers in the House, but to make them public. I should like to have the opportunity to review the situation. However, I understand that there is a whole series of such discussion papers which have been made public without having necessarily been tabled in the House. However, I should like to check what was the nature of the commitment. I believe it was to make those papers available, and I think that the Privy Council will be in a position to give to the hon. member a list of papers which are now avilable as a result of papers or bills being tabled in the House.

Madam Speaker: I think that we can dispose of both questions raised on the same point of order, namely, the publication of some papers. Hon. members know that their private arrangements or agreements concern only themselves and are not covered under our rules. Consequently, I cannot compel the minister to table such papers. Anyhow, I think that he got his answer during that short exchange.

The second question raised has to do with the order of business of the House in the next few days. This is a question which should be discussed at the appropriate time; hon. members now have their answer.

* * *

● (1520)

[*English*]

BUSINESS OF THE HOUSE

Mr. Knowles: Madam Speaker, my other point of order also relates to House business, but it is one concerning which we have had discussions, and I believe the Parliamentary Secretary to the President of the Privy Council will be able to deal with it.

When we discussed the other day the order which provides for the House not to sit tomorrow afternoon, it was our understanding that even though we are sitting only in the evening the usual adjournment debate, or late show, would take place. The officers at the table have said to some of us that because of the way the order was worded we would have

to adjourn at ten o'clock. But I believe there is an understanding that a late show will take place tomorrow night.

One of the problems had to do with when members could be informed of the questions that would be scheduled. I think we are agreed that that could be done by five o'clock this afternoon.

Since there is agreement among the three of us, perhaps that could be made an order of the House.

Mr. Baker (Nepean-Carleton): Madam Speaker, so that it could be made an order I would like to say that we concur. I think it is an excellent idea.

Mr. Collenette: Agreed, Madam Speaker.

Madam Speaker: The House agrees. It is therefore so ordered.

Mr. Collenette: Madam Speaker, in relation to the discussion we have just had, we neglected—obviously because we are not sitting tomorrow—to announce the business today, and should inform hon. members that the President of the Privy Council informed me a minute ago that we will be dealing with the Judges Act, which is Bill C-34, on Monday next.

Mr. Knowles: Ahead of freedom of information?

Mr. Baker (Nepean-Carleton): Madam Speaker, did I hear correctly that we will be dealing with the Judges Act ahead of freedom of information? What is the matter with this government? We had a great argument a few moments ago when the Minister of Communications complained that we cannot deal with these bills expeditiously; he will want to go outside the chamber and blame that on the opposition. I want the public to know that the government prefers to deal with the salaries of judges first, over freedom of information, and I think that throws a lie, if I may use that phrase, or casts a pall over the kinds of things we have been dealing with.

Is there any chance that the government will change its mind with respect to that order of business prior to Monday? If the parliamentary secretary would tell me that, it would be very helpful.

Mr. Knowles: Madam Speaker, I join in this protest vigorously. Every time we have had a lineup of business, including business such as the freedom of information bill and the bill regarding judges salaries, I have received from the government the commitment that the freedom of information bill was to come first and that the Judges Act was to come later. The other day when we were dealing with the Post Office the problem was to get it out of the way so that we could get on to freedom of information and judges salaries later. For the parliamentary secretary to stand up now and tell us that on Monday we are not going to deal with freedom of information but a bill to raise the salaries and pensions of judges is making a travesty of this place, and it is quite a reflection as to the government's priorities.

Mr. Collenette: Madam Speaker, I was trying to be helpful in view of the previous questions put by the hon. members. It seems that they are willing, likely and liable to make political points out of the order of business, and I can only say to my colleague, the hon. member for Nepean-Carleton, that he knows that the government is flexible on all matters.

Mr. Epp: Oh, yes, like the committee.

Mr. Collenette: The hon. member made a representation on the floor of this House a minute ago, as did the hon. member for Winnipeg North Centre. All such representations are taken into consideration. Basically I was trying to be helpful to the House by informing it of information I had just received.

* * *

PRIVILEGE

MR. SHIELDS—INTERPRETATION OF SPEECH IN FORT McMURRAY

Mr. Jack Shields (Athabasca): Madam Speaker, I rise on a question of privilege. I have always made it abundantly clear in this House and in my constituency that the delays in the construction of the Alsands plant in Fort McMurray and the plant at Cold Lake in my opinion were caused by the lack of an oil pricing agreement between the province of Alberta and the federal government. Last evening the hon. member for Burin-St. George's (Mr. Simmons) clearly questioned my integrity when he said the following about me:

The disappointing thing—

He was referring to me.

—is that he did not say in the chamber last night what he said in Fort McMurray last Friday before his constituents.

The hon. member claimed that he read something.

Also I read the comments he made in Fort McMurray last Friday night.

To my knowledge the comments I made in Fort McMurray last Friday were not printed, and I suggest that the hon. member should have to produce my printed comments.

The hon. member said that I laid the blame squarely upon the government of Alberta. The hon. member for Burin-St. George's is clearly accusing me of saying things which I have not said. This undermines publicly my credibility as a member of Parliament. However, more important, it undermines my position in my community and thereby interferes with the job I do. Because of the communication gap which exists between northeastern Alberta and this House of Commons, my constituents depend on me to carry back to them clear and precise messages and to repeat to them the things I say in this chamber. The hon. member continually spreads falsehoods and half-truths. This particular member seems to have done this on a number of occasions in a misguided attempt to feed what appears to be—

Madam Speaker: Order, please. It seems to me I heard a word which is not very parliamentary. Perhaps the hon. member would like to rephrase his sentence. I do not think an

hon. member can use the word "falsehoods" when referring to what another hon. member says. I am sure the hon. member would want to rephrase that comment.

Mr. Shields: You are referring to the word "falsehoods"?

Madam Speaker: Yes.

Mr. Shields: Thank you. As a new member, I find that some words pop into my head—words I would like to use but cannot. Perhaps "association with the truth" would be better. However, it seems that the hon. member is continually misquoting members of this House in an attempt to feed what would appear to be a very insecure ego.

I humbly request that Your Honour direct this misguided member to withdraw his remarks and apologize.

Madam Speaker: The hon. member is obviously responding to an invitation made to him by the other hon. member to debate apparent inconsistencies in some of his statements. That clearly is debate. Because the hon. member invoked a question of privilege, I had to listen to him. I believe he made his point, but he does not have a question of privilege.

* * *

[*Translation*]

POINT OF ORDER

CORRECTION TO DATE OF ISSUE

Hon. André Ouellet (Minister of Consumer and Corporate Affairs and Postmaster General): Madam Speaker, I have been informed that, in answer to a question during the oral question period, when I announced the issue of a stamp in honour of the Right Hon. Jules Léger, I mentioned the month of March when I wanted to say October. I want to make this correction to *Hansard* and to make it very clear that the stamp will be issued on October 5, 1981.

* * *

[*English*]

OFFICIAL REPORT

CORRECTIONS TO "HANSARD"

Mr. Doug Lewis (Simcoe North): Madam Speaker, having made a correction to *Hansard* I must say that I took the time of the House today to make that correction with reluctance. I wonder if there is not some other method whereby a member could notify *Hansard* of corrections after receiving *Hansard*. I think what we are looking for is an assurance from the *Hansard* office with respect to having corrections printed as errata in the following day's *Hansard*. I just wonder if consideration has ever been given to that.

Madam Speaker: There are provisions for that. An hon. member can go directly to the officers at the Table and indicate that he wants to correct *Hansard*. That is done. It is also done in the House from time to time, but it would save time in the House if members would approach the Table officers and give them their corrections which would be taken into account in *Hansard*.

• (1530)

Mr. Lewis: I should like to ask, Madam Speaker, whether an acknowledgement could be given to the member saying that the correction had been done and would be so printed in *Hansard*. Is that the way it is done?

Madam Speaker: If an hon. member tells an officer of the Table that he feels the record is not a correct version of what he had said, then the officers of the Table will take his word and he can assume it will be done. We never doubt the word of an hon. member.

* * *

PRIVILEGE

MR. EVANS—NOTICE OF POSSIBLE QUESTION

Mr. John Evans (Parliamentary Secretary to Deputy Prime Minister and Minister of Finance): Madam Speaker, during the question period the hon. member for Wellington-Dufferin-Simcoe (Mr. Beatty) made some comments which I should like to have the opportunity to check in *Hansard* to ensure that I heard his words correctly. I would like to reserve my right to raise a question of privilege on that matter.

ROUTINE PROCEEDINGS

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 227, 785, 863, 1,561, 1,564, 1,565 and 1,578.

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

[*Text*]

SHIPBUILDING INDUSTRY ASSISTANCE PROGRAM

Question No. 227—**Mr. Herbert:**

1. For the fiscal year (a) 1974-75 (b) 1975-76 (c) 1976-77 (d) 1977-78, under the Department of Industry, Trade and Commerce—Shipbuilding Industry Assistance Program (SIAP) or any successor program under the Enterprise Development Program (EDP), what was the number and total value of contracts (i) between $1,000 and $20,000 (ii) between $20,001 and $100,000 (iii) between $100,001 and 400,000 (iv) between $400,001 and 1,000,000 (v) $1,000,001 or more (vi) in total?

2. For the same years, by province and territory, what was the total in grants and contributions by the department under the Shipbuilding Industry Assistance Program (SIAP) or any successor program under the Enterprise Development Program (EDP)?

Order Paper Questions

Hon. Herb Gray (Minister of Industry, Trade and Commerce): In so far as the Department of Industry, Trade and Commerce is concerned:

1.

Shipbuilding Industry Assistance Program

Years	(I) $ 1,000 To $20,000	(II) $ 20,001 To $100,000	(III) $100,001 To $400,000	(IV) $ 400,001 To $1,000,000	(V) $1,000,001 and Over	(VI) Total $
(a) 1974-75	73,610.00	715,711.27	4,403,066.28	5,714,857.15	71,608,017.74	82,515,262.44
(b) 1975-76	38,751.50	679,931.38	1,473,939.60	5,346,343.88	73,944,948.92	81,483,915.28
(c) 1976-77	—	745,649.00	1,711,591.09	3,257,755.45	104,656,204.06	110,371,199.60
(d) 1977-78	109,887.95	558,202.23	1,900,057.36	3,300,476.79	26,365,806.90	32,234,431.23

Years	(I) $ 1,000 To $20,000	(II) $ 20,001 To $100,000	(III) $100,001 To $400,000	(IV) $ 400,001 To $1,000,000	(V) $1,000,001 and Over	(VI) Total $
(number of contracts)						
(a) 1974-75	4	13	28	8	15	68
(b) 1975-76	2	12	8	8	13	43
(c) 1976-77	—	12	11	5	8	36
(d) 1977-78	8	8	12	5	6	39

2.

Shipbuilding Industry Assistance Program

($000's)

	1974-75	1975-76	1976-77	1977-78
Newfoundland	$ 2,635	$ 2,158	$ 1,115	$ 1,206
Prince Edward Island	21	62	—	21
Nova Scotia	6,288	5,335	11,121	3,647
New Brunswick	6,503	7,808	15,271	8,824
Quebec	14,418	22,207	23,401	24,322
Ontario	4,636	6,040	9,660	12,071
Manitoba	—	194	—	—
Saskatchewan	—	—	—	—
Alberta	—	275	246	—
British Columbia	10,499	13,921	7,186	4,515
Total	$45,000	$58,000	$68,000	$54,606

KNOXDALE—HUNT CLUB ARTERIAL ROAD—EXTENSION

Question No. 785—**Mr. Baker (Nepean-Carleton):**

Has the Department of Public Works, the NCC or any other department or agency made any agreement with the regional municipality of Ottawa-Carleton or any other local government in the national capital, to grant land or the right to use land for the extension of the Knoxdale-Hunt Club arterial road or any part thereof through lands owned or controlled or used by any government department or agency?

Hon. Paul J. Cosgrove (Minister of Public Works): I am informed by the National Capital Commission and the Department of Public Works as follows: In so far as the National Capital Commission is concerned: By virtue of an agreement dated July 1, 1976, between the National Capital Commission, the regional municipality of Ottawa-Carleton, and the city of Ottawa, the NCC has agreed to pay 50 per cent of the cost of the Knoxdale-Hunt Club bridge crossing of the Rideau River. However, no agreement has been made with the regional municipality of Ottawa-Carleton or any other local government in the national capital, to grant land or the right to use land for the extension of the Knoxdale-Hunt Club arterial road or any part thereof through lands owned or controlled or used by the National Capital Commission.

In so far as Public Works Canada is concerned: Public Works Canada has never reached an agreement or met with the regional municipality of Ottawa-Carleton or with any other local government in the national capital to grant land administered by Public Works Canada or the right to use such land for the extension of the Knoxdale-Hunt Club arterial road or any part thereof.

GEORGES BANK AND GULF OF MAINE—QUOTAS FOR CANADIAN AND AMERICAN FISHERMEN

Question No. 863—**Mr. Gass:**

1. For each of the past six fiscal years, what were the quotas for (a) Canadian (b) American fishermen in the Georges Bank and Gulf of Maine area for (i) cod (ii) haddock (iii) scallops?

2. What prices were paid in each of the past six fiscal years to Canadian fishermen who participated in the Gulf of Maine and Georges Bank fishery for (a) cod (b) haddock (c) scallops?

3. What will be the quotas for Canadian fishermen in the Georges Bank and Gulf of Maine area for the 1980-81 fiscal year for (a) cod (b) haddock (c) scallops?

Hon. Roméo LeBlanc (Minister of Fisheries and Oceans):

1. (a) and (b)

(i) and (ii) See list I.

(a) and (b)

(iii) There were no quotas set for scallops in the Georges Bank or Gulf of Maine area.

2. See list II.

3. See answer to question 1.

Year	Cod				Haddock	
	Gulf of Maine (5Y)		Georges Bank (5y)		Area 5 [3]	
	Canada	USA	Canada	USA	Canada	USA
74	— [4]	8677 mt	4820 mt	16590 mt	— [4]	—
75	—	9000 mt	4820 mt	19000 mt	—	—
76	175 mt	7800 mt	4519 mt	20000 mt	1200 mt	4450 mt
77	80 mt	4915 mt	3350 mt	16630 mt	1260 mt	4735 mt
78 [1]	80 mt	4915 mt	4855 mt	22000 mt	3900 mt	16100 mt
79 [2]	182 mt	11,198 mt	5943 mt	29017 mt	5933 mt	22321 mt
80	192 mt	11,808 mt	5950 mt	29050 mt	6800 mt	25700 mt

[1] In 1978, the U.S. Fisheries Management Council declared the American fishing year to run from October through September.

[2] American fishing year is Oct. 1/78—Sept. 30/79.

[3] Since haddock fished in 5Y and 5Ze are from the same stock, quotas are set on the whole stock i.e. Area 5.

[4] No directed fishery.

	Canadian Catches of					
	Cod		Haddock		Scallops	
1974	Q	V [1]	Q	V [1]	Q [2]	V [3]
Gulf of Maine (Area 5Y)	120 mt	$ 42,026	198 mt	$ 102,925		
Georges Bank (Area 5Ze)	1374 mt	$ 481,202	462 mt	$ 240,158	6113 mt	$17,369,512
1975						
Gulf of Maine (Area 5Y)	86 mt	$ 28,414	79 mt	$ 33,410		
Georges Bank (Area 5Ze)	1847 mt	$ 610,241	1358 mt	$ 574,308	7491 mt	$23,759,966
1976						
Gulf of Maine (Area 5Y)	80 mt	$ 33,833	91 mt	$ 51,714		
Georges Bank (Area 5Ze)	1751 mt	$ 740,510	1354 mt	$ 769,453	9695 mt	$31,604,800
1977						
Gulf of Maine (Area 5Y)	106 mt	$ 49,49,498	26 mt	$ 15,577		
Georges Bank (Area 5Ze)	6173 mt	$2,882,542	2909 mt	$ 1,742,834	13081 mt	$39,473,445
1978						
Gulf of Maine (Area 5Y)	384 mt	$ 188,617	641 mt	$ 357,209		
Georges Bank (Area 5Ze)	8903 mt	$4,373,053	9968 mt	$ 5,554,847	12189 mt	$57,454,675
1979						
Gulf of Maine (Area 5Y)	378 mt[4]	$ 224,801	5261 mt[4]	$ 3,360,546		
Georges Bank (Area 5Ze)	6012 mt[4]	$3,575,413			9208 mt	$63,482,376

[1] Based on average annual price paid to vessels > 25 tons in Cape Sable Island statistical district.

[2] Weight of shucked meats.

[3] Based on average annual price paid in Yarmouth.

[4] Preliminary figures.

DEFENCE CONSTRUCTION (1951) LTD.

Question No. 1,561—**Mr. Howie:**

What are the guidelines employed by Defence Construction (1951) Ltd. to determine whether contracts for the construction of buildings, roads, repairs to buildings and renovations will be called (a) by advertisement in newspapers (b) by invitation only (c) without tender?

Mrs. Ursula Appolloni (Parliamentary Secretary to Minister of National Defence): Defence Construction (1951) Ltd. is subject to the provisions of the government contracts regulations issued pursuant to the Financial Administration Act and, accordingly, the following guidelines with respect to the calling of tenders reflect these provisions:

(a) With few exceptions, tenders are called by advertising in trade papers and newspapers.

(b) Tenders would be invited only in a case where the scope or complexity of the work requires a particular degree of expertise or experience. In such a case, the requirement would be advertised in trade papers and newspapers and firms would be invited to submit their credentials for prequalification. Only suitably qualified firms would be invited to tender.

(c) Tenders would not be called where the need is one of pressing emergency in which delay would be injurious to the public interest or in the rare case where only one firm is capable of performing the contract.

AUTOMOBILE DEALERS—TERMINATION OF BUSINESS OPERATIONS

Question No. 1,564—**Mr. Howie:**

To the knowledge of the government, how many automobile dealers terminated their business operations in the last year for which statistics are available?

Hon. J.-J. Blais (Minister of Supply and Services): Statistics Canada reports: Statistics Canada does not possess information on this subject.

Order Paper Questions

NATIONAL DEFENCE—GUIDELINES FOR CONTRACTS FOR THE CONSTRUCTION OR RENOVATION OF BUILDINGS

Question No. 1,565—**Mr. Howie:**

What are the guidelines employed by the Department of National Defence to determine whether contracts for the construction of buildings, roads, repairs to buildings and renovations will be called (a) by advertisement in newspapers (b) by invitation only (c) without tender?

Mrs. Ursula Appolloni (Parliamentary Secretary to Minister of National Defence): The Department of National Defence is subject to the provisions of the government contracts regulations issued pursuant to the Financial Administration Act and, accordingly, the following guidelines with respect to the calling of tenders reflect these provisions:

(a) With few exceptions, tenders are called by advertising in trade papers and newspapers.

(b) Tenders would be invited only in a case where the scope or complexity of the work requires a particular degree of expertise or experience. In such a case, the requirement would be advertised in trade papers and newspapers and firms would be invited to submit their credentials for prequalification. Only suitably qualified firms would be invited to tender.

(c) Tenders would not be called where the need is one of pressing emergency in which delay would be injurious to the public interest or in the rare case where only one firm is capable of performing the contract.

MIRAMICHI RIVER, N.B.—DREDGING

Question No. 1,578—**Mr. Howie:**

1. Was there a delay in dredging the Miramichi River in New Brunswick and, if so (a) for what reason (b) what is the status of the project?

2. Were tenders called in the spring or summer of 1980 and, if not, for what reason?

Hon. Paul J. Cosgrove (Minister of Public Works):

1. There has been a delay of approximately one year to the commencement of dredging in the Miramichi River.
   (a) The delay resulted from a decision to cancel the tenders called during the summer of 1979 because the bids received exceeded the department's estimate.
   (b) The project was retendered on October 21, 1980.
2. Tenders were not called in the spring or summer of 1980 because there was no advantage to commencing the project in the summer or fall. It is preferable to begin the dredging in the spring because of environmental factors.

[*English*]

Mr. Tom Cossitt (Leeds-Grenville): Madam Speaker, I have a point of order with regard to the unanswered questions on the order paper. I will not take the time of the House to list the numbers of the questions involved because there are quite a few of them. They pertain to the Crown Assets Disposal Corporation and, in particular, to Claudette Nadeau, the president and general manager of that corporation, and to Yvon Gariépy, master of the Royal Canadian Mint. What I cannot understand is that on October 21, the Minister of Supply and Services (Mr. Blais) said that he had signed the answers to all those questions and had sent them to the Privy Council office.

I assume the Minister of Supply and Services would not mislead us; I have never known him to do so. I am sure that if he subsequently found he had misled a committee of the House, he would have said so, and therefore I am assuming that his words, as they were uttered at that time, are accurate.

I assume, therefore, that at least as long ago as October 21, and presumably before that, these answers were signed by the minister, as he said, and sent to the Privy Council office for transmission in the usual way to the House of Commons. However, they have not reached us. What has happened to all these questions in the Privy Council office for well over a month, probably a month and a half or even longer? In other words, who is sitting on these answers? What official of the government has given instructions to the Privy Council office that these questions not be answered in the House, and why have such instructions been given—or have they been given? I assume they must have been given because the normal procedure, if an answer goes to the Privy Council office, is not to hold it for a month, two months or three months before the House receives it. Time and again we have received assurances from the parliamentary secretary, who I assume has been giving them in the best of faith, that he is doing all he can to expedite answers to questions. If that is the case, surely he could tell us now why these questions, according to the Minister of Supply and Services, have been sitting in the Privy Council office with no one attending to them, and why they are not being sent on to the House.

Mr. Collenette: Madam Speaker, I would be quite willing to shed some light on the question. The hon. member was quite correct when he stated that the Minister of Supply and Services (Mr. Blais) at the meeting of the Standing Committee on Miscellaneous Estimates on October 21, stated:

—I have signed that reply and that the replies will be tabled in the House within a very short time.

Subsequent to that, I should inform the House, the hon. member put down on the order paper further questions dealing with the same subject area. At the same time, the minister was reviewing the answers after having signed them and is providing additional information for the hon. member when these answers will be tabled. So far as the Privy Council office is concerned, in order to be fair to the questioner and to the department providing the answer in matters like this, we prefer to table all the answers dealing with the same subject matter at the same time.

So while it is true that the initial answers were prepared and signed by the minister and are being added to, to help the hon. member, answers will be forthcoming to the rest of his questions. I hope to be able to table the whole series of answers to the whole series of questions ranging from question No. 994, which was the earliest I believe, to question No. 1,595, which

was the most recent question on this subject put by the hon. member. I hope to put all of those down and give answers to them in the House at the same time, if that is satisfactory to the hon. member.

Mr. Cossitt: Madam Speaker, I rise on the same point of order. I appreciate the forthrightness of the parliamentary secretary but I must bring out the fact that his statement is completely demolished by the fact that the government has answered four of the questions already. So his contention that they were waiting to answer them all at once is hardly appropriate or accurate. Therefore, I suggest to him that he has been misinformed by someone, either by his superior, the President of the Privy Council (Mr. Pinard), or by someone in the cabinet, because although he has named correctly the numbers of the unanswered questions, they have answered four or five others, so there was no question of waiting. The four or five other questions were answered after the minister said, "I have signed them all." So they were not held back, four or five of them got through. Perhaps it was because the other answers are too embarrassing to the government where it involved, perhaps, the use of public funds for purposes for which they should not be used.

Mr. Collenette: Madam Speaker, I am sorry to prolong this debate but we do not want to give the impression of being surreptitious in the answering of these questions. Once we realized that more questions were coming, we felt it would be better to hold back all of the answers so that the hon. member could have all of the information at once. I think he will recognize that to table one or two answers on a particular question might shed light on only one aspect of the total subject being considered and that we need the full dimension or the full scope of all the answers to accurately reflect both the intent of the questions and the intent of the government in answering them.

Mr. Knowles: Madam Speaker, may I ask the parliamentary secretary if he could see whether the answer to question No. 1,640 can be brought down soon?

Mr. Collenette: I will look into that, Madam Speaker.

Madam Speaker: We have not yet had the agreement of the House that the remaining questions stand. Shall the remaining questions stand?

Some hon. Members: Agreed.

* * *

MOTIONS FOR PAPERS

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, I ask that all notices of motions for the production of papers be allowed to stand.

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, I rise on a point of order. There is notice of motion No. 24 standing in the name of the hon. member for Wellington-Dufferin-Simcoe (Mr. Beatty), dated July 11, 1980, which reads:

> That an order of the House do issue for a copy of the contract entered into between the government and the Canadian Media Corporation to perform its duties as agency of record for the government.

The hon. member referred to it last week. He has had to go to committee and he asked me to see whether or not something could be done about that. Has the government formed any intention with respect to that matter, whether it is an order or otherwise, because there was—I would not want to call it an undertaking—an expression that there would be some answer immediately with respect to the propriety of that matter?

● (1540)

Mr. Collenette: Madam Speaker, I hope to table the reply to notice of motion for the production of papers No. 24 next Wednesday afternoon if all goes well.

While I am on my feet, and if the House does not mind, the hon. member for Wellington-Dufferin-Simcoe (Mr. Beatty) is concerned about question No. 1,449 on the order paper. So that he can read the record in *Hansard*, let me indicate that this is a shared reply; I am awaiting the other part of the answer, and I hope to table it soon.

Mr. Tom Cossitt (Leeds-Grenville): Madam Speaker, I hesitate to rise once again, but this can be done only on a Wednesday when the House deals with notices of motions for the production of papers. Briefly I refer to motion No. 2 which I put on the order paper on April 14, almost eight months ago. It deals with a request that the government produce correspondence, documents, etc., in regard to the Taschereau papers between the Prime Minister's office and/or the Privy Council office and the Public Archives. Particularly it refers to the letter or the correspondence of Mr. Michael Pitfield with the Public Archives when, on someone's instigation, he was instructed to return these papers and have them resealed for a further ten years, whereas in reality they should have become public property at the end of the 30-year limit.

These papers concern the national security of the country. They contain a very great deal of information which Canadians have the right to know. I am sure some members of the House know something of the content of those papers, as I do and as I am sure the Solicitor General (Mr. Kaplan) does.

Members on the government side talk a great deal about freedom of information, though they will not bring in the bill, as was pointed out by my House leader. Nevertheless, they do talk about freedom of information. Why then, can we not have such a simple request as this answered? Will they give us the information as to why they are hiding the Taschereau papers for a further ten years, or will they simply stonewall this matter, hoping that nothing will happen and no one will raise any points of order? The ten years will go by, and if they happen to be in power—and God knows I hope they are not, for the good of the country—they can bring in another stonewalling for a further ten years. This is becoming absolutely ridiculous. I should like the parliamentary secretary to tell me

when notice of motion for the production of papers No. 2 will be answered with a very simple yes or no.

Mr. Collenette: Madam Speaker, it is difficult for me to put a date on anything. I did put a date on motion No. 24 in reply to the hon. member for Nepean-Carleton (Mr. Baker). On this particular one, I will undertake to look into it and try to get the answer as soon as possible.

I ask that all notices of motions for the production of papers be allowed to stand.

Madam Speaker: Shall all notices of motions for the production of papers be allowed to stand?

Some hon. Members: Agreed.

Madam Speaker: Shall I revert to motions to hear a motion by the hon. member for Hillsborough?

MOTION TO ADJOURN UNDER S.O. 26

[*English*]

CANADIAN NATIONAL RAILWAYS

CLOSING OF CN EXPRESS TERMINALS IN ATLANTIC REGION

Mr. Tom McMillan (Hillsborough): As Madam Speaker will know from the notice I gave earlier today, I rise under the provisions of Standing Order 26 to seek leave to move a motion for the adjournment of the House for the purpose of discussing what I consider to be a specific and important matter requiring urgent consideration, namely, the announced closing of ten of the 15 Canadian National Express terminals in the Atlantic region.

The closures will throw out of work over 250 CN employees and inflict substantial hardship on the many small business people, farmers, fishermen, and members of the general public who depend on CN Express for small parcel delivery to, from and within the region.

In conclusion, the matter is of pressing and urgent necessity because irreversible steps are being taken immediately by CN to terminate the employment of these employees and to contract with a national trucking company to replace, most inadequately, the services now being provided by CN Express.

Madam Speaker: I received notice from the hon. member for Hillsborough (Mr. McMillan) in exactly the terms he just stated in the House. There is no doubt the matter the hon. member is seeking to put before the House is a very important and very urgent one. However, the Chair cannot ignore the provisions of Standing Order 26(5) which read in part as follows:

In determining whether a matter should have urgent consideration, Mr. Speaker shall have regard to the probability of the matter being brought before the House within reasonable time by other means.

As early as next Tuesday, December 2, an opposition motion can be set down, if the hon. member so chooses, for debate in the House under supply procedures. In addition, the following six days have been set aside for the consideration of supply in Committee of the Whole. Pursuant to a special order adopted on April 29, 1980, members of the opposition have the opportunity to name a department or agency they wish to consider while in Committee of the Whole.

It seems to me that there will be ample opportunity for the hon. member to raise this matter in the House. Furthermore, the Minister of Transport (Mr. Pepin) is scheduled to appear before the Standing Committee on Transport later this afternoon on his estimates. The hon. member can then question the minister at length.

For those reasons I regret I cannot accept the hon. member's request for an emergency debate at this time.

* * *

[*Translation*]

MESSAGE FROM THE SENATE

Madam Speaker: I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate have passed Bill C-6, an act to revise the Bank Act, to amend the Quebec Savings Banks Act and the Bank of Canada Act, to establish the Canadian Payments Association and to amend other acts in consequence thereof, without amendment.

THE ROYAL ASSENT

[*Translation*]

Madam Speaker: I have the honour to inform the House that a communication has been received which reads as follows:

Rideau Hall
Ottawa
Government House

November 26, 1980

Madam,

I have the honour to inform you that the Honourable Brian Dickson, Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy Governor

General, will proceed to the Senate Chamber today, the 26th day of November, at 5 p.m., for the purpose of giving royal assent to a bill.

I have the honour to be,
Madam,
Your obedient servant,
Edmond Joly de Lotbinière
Administrative Secretary
to the Governor General

GOVERNMENT ORDERS

[*English*]

PETROLEUM ADMINISTRATION ACT

PETITION TO REVOKE PROCLAMATION

Mr. Ian Waddell (Vancouver-Kingsway) moved:

That the proclamation laid before the House on Wednesday, November 12, 1980, pursuant to subsection 52(3) of the Petroleum Administration Act, as proclaimed in PC 1980-2917, be revoked.

He said: Madam Speaker, first a word of explanation in order to clarify this matter. Earlier, I moved that the order in council with relation to the fixing unilaterally of oil prices by the federal government be challenged and be revoked. This motion deals with the fixing of gas prices, but essentially it concerns the same act, the Petroleum Administration Act.

I should like to begin by making the position of my party very clear on this issue respecting both oil and gas. We say that the national energy program brought before the House when the budget came down is basically flawed; it is a flawed program. In time people, especially progressive people, will find more and more things to criticize in this program.

We feel there are two major flaws in it. The first arises through the government's failure to introduce an industrial strategy or economic restructuring of the economy either in the budget or the national energy program. Later on I will talk about the fact that there has not been any industrial strategy at all. When I say "industrial strategy", I mean making Canada a country which manufactures at home its own resources, instead of being a shipper of raw resources or a vast mine for foreign countries.

● (1550)

Such a move requires real industrial strategy, planning, concern and commitment. My party is committed, but apparently the government is not. I will be discussing that matter in more detail later in my speech. The second major flaw in the national energy program and the budget is that there is no cushion in the form of subsidies on the impact of higher energy prices on low and middle-income people. Canadians will come to realize very shortly that as the price of gasoline and heating oil begins to rise many segments of the population will need help to pay the higher prices. They will not receive that help from the government.

The third flaw is that the Petroleum Administration Act, this Draconian measure, has been invoked too early. My party would prefer to get back to the original principle of co-operative federalism and obtain agreement with the provinces. Instead, the federal government is unilaterally invoking this serious act. I would like to quote from a speech made during the debate on the Petroleum Administration Act in this House on October 31, 1974, by the Hon. Donald Macdonald, the then minister of energy, as reported in *Hansard* at page 914:

While it is the government's earnest hope and desire that the price of oil from the producer provinces will always be determined at mutually-acceptable levels by agreement with those provinces—

The government is most hopeful that the exercise of such powers will not be required.

The minister was referring to the powers of oil price restraint, and saying that he hoped these powers would not be invoked, that, instead, there would be agreement. Alberta has not acted unilaterally in this matter without the permission of the minister. I have no brief with respect to the claims of Alberta. Personally, I believe it is wrong that so much wealth should be concentrated in one province. Nor do I have a brief with respect to Alberta's actions since the budget and since the invocation of this act. By that I am referring to Premier Lougheed's announcement that he would cut production. Such a move is bad for Canada and bad for Alberta. I do not have any sympathy at all with the recently announced private boycott by Alberta businessmen on Ontario goods. It is wrong and shortsighted. The government did not have to invoke this act. The government could have continued on with the price regime which had been *de facto* agreed upon, and the minister admitted as much in the House just the other day. There was no dispute of that price regime by Premier Lougheed.

The government could have merely set out the limits of its tolerance in terms of price increases by Alberta. If Alberta overstepped those limits, then the Petroleum Administration Act could have been invoked for good reason. My party is not against the act in principle, but we would prefer to see it used as an emergency measure when all else fails. If the government could not get agreement with the producing provinces, then it would be required to act unilaterally and invoke the Petroleum Administration Act, but only in cases where the action by a province would have a drastic effect on oil prices or on the principles of co-operative federalism. The act should only be invoked along with a very progressive policy which is fair and can be seen to be fair in all areas of the country. Such is not the case now.

Many of my colleagues have indicated in the House that the budget and the energy policy of the government are not fair to the north, to Atlantic Canada or to western Canada. It seems to me that Canada has the worst of all possible worlds. It has higher oil prices, angry provinces, no cushions or help for the lower or middle-income people and no future job strategy for the country.

As a Canadian who lives in western Canada, I would like to say a few words about the alienation of that part of the country. This topic has been very much a part of the debate and part of the news of late. By invoking the Petroleum Administration Act the federal government is seizing revenues from western resources. It is seizing a larger share of oil and gas revenues. If one were to approach this matter logically one

must ask, "Should the provinces have control and ownership of the resources?" The answer is yes, because it is in our constitution, although the section needs further clarification.

Mr. Siddon: Does Dave Barrett agree?

Mr. Waddell: I will tell the hon. member what Dave Barrett wants in a few moments. If he would listen, he might learn something.

Mr. Siddon: I am listening.

Mr. Waddell: I put the second question to the hon. member in order that he may think about it for a little while—when he does take the time to think. It is, "Does a resource become so valuable that the federal government should interfere with provincial control of that resource in order to distribute it more fairly?" Premier Lougheed once said that the government would not interfere with the oil industry if it were in Ontario, but that is only one side of the argument.

I have thought about this matter a great deal, and I believe the answer must be, "Yes, the federal government can interfere". But the government must interfere only in an extraordinary situation and it must be perceived as acting fairly. This situation will come up again. I say this to my friends in the Atlantic provinces, who will have to make some of these basic decisions and face these issues when and if, as I hope, gas and oil are discovered in large quantities off Newfoundland in the Hibernia field.

I would like to quote from a speech made by Allan Blakeney, the Premier of Saskatchewan, at the annual conference of the Atlantic Provinces Economic Council in Halifax on October 25, 1976:

> —we in the west and you in the Atlantic region must face the fact that political power in Canada is now and for the foreseeable future concentrated in Ontario and Quebec.
>
> Neither the Atlantic region nor the west can expect the federal government—whatever its party stripe—to take the initiative in introducing the basic structural reforms that are needed to encourage more balanced regional development.... Westerners feel aggrieved by recent efforts to change the rules of the confederation bargain, that is:
>
> —to change the rules on who should benefit from natural resources, which were supposed to be our source of wealth—
>
> —to change the rules on tariffs and transportation.
>
> The west, like the Atlantic provinces, because of its dependence on natural resources, is subject to chronic instability of prices and markets and wild fluctuations in local economic circumstances.
>
> And like the Atlantic region, the west is dependent on an efficient transportation system to move its goods to distant markets, and it suffers, as you do, from the anomalies and inequities that are so much a part of our freight rate structures.

In that speech Premier Blakeney was dealing with some of the real grievances of the west, not the negative grievances raised by members of the Conservative party in recent speeches. He was dealing with the real western grievances concerning transportation tariffs and so on. A poll was released this week by the Canada West Foundation, representatives of which testified yesterday, I believe, in front of the joint committee on the constitution. That poll shows some interesting results. The voices of western Canadian grievances are not in reality represented by what I call the fascist oil company types. The people of western Canada support increased federal government and provincial government action in the energy sector. They support that. I think that is important. Seventy-eight per cent agreed that oil companies are making excessive profits. Forty-eight per cent disagreed. Only 38 per cent agreed that the federal and provincial governments have enough control over the oil companies. Seventy-four per cent agreed that too much of the money Canadians spend on oil leaves the country by way of oil company profits. Seventy-four per cent believe that the federal government should increase its involvement in exploration and refining. Even in western Canada there is a feeling that the federal government has a role in exploration and refining, and that it can become involved in what is otherwise a provincial resource.

• (1600)

Canadians living in the west want very much to remain part of Canada. However, they feel they are getting a raw deal. Sixty one per cent of the people disagreed that the federal government has made a genuine effort to overcome the problems of discrimination against the west. Eighty four per cent agreed that western Canada gets ignored because political parties depend on Ontario and Quebec for most of their votes. Sixty five per cent disagreed that western Canada derives so few benefits from being part of Canada that it might as well go it alone. Ninety per cent prefer that the western provinces remain part of Canada. That is a sampling of opinion which shows overwhelmingly that Canadians living in western Canada want to remain a part of Canada. But they do feel they are getting a raw deal. Lawyers have the expression "justice must not only be done, but it must seem to be done". In western Canada they do not feel justice has been done in the sense of the federal government dealing fairly with the issues, such as tariffs, transportation rates and a host of other things.

I can tell you how deep the feelings go, Mr. Speaker, even on what would otherwise be little things. Here is an example. Canada played Mexico in a soccer game as part of the World Cup series. More countries participate in the World Cup than in the Olympics and 108,000 people watched that game in Mexico City. Yet hardly any notice was taken of the World Cup in eastern Canada. The CBC televised the game at an awkward hour. Football, or soccer, as it is known here, is very important to the average individual in Vancouver. That is just an example of a little thing people complain about. These little things build up into bigger things, such things as transportation, tariffs and other matters.

Another interesting poll was published in the *Edmonton Sun*. On November 13, 1980, this question was asked: how satisfied are you with the performance of Joe Clark and the Conservatives in the recent dispute between Ottawa and the provinces? Satisfied: 45.5 per cent. Dissatisfied: 54.5 per cent. It is clear, too, that westerners do not like the attitude of the Conservatives, which is a completely negative one in this constitutional debate.

I stood up in this House and asked the hon. member from Richmond, who is chattering away here, why the Leader of the Opposition (Mr. Clark) does not deny the remarks made about a western parliament by the hon. member for Capilano (Mr. Huntington). Incidentally, the Leader of the Opposition heard this. That is no way to deal with the problems in western Canada. In fact, that is a negative way of dealing with them. The Conservative party has been negative in dealing with this problem. I suggest that instead of talking about separatism, the Conservative party should do something positive about the grievances of western Canada.

Many members from this part of the House come from western Canada. I can tell the member what we have been doing. We have been standing up in this House and asking for a federal-provincial development fund. We have stated that we do not like the fund outlined in the budget. It is patronage and we do not want any more of that. We do not want any more in money, such as the $4 million going to Mr. Axworthy and some Ottawa people. We say, get the provinces involved and co-operate with us in the west. That is what we want.

Second, we supported the government and, indeed, pushed the government, telling them we wanted more public ownership of the oil industry. It took guts to say it because that is a national policy. But the people of western Canada will support that stand. I tell hon. members to take a look at those polls.

Third, instead of saying who was in bed with whom, we have taken the stand in the constitution committee that the constitution will go through, although we disagree with a unilateral move. We have decided that we will fix up the bill of rights, we will fight for women, the native people, and we will get a better amendment. Not only that, we will get an amendment which will nail down the control of the provincial governments and give them power over resource revenues. That is very important to my province. I am proud to go before that committee to stick up for that kind of result for the west. That is what my friends in the Conservative party should be doing. They should be working positively to keep Canada together.

In the event the Liberals across the way are thinking they are going to get off lightly, I shall now return to some remarks made by the minister.

An hon. Member: You are partisan.

Mr. Waddell: My friend says I am partisan. Yes, I am partisan. I am partisan for western Canada and for my province. It is about time that he got partisan, too. But let me refer to remarks made by the Minister of Energy, Mines and Resources (Mr. Lalonde). He had this to say: "I think it is time the members of the House, and Canadians in general, grew up with respect to the role of Canada in international affairs." The minister is not here today, but his parliamentary secretary is. He is the man with the bow tie, although he does not have it on today. I ask him to relay what I am going to say to the minister. Canadians have grown up in their attitude to foreign affairs. Canadians are proud of the role Canada plays when it gets back to its proper and active role in foreign affairs. Canadians do not need lectures from the minister telling them to grow up in their attitude to international affairs. I suggested the Prime Minister (Mr. Trudeau) should not have gone to Saudi Arabia. Instead, he should have been here dealing with the serious problem of Alberta. The minister can disagree with me and tell me that he has important things to do. That is fine, but it is my position that he should have been here and that he was remiss in running away. If he were doing something when he was away, that would be a different matter. But yesterday in the House, he did not know anything about Arabian oil. He said very little about North-South relations, although I am sure he knows a lot about it. Why did he go away? In my opinion, one should not go away when the government is losing control of a situation. The country is slipping into a crisis and the Prime Minister should be around to deal with it. He cancelled trips and stayed around during the Quebec referendum. In many ways, the situation facing us now could become a serious crisis.

The minister said he had to bring in the Petroleum Administration Act and that he had no other choice. I have already gone over my position in that connection. I said he could have negotiated; he was not obliged to do what he did. For some years there has been a tendency in the Liberal party to use a sledge hammer to kill flies. The War Measures Act was a good example. The government should be very careful in picking a fight with Alberta and in trying to bring Alberta to its knees because it could bring the country to its knees as well.

I want to refer now to remarks made by the hon. member for Etobicoke Centre (Mr. Wilson), who is the Conservative energy critic. He claims to be concerned about the impact of this program on the average man and woman. I thought it was a joke for a moment that the Conservatives are so concerned after bringing in a budget which was going to raise prices of oil and gas even more and give a large chunk of money to the oil companies. They made what I call "the Harvie Andre deal". If you read Jeffrey Simpson's new book on the Clark government, you can see that.

• (1610)

The Acting Speaker (Mr. Blaker): I apologize for interrupting the hon. member for Vancouver-Kingsway. I wonder when the day will come when hon. members will choose to refer to each other in a more comfortable fashion than by name. For the fourth time the hon. member for Vancouver-Kingsway has referred to individual members by name. I know there is no slighting intention in doing that. However, I am forced to uphold the traditional rule that members should be referred to by their constituencies and I would appreciate it if the hon. member would do that.

Mr. Waddell: I was referring to the hon. member for Calgary Centre (Mr. Andre) in terms of title which may be distinguished from referring to his name per se. I would ask Your Honour to rule right now. We are in the modern world. We have television in this House of Commons. People think we are silly when we refer to the hon. member for blah-blah-blah rather than use that member's name. I invite Your Honour to

rule that the tradition be changed so that we can use the proper names for members.

Some hon. Members: Hear, hear!

Mr. Waddell: I am prepared to abide by Your Honour's ruling either way.

Mr. Collenette: Mr. Speaker, I would like to substantiate the comments you have just made. We do have rules. The hon. member may have some arguments as to why the rules of the House should be changed. However, this is not the time or the place for such a debate. We are debating the Petroleum Administration Act. Perhaps we can take the hon. member's concerns under advisement.

There is a procedural committee of this House. There has been talk by many members regarding parliamentary reform, such as limiting speeches. The hon. member for Edmonton West (Mr. Lambert) objected last Friday afternoon to the reading of speeches in the House during private members' hour. These may very well be legitimate concerns, but the rules of the House are there to be observed and obeyed. I hope we do not debate this matter now.

Mr. Waddell: Perhaps I can aid you, Mr. Speaker, I agree.

The Acting Speaker (Mr. Blaker): We can dispose of the matter. The parliamentary secretary is quite correct, this is not the time. Under our rules, we are not in the position to debate it now. The hon. member has pointed out that in the case of some members, this may be something the House would like to go to eventually. This having been said, we better stay with what we have now and what we have is a requirement that hon. members refer to one another by their constituencies.

Mr. Waddell: Rome was not built in a day. I was dealing with some of the speeches I heard in this House. In particular, I listened to the hon. member for Thunder Bay-Atikokan (Mr. McRae). I will not mention his name. He sits opposite. He expressed the view which I have heard many Liberals express during this debate, namely, that the Liberals are fortunate that they are in the middle. Suddenly they are fine, things are fine, and the policy is right because they are in the middle.

I wish the hon. member were in his seat today. I am sure the parliamentary secretary will relay my message that that is the muddle middle. In modern politics, which is something else that is coming out of the west, the muddle middle is gone. People want parties to take a position today. They want them to define their positions. I see the Solicitor General (Mr. Kaplan). He is in the muddle middle about the marijuana issue. I do not know how long he will get away with that. I do not think it will be much longer. That is the kind of new politics we will see coming out of the west.

The hon. member for Thunder Bay-Atikokan also suggested that provinces such as Newfoundland cannot protect themselves from the large multinationals and, therefore, the federal government must do that. I again point out to him that British Columbia, Saskatchewan and Quebec in their relationships vis-à-vis the multinational oil companies have a much better record than the federal government.

One problem with western alienation is that all the really exciting action, with the exception of the bilingualism legislation, since the sixties has happened in the provinces. There has been nothing from the federal government. The hon. member for Thunder Bay-Atikokan further suggested that we in the New Democratic Party should be in favour of this policy because we, above all parties, believe in the strongest of strong central governments. Speaking for myself, I would like to see my party, and I hope it will, move this way.

Mr. Kaplan: Mr. Speaker, I wonder if the hon. member would permit a question.

Mr. Waddell: I will be glad to, Mr. Speaker, at the end of my speech.

Mr. Oberle: You call that a speech?

Mr. Waddell: I am saying that the people of this country want the power moved closer to the people, which is the provinces, or even to the local level. When the New Democratic Party formed the government in British Columbia, they established community resource boards which brought the government and the welfare system right down to the local people. That is the future in politics. In any event, I want to talk a little about the gas policy while we are dealing with it under this part of the motion.

An hon. Member: Good. We have been exposed to your gas all afternoon.

Mr. Waddell: We have been exposed to your gas policy and your oil policy. The problem with the oil policy is that it sold our oil at cheap prices. We in the NDP are worried that the same might be done with natural gas. Yesterday a report came out from the Canadian Institute for Economic Policy. The author of the report, Bruce F. Willson, had this to say at page 93:

> —this country can probably expect a natural gas deficiency within five to ten years, if not sooner. Such shortages will have devastating effects.

We are now selling cheap gas. Later we will have to import expensive gas from such places as Algeria. Last spring we debated the pre-build of the Alaska pipeline. That is a microcosm compared to our other problems. American companies are now saying that the pre-build pipeline, when built, will only operate at 40 per cent capacity. The pipeline in my province of British Columbia only operates at one-half capacity.

In our scramble for gas exports, we have overbuilt our pipeline capacity. Last December the National Energy Board approved eight applications for more exports. Only half have been taken up by the Americans. Clearly they do not want our gas now.

Look at the Canadian government policy. We have this fancy energy policy. However, we must look at the reality of it and see what they have been doing. The government has been

encouraging drilling and giving up to 92 per cent in tax write-offs. As a result of the drilling and finding of gas, there has been pressure from companies which have a cash flow problem. They have to sell the gas. The government is overbuilding pipelines, hurrying through the pre-build of the Alaska pipeline, even at the risk of expropriating people's property with police state methods and archaic laws, as was pointed out in question period today by my colleague for Kootenay East-Revelstoke (Mr. Parker). Then the policy comes out. It advocates that Canadians switch to natural gas. That does not give you much confidence in a gas policy dealing with exports and problems with exports.

The government overbuilds pipelines, continues to follow a strange policy. With regard to the pre-build, for example, the government said it had the support of the President of the United States. When we said he might not be there next year, they said no. They said they had the support of congress. When we said the congress might change, they said no. Now the government is in the difficulty and is never going to see the Alaska highway pipeline built. They rammed that bill through Parliament. I personally brought a lawsuit against the cabinet on this thing—

• (1620)

An hon. Member: How are you doing with it?

Mr. Waddell: The member asks me how I am doing. Very well. The case has been set for trial and I hope that we will be able to subpoena some senior government people. They can wait with bated breath.

Mr. Siddon: Is it before the courts?

Mr. Waddell: Yes, it is before the courts, which is why I am limited in what I can say about the case.

I might tell hon. members that the government is so together on it they even technically defaulted on their pleadings, that is, they forgot to appear. We could have obtained a default judgment against them, which would have stopped the pipeline. They finally got through to Ottawa and received some instructions. That case is continuing.

I want to quote from the energy paper at page 36:

> Producers will not suffer any reduction in the price which they currently obtain for their exports or their domestic sales, except for a small loss due to the taxation of pipeline fuel. In setting the export price of natural gas in the future, the price will be adjusted to take into account this tax.

I say that the minister of energy was really misleading us with that statement. He knew, or should have known, that he could not increase the price of natural gas to the United States. He brought in a gas tax of 30 cents per 1,000 cubic feet which is to go into effect in February. On November 15, he announced that there would be no export tax on gas. What does that mean? In effect, it means that the money, the $300 million from Alberta and $50 million from British Columbia, will have to come out of the pockets of the people in British Columbia and Alberta, rather than being passed on to the Americans. This means that no sooner is the ink dry on the figures in this document, the national energy policy, the paper is cracking. Those figures are wrong. The minister said there would be $3.6 billion gained by the province of British Columbia from gas revenues. That is wrong. It took a few weeks to see that it was wrong. Actually, it will be less than half that. This, in the eyes of the province, discredits this paper with respect to gas policy.

With respect to another more populist level, if I can call it that, in terms of gas conversions, what people are asking in my constituency is: can they convert their oil furnaces to gas furnaces. It holds out a promise, but it is an imperfect one. There is no protection to people from the CHIP insulation style rip-offs from contractors. The minister refuses—I talked to him about it yesterday—to finance the program through utility companies like B.C. Hydro and Quebec Hydro, which would enable low income people to receive subsidies over the years from hydro to pay for conversions. It does nothing to help senior citizens or to deal with their problems. Since it is a taxable grant received as a result of converting one's furnace to gas, will it come off their GAINS program or their old age pension program? There are always concerns which remain unanswered. In Quebec, the minister's own province, two-thirds of the people are tenants. This policy does nothing for them. It does not even approach the problem. Again, the Liberals walk the muddled ground. The reality of this energy program is far different from the illusions.

The real flaw in the program, and I will conclude with this, is that if you look at a worker in St. John's, in Toronto or Vancouver, you will see they are unified. They have something in common. They have economic concerns. Suddenly they find their heating cost will double next year—zap, their price of gasoline will double. They can cope with these increases if they have a secure job. That is what I mean when I say that the greatest flaw in this policy is the failure to give back to the people some cushion, some guarantee that they will have jobs to pay for the increase, when you are raising energy, oil and gas prices by so much. This is what people are concerned about.

The Arctic pilot project is a good example. Here are the great words of this policy and here is the reality in the Arctic pilot project, under which Petro-Canada and other companies will ship gas from Melville Island in the Arctic, in foreign built ships, manned by foreign crews, and then export it to the United States. That is what is happening in terms of policy. That is the reality, which is what the workers of this country are worried about. They do not see any industrial strategy which would provide jobs for their children and their children's children.

Mr. Speaker, an old Scot once told me that the only way capitalism works is when you have 12 men looking for the ten available jobs. It seems to me that when you really get down to this policy what the government is telling Canadians is that they do not have a right to own their own home, they do not have the right to a job, they do not have the right to a lifestyle to which they have become accustomed.

An hon. Member: That is socialism.

Mr. Waddell: That is socialism. That is what we stand for and that is what we support.

Canadians know that this country has great potential. They know they can own their own homes. Canadians know they can and should have a job and that they can live a good lifestyle. They are prepared to make some sacrifices. They know that the price of oil and gas must go up. They are prepared to make some sacrifices but they demand that they be fair, just like the provinces demand that the federal government act fairly toward them. The ordinary people in those provinces demand that the government act fairly, that the great mass of people do not bear the burden of these oil and gas prices as is the case under this policy. This policy is a sham when we get down to the average person. That is why we in the NDP have brought forward this motion today to challenge the government, to ask for the revocation of the Petroleum Administration Act and to debate its energy policy.

Hon. Bob Kaplan (Solicitor General): Mr. Speaker, I seek the floor to participate in this debate. I cannot resist asking one question of the member opposite. He indicated he would permit questions and I think technically he does have a minute left. The question I wish to ask calls for a very short answer.

He was telling us how much guts the NDP had in the energy area. Those were his exact words. Then he said that people in the west expect parties to take positions nowadays, and that was going to be characteristic of what would happen from now on so far as the NDP was concerned. This is a debate about energy prices and that is what I will talk about. The Conservatives had the misfortune, when they were in government, to be exposed, to lay out their prices. We have laid our prices out for the next four years, which is what I will be speaking on. I would like to ask the hon. member, who stands as his party's spokesman on energy, what is the price schedule the NDP stands for? Would he have enough guts to take a position on this before the Canadian people if the NDP were in power, if socialism were prevailing, with Premier Blakeney looking on and being quoted so favourably by the hon. member? I will talk about the four energy prices, the four gasoline prices for each of the next four years. What are the NDP's prices?

Mr. Waddell: I would need 40 minutes to reply. But I can give you three words: lower than yours.

Mr. Kaplan: I hope Premier Blakeney is listening since the NDP has not been very forthcoming with regard to their price schedule. Now they have made it clear that if they were in power the provinces would find prices controlled by the federal government. The hon. member has indicated as much. He has also indicated that their prices would be lower than the prices set by this government. I do not think that is very realistic, and that is what I want to deal with in the time before royal assent is called for.

● (1630)

As the hon. member opposite was speaking, I listened for something with which I could agree because he is an agreeable fellow, but the only thing with which I could agree was his idea that it would be better not to be operating under this act unilaterally but to be operating by way of agreement with the producing provinces. It has been the objective of this government to try to reach agreement with the producing provinces. The hon. member opposite says that he would not have given up hope of agreement. But at a certain point the government did give up hope and proceeded unilaterally. It proceeded unilaterally for a peculiarly Canadian reason and a peculiarly Canadian objective. Of all the countries in the world we are the one, and maybe the only industrialized country which can set out a schedule of prices for the next four years to help in a meaningful way with the industrial strategy which the hon. member himself regards as so valuable. We can tell the participants in the Canadian economy what energy prices will be over the next four years.

What other country can do that? Italy, a country recently wracked by disaster, is a complete importer of its oil. It cannot have a debate like this and set energy prices as we can. Other western European countries cannot do so, but we in this country can, and should.

The NDP spokesman warned the Canadian people—and I thought it was very forthcoming of him—that energy prices do have to go up. It is worth nothing, even though we have a measure of control, that energy prices must go up. They must go up, for the very good reason that energy costs are going up. As we all know, our present energy mix with respect to oil is derived from three sources. One is imports, and one is high cost non-conventional sources. In those two categories we do not have very much choice about the price. We pay the market price or we do not get the product. We pay the necessary exploration, production and transportation costs for the non-conventional sources. Canadians have to understand that we do not have much flexibility in that regard and that those resources have to be paid for on the basis of a demonstrated cost. The third source, over which Canadians as a nation do have control, is the conventional energy source. We know that is declining, but it is a major part of our energy mix now.

It is a part over which the country has control constitutionally and to which this legislation is addressed. Naturally, we would have preferred, and it would have been better, to be operating on the basis of agreement. I do not think hon. members opposite can demonstrate any fault on the part of the government for our inability to reach an agreement. The hon. member tried to blame it on the fact that the Prime Minister (Mr. Trudeau) has been travelling outside the country—on very legitimate public business—but he knows perfectly well that if the Prime Minister had been present in the House or in the country, that would not have changed the preference expressed by Alberta not to embark upon face to face ministerial or prime ministerial negotiations at this time but to have exchanges by officials. That is Alberta's preference. In view of that, I do not see how the hon. member can criticize the Prime Minister's trip or this government for moving unilaterally to establish a framework within which an industrial strategy can unfold, a strategy which he indicates he welcomes as much as this government does.

The Conservatives do not have the luxury the NDP does of refusing to tell us what would happen if they were in government because they had that opportunity, and last December they set out in black and white—and I will refer to it—how much a gallon of gasoline would cost in Toronto under their policy in each of the next four years. In the budget brought down by the Minister of Finance (Mr. MacEachen) the national energy program was described, and in that program we also set out a price schedule of what prices for gasoline would prevail in my city during each of the next four years.

Mr. Siddon: How about heating oil too?

Mr. Kaplan: And heating oil. Across the board including heating oil, and I thank my hon. friend for mentioning it because I do not have time to give those figures.

Mr. Siddon: They are very significant.

Mr. Kaplan: Yes, they are, including heating oil. Energy costs for Canadian consumers over the next four years in all provinces will be $40 billion less under the national energy program than they would have been if the Canadian people had continued to support the Conservative government in power to carry out the program it had in mind for the next four years for Canadians and which it put down in black and white.

Mr. Siddon: Table the calculations. That is not true.

Mr. Kaplan: The next Liberal speaker will provide the calculations on heating oil, but I can compare the demonstrated prices. It is too bad that the NDP has been unwilling to come across and tell us how it would deal with this very difficult problem. Comparing the 1979 budget to the national energy program of this government for Toronto at the city gate, gasoline consumers in 1981 would have paid under the Conservative budget $1.56 and will pay under the national energy program $1.36. In 1982 they would have been paying $1.75. They will be paying $1.53. In 1983 they would have been paying $2.32 had the Conservatives continued in power. They will be paying $1.71. In the fourth year they would have been paying per gallon $2.63 if the Conservatives had stayed in power, but under the national energy program they will be paying $1.95, a difference of nearly 75 cents. That represents a saving to consumers of $40 billion. Listening to western spokesmen and reading the press, one might think that $40 billion saving was coming from the money the provincial governments would otherwise have received.

However, as hon. members of this House know, such is not the case. It is not the intention of the national energy plan to reduce the take of the provincial governments substantially. In fact, the $40 billion which they would have derived from the Conservative package is virtually the same amount as they will derive under the national energy plan of the Liberal government. The province of Alberta, which has a smaller population than metropolitan Toronto, will receive over the next four years an increase of $31 billion; Saskatchewan, $3.2 billion; and British Columbia, $3.6 billion. I do not deny the feeling of western alienation. I know it exists and that it is real, but it is obviously not legitimately based on this national energy plan because the plan gives the provincial governments almost exactly the same amount of money as they would have received under the Conservative budget.

Under this national energy plan the national interest is also taken into account. Money is provided—and I cannot take the time to deal with it—for subsidizing conversions from heating oil, for participating in exploration and development, for pipeline construction and facilitation, for incentives to industry, for alternative energy developments and for many other projects which have been outlined. The budget does take account of the national interest and does provide funding at the national level to encourage these things.

If the provinces do not lose and if the nation continues to benefit and consumers get a much better deal, it is reasonable to ask who is paying for all of this. Of course, the answer is obvious if we look at what has been happening on the stock exchanges lately in the oil and gas sector. There is no doubt that the oil and gas sector is not going to derive the benefits and the profits from the national energy plan that it would have derived from the Conservative plan. This is particularly true of the multinational sector. They will be getting less. The right question is not how much less they will be getting, because the amount they will be getting will continue to represent an incentive; a reasonable question is why this particular sector has been getting so much incentive from the government, why they have been paying so little federal tax over the last 40 and 45 years during which they have been in business in Canada. I think that is a more important and a more interesting question. The answer to that question really lies in our history. This is long before the time of nearly any member of the House, and I emphasize the word "nearly".

● (1640)

Mr. Knowles: Speak for yourself.

Mr. Kaplan: In those days, discoveries were made in the west and it was a question of encouraging their development, so incentives were provided which, in my opinion, seemed to have been modelled on what was going on in the United States. We have felt as a country that if we did not do as well by the oil and gas sector as the Americans did in their own country, they would not come here. Because we wanted them, because there was a premium on that kind of technology, know-how and capital, we were willing to provide a very sweet deal.

Well, I think we have to look at the national interest now, as the national energy program does, and provide incentives which are realistic and which, I submit, will be effective. I do not think the multinationals want to leave Canada. I think they will continue to receive benefits which will make it worth while for them to stay here. But we have changed the incentives in such a way that it is going to be better and there will be greater incentive for participation by Canadian interests. The more Canadian a business is, the more incentives it will have to remain and develop in the oil and gas field.

Members of the official opposition are referring to this aspect of our policy as socialism. I think it is very important to emphasize that it is not, that there is a plan for public sector development, and that the main thrust is to encourage Canadian investors, not the state to take a bigger interest in the oil and gas field. Private investors are being encouraged to take a bigger piece, and they will have the incentive to do so. Certainly no country needs it more than we do. They get extra development incentives for proceeding in proportion to the degree of Canadian ownership.

The NDP is quite ambivalent on this question of capitalism. I remember that David Lewis, the former leader of that party, said very often in the House that there is no difference between a Canadian capitalist and a multinational capitalist—that a capitalist is a capitalist. There is a very important difference between that ideological socialist party and ourselves. We do attribute importance to Canadian ownership, participation and control in our economy, and this national energy plan contains novel, important and very real incentives which, I have no doubt, will have the effect of increasing the number of Canadians and the size of Canadian participation in the ownership of the oil and gas industry in Canada. I think the NDP may have come along a little since David Lewis' departure from the House.

Mr. Waddell: He said that in 1964.

Mr. Kaplan: The hon. member suggests it was said in 1964. In fact, it was said while I was a member of the House while I was present in the chamber and on many more than one occasion. This is an important distinction to draw between our two parties. As far as we are concerned, Canadian participation, ownership and control are worth-while goals, goals which will be encouraged by this national energy plan. Opportunity, one of the three keynotes of the budget and of the national energy plan, means opportunity for Canadians to play a larger role in this important sector.

Mr. Speaker, I see my time has nearly expired. I should note that Petro-Canada is also a Liberal invention. Petro-Canada is a corporation which belongs to the state and which is available to take risks and to join in partnership with the private sector where the extra, traditional Canadian government input is required to make a project work and to make sure that the resources of this country are explored and developed. After all, a capitalist, even a Canadian capitalist, has the choice of the country in which he wants to operate. If prospects seem marginal in Canada, he can pass them up and go to some other country. Well, Petro-Canada does not look at things that way. It has the mandate and the responsibility to look at everything in our country, however marginal or remote, and make sure that the Canadian interest is developed. This is a totally different perspective than a capitalist would have. That is why we need Petro-Canada, although there are other good reasons for it, and that is why the government will continue to support Petro-Canada and even to expand its role.

I wanted to comment also on the attitude of Ontario people toward the claim of the present government of Newfoundland to have constitutional jurisdiction over the resources off the shores of that province. We all know the legalities of it. The legalities of it are settled, they are in the national domain because the offshore territory was not part of the colony, and that is quite clear. But people in Ontario recognize that so far as the economic benefits are concerned the people of Newfoundland should benefit from those resources, and if major resources are found there from which the nation can benefit, then Newfoundland should benefit first. Then we look at Alberta and we see how a province which has legal control over its resources can turn the tap off and tell the rest of Canadians, "Go offshore" or "Give in to our demands" or "Do without"; we have to ask ourselves in my part of the country whether Newfoundland, which is not in a position to do that to us, should be put in a position to take such a stand.

The Conservatives had no difficulty with it last year because they did not see it from the point of view from which we have to see it in my province. We think that if Alberta has that constitutional power and is exercising it, we should not add to our national problems by suggesting that Newfoundland should be given the same power. That is not to say they should not have the economic benefits from their resources. I think there would be strong agreement where I come from that Newfoundland should not only be the first to benefit from its offshore discoveries but should derive, on a priority basis, substantial benefits from them. If Alberta can derive extra benefits from properties over which it has constitutional jurisdiction, Newfoundland should too, so far as the economic benefits are concerned. From our point of view, it would be adding extra problems to Canada's viability if we gave a premier who does not now have the authority, the same authority as Alberta has to turn off the taps.

Mr. Jack Murta (Lisgar): Mr. Speaker, I listened with interest, as I always do, to the Solicitor General (Mr. Kaplan) this afternoon. There was one statement which made me wonder whether or not the Solicitor General and myself and a good many Canadians are living in the same country. Certainly we cannot be reading the same newspapers and travelling in the same parts of the country. He said basically that under the government's national energy plan, everyone wins, that the provinces win, the consumers win and the federal government wins. If the minister is correct in that statement, then approximately one-half of this country, in terms of size but not in terms of population, must be wrong. A good portion of the country, particularly western Canada, does not believe everyone wins under the government's national energy plan. Canadian-owned oil companies, not the multinational ones, have said to members of my party—and I presume to members opposite—that because of the energy plan we are debating this afternoon, some of them may go broke, drilling rigs will be moving out of Canada and there will be a loss of jobs and equipment in the country. I doubt very much if the minister is correct, but if he is, then these companies must be wrong. I frankly do not believe that. What the minister said really exemplifies the problem in the country in terms of not being able to communicate or not understanding each other and each

other's regions. Knowing the Solicitor General as I do, I do not believe he would have made a totally wrong and incorrect statement, since he knows the feeling of frustration and resentment which exists in other parts of the country.

• (1650)

Today we are debating the Petroleum Administration Act. When it was set up, I do not believe any government thought it would be used. Certainly it was hoped the act would not be used because it allowed the federal government to set unilaterally the prices of gas and oil. As I understand it, this is the first time it has ever been used in the history of Canada since this legislation was enacted. Obviously prices should be settled through negotiation. That is the Canadian way, that is the way it has been done in the past, and if our country is to be viable, that is the way it must be done in the future. They should not be set arbitrarily at any time through an action such as the use of the Petroleum Administration Act.

It is being used at this point in time because the federal government, in what appeared to be a very heavy-handed and sometimes sneaky manner from the point of view of the producing provinces or the regions of the country from which these products come, worked toward an agreement in which faith in the negotiating process and trust between the partners totally broke down. The entire process reached the point where the government either felt, as a last resort, or because of a grand design previously set down, that it must move toward this very regrettable step.

The budget set out the oil prices. It was really an energy statement rather than a budget. Out of the total of $14.920 billion in new revenue, $14.155 billion will come from changes in oil and natural gas taxes. Over the next three years, some 95 per cent of the revenue collected will come directly from the energy sector. It is my contention that the Canadian consumer will be stuck with the bill or will end up paying it through higher prices and taxes.

Most Canadians have various feelings about this particular piece of legislation. I think they must ask themselves four or five main questions concerning the thrust of the government's energy package. They should ask themselves whether or not the measure will be of help to the consumer. Of course the answer is basically no. While we know that energy prices must increase, we on this side of the House feel that sectors of society should be cushioned while the price increases are working their way through the system. That will not happen under the proposal put forward by the government.

Another question Canadians should ask is whether or not this energy proposal will increase our security of supply. At the present time the answer is a very positive no; it will not increase our security of supply. In fact, it may very well work in the opposite direction.

Another question Canadians should ask is whether or not employment will improve because of the government's energy package. Of course the answer to that question is no. Jobs will be lost in the western provinces, hence jobs will be lost in central Canada where a lot of the products used in the energy field are manufactured. Certainly it appears that we will end up with a weaker oil industry because of this energy policy.

Lastly, going back to what the Solicitor General alluded to, national unity is being strained. There is deep resentment in various parts of the country, particularly in western Canada from where I come. This resentment is directed not necessarily toward this in itself, but toward a series of things which have occurred over the past number of months.

I should like to compare the energy proposals of the Progressive Conservative Party in December, 1979, to those of the Liberal government and their possible effect in the coming year and certainly into the 1983-84 year. To compare these proposals one must decide on a benchmark, and the only benchmark in effect is what the Progressive Conservative Party was prepared to do in terms of pricing arrangements. In regard to price increases and taxes in the year 1980, from January to December, my party proposed a $4 per barrel increase; the Liberal government proposed a $3 per barrel increase, coupled with an 80-cent per barrel petroleum compensation charge and a 75-cent per barrel Syncrude levy which brings the total cost of its package up to $4.55 per barrel. Turning to the impact upon consumers during 1980, under the pricing policies of the Liberal party, the cost of gasoline will rise by approximately 17.3-17.4 cents per gallon and home heating fuel by approximately 15.9 cents per gallon. If we project this through to 1983, under the Liberal policy, or what we are operating under at the present time, gasoline prices will rise by 83.8 cents per gallon at the pumps or somewhere in the neighbourhood of 19 cents per litre, and heating fuel will rise some 77 cents per gallon.

Under the Progessive Conservative budget, gasoline prices would have risen 84.5 cents per gallon at the pumps and heating fuel, some 61 cents per gallon. Therefore, consumers would pay approximately 1.7 cents more per gallon for gasoline and 16 cents more per gallon for heating fuel by 1983 than under the Progressive Conservative proposals.

• (1700)

This will affect all Canadians, whether or not they are car owners, old age pensioners, home owners, regardless of status or position in our society. One of the frustrations we in western Canada are experiencing right now relates to the fact that during the last election campaign the Liberal party deliberately led Canadians to believe that over the coming years energy prices would be lower than under the Progressive Conservative budget. And this is wrong. I will illustrate this by taking my figures based on an average family of four through to 1983, because that is the fairest way to judge both programs.

Under the Liberal policy, gasoline for the family car would cost about $484 more per year at the present time and home heating fuel would cost approximately $616 more. Under the Progressive Conservative budget which was defeated, gasoline for the family car could cost approximately $495 a year more—approximately $10 a year more than under the Liberal budget—and home heating fuel would cost $488 more, some $150 less than what was proposed by the Liberals. Over all, for

these two essential commodities, costs for the average family would be over $100 per year higher and over $1,100 higher by 1983 under the Liberal pricing policy than under the prices negotiated with the provinces by the Conservative government.

As I have mentioned before, prices must rise. All Canadians realize that we cannot keep our oil and gas prices at their present level. The injustice is the severe impact of these price increases on low-income Canadians who have no way of either passing on the price or making up the difference through an increase in salary. There are zero offsetting measures under the Liberal budget or energy policy, but under the proposals brought down by the Conservative government in December, 1979, there were numerous offsetting measures such as tax credits, tax rebates to farmers and fishermen and so on. The tax credit was in the amount of $80 per adult and $30 per child. There was a series of measures to help cushion the substantial rise in prices which would be felt throughout our economy, affecting everyone.

The Canadian Council on Social Development, a very respected non-partisan organization has said:

> The energy price increases announced in the budget, combined with rising inflation and planned federal reductions in social spending will have a negative effect on the living standards of Canadians on low and fixed incomes.

That is one of the most regrettable aspects of this whole energy pricing scheme. As a result of the general thrust of the government's action by unilaterally imposing its will and an energy pricing scheme on the provinces, the oil industry and the Canadian public, the consumer is being asked to pay for the very large increases which will result. By the end of 1983 the cost of energy will be between $300 and $600 more than it would have been under the Crosbie budget.

What does the consumer receive? He receives two things—a tax credit and more government.

Another question which will be asked is, "Is security of supply being increased"? Of course, it is not being increased. The cancellation of such projects as the Cold Lake project and cutbacks in exploration programs by Canadian independents prove that security of supply is not being increased. This is the present situation, and it can only get worse. In Atlantic Canada—

● (1710)

THE ROYAL ASSENT

[*Translation*]

A message was delivered by the Gentleman Usher of the Black Rod, as follows:

> Mr. Speaker, the Honourable the Deputy Governor General desires the immediate attendance of this honourable House in the chamber of the honourable the Senate.

Accordingly, Mr. Speaker with the House went up to the Senate chamber.

And being returned:

Madam Speaker informed the House that when the House went up to the Senate chamber, the Deputy Governor General had been pleased to give, in Her Majesty's name, the royal assent to the following bill:

> Bill C-6, an act to revise the Bank Act, to amend the Quebec Savings Banks Act and the Bank of Canada Act, to establish the Canadian Payments Association and to amend other acts in consequence thereof.

GOVERNMENT ORDERS

[*English*]

PETROLEUM ADMINISTRATION ACT

PETITION TO REVOKE PROCLAMATION

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

> That the proclamation laid before the House on Wednesday, November 12, 1980, pursuant to subsection 52(3) of the Petroleum Administration Act, as proclaimed in PC 1980-2917, be revoked.

Mr. Jack Murta (Lisgar): Madam Speaker, I suppose any speaker in the House of Commons hates to be interrupted in the middle of a speech, but on an historic occasion like this when royal assent is given to the Bank Act, it does not make one feel quite so bad.

I was talking about five critical areas which most people in this country are wondering about—questions which have not been answered satisfactorily by the unilateral move the government has made. First, consumers themselves regardless of income levels are being asked to pay large increases, not only with respect to gasoline for an automobile, but for any kind of oil. From our point of view, this is wrong, because of the effect it will have on the low-income earners of this country. Security of supply is not being increased or protected. I would predict, certainly in the future, that we will find ourselves in a serious situation with respect to security of supply as we enter the late 1980s. We will find ourselves more reliant upon OPEC oil as we move along. That is an absolute shame for our country. Each year Canadian families are spending the equivalent of approximately $900 per year on OPEC oil. That money should be staying in Canada. I do not see in the energy proposals any indication that this will happen.

Earlier I mentioned that the energy proposals would not increase employment. In fact, the energy pricing proposals will work in the exact opposite fashion. In my opinion, we will not have a stronger Canadian industry, at least not for a long, long time. The industry will be severely affected by the moves of the government.

Energy development will also slow down. It will virtually stagnate and the whole question of our balance of payments will be turned around. Under this proposal, we will end up paying more and more for imported oil over what we now pay

the producing provinces of this country. Coupled with that is the question of the development of technology. That will not be there. In my opinion, the highly skilled advance technology will be developed in some other country, presumably in the United States where the action will take place.

● (1720)

One of the great tragedies of this whole question of the inability to come to a pricing agreement and, flowing from that, the government's unilateral moves on energy pricing and their budget which devoted so much to energy, is the way it will affect Canadian companies. I refer not to the multinational companies, but to companies owned by and controlled by and employing Canadians. I presume most members have received a copy of a letter addressed to the Minister of Finance (Mr. MacEachen) dated November 13 by a person by the name of B. M. McVicar. I wish to quote from his letter because it states far better than any of us in this chamber could describe what is happening to Canadian-owned companies in this country. I quote:

> Such budget cuts immediately result in a drop in seismic crew and drilling rig crew and normal procurement activities. If there is a predicted 40 per cent or 200 rig drop there could be a direct lay-off of, say, 5,000 people. Indirect lay-offs amongst logging, mud company and all other ancillary exploration and production service and supply companies could total up to 100 people per rig especially if supply outlets in Ontario and Quebec are counted. Everyone will have slightly different figures for all of this but the order of magnitude will be the same. The gross budget cut dollar effects are not too difficult to extrapolate from the past personal experiences of available knowledgeable people and presumably government statistics. The net effect of your budget is immediate severe Canadian job loss or degradation which will persist and will not only include hard pressed wage earners but also those with a high technical capability for sustaining and increasing our energy capacity. Job loss will occur from Halifax and St. John's through Sarnia and Windsor to Vancouver.
>
> Acting on your government's previous inducements to invest in Canadian industry I took it in good faith and made what was then a prudent and well advised investment, specifically Turbo Resources Oil and Gas Production Funds numbers 5 and 6. This was an act of thrift. My intent was to make provision for retirement. Your budget may have now ruined these investments and with them my retirement savings. How can I ever afford to trust the Canadian tax system to be a reliable inducement to commit investment in Canada versus elsewhere ever again?—
>
> The saddest part of the budget is its effect on Canadian individuals and companies: Ocelot, Tri-Mac, Simmons, Canadian Hunter, Voyageur, Turbo, etc. Individual Canadians with formerly viable and sound productive properties proved reserves, new discovery and a talent for finding hydrocarbon are verging on bankruptcy.

That is the result of what the energy package which the government brought down some time ago is doing to Canadian industry. It has been repeated time and again by other owners of Canadian natural resource industries. In effect, the government has virtually taken a sledgehammer to them without any recourse other than to suffer the consequences and see the industry literally shift to the United States.

There has been talk of western separatism. I do not know whether that is a good phrase. Certainly there is western frustration. There may be a certain element of separatist feeling in western Canada. I know the frustration level is dangerously high. That has not come about through only one thing. It came about as a result of an election campaign conducted on the basis of lower prices and a turnaround by doing almost directly the opposite. There was a first ministers' conference on the constitution in which it was perceived that the federal government was acting in a very devious manner, leaking memos and doing things not traditionally in the Canadian way.

The fact that closure was imposed on the constitutional resolution is very frustrating and worrisome to people in western Canada, as it must be to all Canadians. The budget and the energy package which we talked about this afternoon is one more building block in the whole foundation and may at some point in time lead to a very serious situation in western Canada.

Westerners are Canadians. There is no question about it and there has never been any doubt about it. I have talked to some people in western Canada who have indicated that they are separatists in their leanings, but they still have a Canadian flag on their desk, in their office or in their home. It is not the same kind of separatism we experienced in terms of the province of Quebec some time ago.

Westerners are Canadians, but they will only be pushed so far. They are sick and tired of the methods being used which result in the culmination of a series of things they do not believe are necessary. They believe that given a proper input into the life of this country, they could make a very good contribution. Fortunately, a country is stronger than any of its politicians or political parties, individually or collectively. That is good for Canada at this time in our history.

In closing, I urge all members before voting to take a hard look at what is being done to the goodwill of this country and a very important industry in it. I think we are moving toward not only severely hurting it, but to dismantling it.

* * *

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Ethier): The questions to be raised tomorrow night at the time of adjournment are as follows: the hon. member for Central Nova (Mr. MacKay)—Canadian National Railways—Intention to abandon track in Nova-Scotia—Government position; the hon. member for Surrey-White Rock-North Delta (Mr. Friesen)—Canadian Film Development Corporation—Registration of Michael McCabe—Amount of severance pay; the hon. member for Kootenay East-Revelstoke (Mr. Parker)—Northern Pipelines—Expropriation of land in British Columbia.

Petroleum Administration Act

PETROLEUM ADMINISTRATION ACT

PETITION TO REVOKE PROCLAMATION

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

That the proclamation laid before the House on Wednesday, November 12, 1980, pursuant to subsection 52(3) of the Petroleum Administration Act, as proclaimed in PC 1980-2917, be revoked.

Mr. Doug Frith (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, I wish to add my comments with regard to the present debate before the House. I know it is a well-known fact to members of this chamber that the basic principles outlined in the budget speech in October were the crux of the energy program that was to be instituted in Canada on behalf of the Government of Canada.

● (1730)

In it they outlined three basic objectives of that energy package. First of all, they dealt with security of supply. Second, they dealt with the opportunity for Canadians to participate in the energy industries more than they have in the past. Third, they dealt with the fairness in pricing and sharing of revenues among governments and industries in this country. The third objective is the one I wished to address myself to more particularly in the first part of my speech this evening.

When we talk about fairness I would like, by way of preamble, to state exactly what the situation is as I see it in Canada today. I think that I, along with many members on this side of the House, have expressed some concern about the level of western frustration. I am glad the member from Lisgar (Mr. Murta) expressed it that way since too often I feel that in this particular debate I have heard from the members opposite the word "separatism". That, clearly, is misleading to a number of Canadians who watch this particular program. Some of the better speeches from members opposite have come from those I would term the moderates in this realm. They discussed the feelings of alienation in western Canada in terms of the situation which I believe exists.

I visited western Canada in July as a result of a request by the Minister of Energy, Mines and Resources (Mr. Lalonde) to a number of Liberals in this House to undertake a tour of western Canada in order to explain federal energy pricing policies to Albertans, Saskatchewanians and British Columbians. From the open line shows I participated in and from some of the discussions I had with chamber of commerce groups in western Canada, as well as with people involved in municipal politics in western Canada, I learned first hand that I share some of the frustrations they have with central government. I have had discussions with people who live in western Canada about how they feel about the way the central government treats them.

Before dealing with that I would like to give an historical perspective of how the federation of Canada has evolved since the time of confederation in 1887. Most of us who are students of history realize that at the inception of federal government in Canada the "have" provinces were the maritime provinces. Over the ensuing 113 years since confederation we have experienced a continual evolution of both economic power and population demographic changes which have consistently moved from the eastern borders of our country to the west.

In the last several weeks I have read with interest some very good editorials, not only in central Canadian newspapers but in western Canadian ones as well. They spoke about this shift of power occurring within the country. They spoke about how we should view it from the standpoint of the opportunities it means for Canadians rather than from a sense of frustration as we try to come to grips with this problem of evolution in our country. From my perspective, as member of Parliament for Sudbury, I have some understanding of the frustration which is felt by people who live in western Canada with respect to their interpretation and the way in which they relate to central government. In northern Ontario we have had that same feeling of alienation with respect to our central government. It goes without saying that this kind of alienation, is a function of how far away one is from the centre of power. Political science documents have been written relating to this feeling. It occurs whether it is the provincial centre of power or the federal centre of power. I sensed, and I share, the same frustration as I think western Canadians feel about the way in which the economic structures of this country have worked in their view. I think they have some legitimate beefs. It has worked to their detriment in terms of development of secondary industry in western Canada and in terms of creating job sectors for the next generation of western Canadians. We too in northern Ontario have shared those feelings. For example, in northern Ontario freight rates work to the detriment of the development of secondary manufacturing industries. We see that 112 years after confederation we are still very much a hinterland economy largely resource oriented. Resources are shipped continually from northern Ontario to points in southern Ontario or elsewhere in Canada for further processing. I say, yes, share those feelings of frustration with respect to the feelings of western Canadians. They say, "Look, the resources are going to run out; they are finite resources. At some point in time we must have a manufacturing base in place or we must be able to develop the tertiary sector of the economy for the next generation of western Canadians." I can understand that attitude from the viewpoint of western Canadians. I share it with them from the standpoint of living in northern Ontario.

I am disturbed by some of the comments I have seen in newspaper articles in western Canada. I am somewhat concerned about comments made by some of the members on the benches opposite when they interpret that frustration level. I think the Minister of Justice (Mr. Chrétien) said it very well in Saskatchewan several nights ago when he was confronted by some members of the hard core separatist movement there. He

said it is the duty of all Canadians to fight with all their ability whenever the head of separatism arises. I do not have to say in this House how hard the Minister of Justice fought separatism in his own province.

I think it is important that hon. members from western Canada in this debate, and in the ensuing months, should to the best of their ability calm down this feeling of western separatism. Surely if we are members of Parliament we are Canadians first and Albertans second. As members of Parliament that is the message we must all give to western Canada regardless of political affiliation.

I would like to deal now with some of the remarks I have heard on open-line shows which have attempted to answer some of these problems vis-à-vis western frustration with respect to our present energy program and our budget, indeed, even with respect to the constitutional debate which is presently in committee.

I went to western Canada in July and participated in open-line shows. People calling in said, "Look, suddenly we find that for the first time in our lives we have all the riches, we are becoming much stronger economically than we have ever been before. All we see is a strong federal government trying to grab the money that we feel is rightly ours." Coming back to this whole issue of fairness in revenue sharing and about being a Canadian I say to them that there has been one consistent oil policy developed as Canadians, regardless of whether it has been under a Liberal or a Conservative government. Since the time of confederation one of the major principles which has allowed this parliament to survive the 113 years has been the ability of the federal government to take the riches from the "have" provinces and distribute them—I am not saying distribute them equally across this country, but distribute them in a manner in which we can, at least, deliver a basic level of service to all Canadians. There should be a basic security system for Canadians in this country; there should be basic rights for all Canadian citizens to enjoy.

Mr. Siddon: All you do is keep taking.

Mr. Frith: What the member opposite has just said is the kind of remark we seem to be hearing all the time—we always seem to be taking. Clearly, that is not the case. If the member wishes to rise on a point of order I do have at least seven minutes left—

Mr. Siddon: I wonder if the hon. member would receive a question on the subject of equalization and sharing?

I appreciate the genuine atmosphere in which the member is speaking. I think the reason for the frustration western Canadians feel is that in the talk about the importance of suppressing our feelings of anxiety we should not at the same time talk about what we view as discrimination or unfairness in the means by which equalization is to be administered. In other words, western Canadians want to know how the sums add up. The government opposite will not share with us what we are giving and who is receiving to what degree. Would the hon. member answer this question: does he not think western Canadians are entitled to that information?

Mr. Frith: I would like to answer the hon. member's question in this way since it is a question that came up in the Quebec referendum. It came up within the last four years as a result of the threat of separatism in the province of Quebec. When we get into this whole mathematical ballgame of how much we put into confederation and how much we take out the answer is: whoever is cooking the books can give you a different answer.

• (1740)

I was at the Economic Council of Canada two or three years back when the finance minister for Quebec, Jacques Parizeau, gave an address. He had been making quite a few speeches with respect to how much money it was actually costing Quebec to stay within confederation. I remember that the treasurer of Ontario, Mr. Darcy McKeough handed Mr. Parizeau at that time a leather-bound edition of what Ontario's treasurer had come up with as to what confederation cost Ontario.

I want to get away from that and come back to the basic feeling of fairness in the country. I happen to believe, having talked to western Canadians, that once their level of frustration is at least spoken out, they are still Canadians first, and they still believe in the principle of sharing. The reason I am speaking in this vein is that in terms of editorial reporting in western Canada and to a large extent on the national television networks I feel we are not getting our message across. I speak not from the standpoint of a Liberal message. I refer simply to the message that a central government must give to western Canada.

Let me come back to some of the remarks addressed to me on open-line shows in western Canada. I was told that world prices prevail for almost every other commodity and asked why not for oil. Last night in his speech the hon. member for Burin-St. George's (Mr. Simmons) correctly pointed out that in the late sixties copper prices were deliberately kept below the world price by the federal government in order to maintain a viable industry in Canada. In addition, exports were curtailed at that point in order to allow our Canadian industries to survive.

It was pointed out on other occasions that over the years, and particularly in the sixties, Canadians paid more for western oil than the world price. That was a conscious decision made by a central government to stimulate the oil industry in western Canada and to allow it to survive and to grow. This has been done in the past. To an extent I suppose we have done the same with respect to the cost of wheat. In order to maintain a thriving agricultural economy in western Canada, there have been times since confederation when we have paid more than the world price for wheat, and for the same reasons.

Therefore, when these kinds of subsidies occur, it naturally goes without question that somebody has to pay for them, and that is the principle all Canadians have accepted since the days of confederation.

Others said that oil is a commodity like all others and asked why it should be taxed any differently, why we should be suppressing the world price and why the producing provinces should not be getting the world price for oil as they do for all other commodities. I pointed out to western Canadians that by the law of supply and demand last year the supply markets on a worldwide basis increased and demand dropped. Therefore, by any other law of supply and demand the price should have dropped, but that did not occur. The price on the market doubled, so I say that oil cannot be a commodity like all others if that is what is happening on world markets. I said that the difficulty the federal government faces—and we have attempted to address it through the establishment of a national energy program—comes back to the way in which taxes from the resource industry accrue either to the province or to the federal government. To put it in perspective, the revenues which are derived from the oil and gas industry in Alberta for every man, woman and child amount to $1,851.

Let us compare that amount with the revenues derived from resources in Manitoba of only $46 for every man, woman and child, and in Ontario from the resource field of only $23 for every man, woman and child. When there is a discrepancy of the difference between $1,851 per person in Alberta compared with $23 in Ontario—and there are other provinces in which the figures are still lower—the federal government clearly has a problem. No matter how we attempt to increase federal revenues in order to distribute and equalize so that Canadians can share, somebody must give in this respect. Unfortunately, at the present time it is Alberta, but this will happen, as it has since confederation, to each province. At varying times in our history some of the provinces have been "have" provinces and others "have-not". The "haves" change from time to time, and so do the "have-nots". The time may come when Ontario will be a "have-not" province. If there is to be the semblance of a fabric of nationhood, we as members of Parliament will have to accept the fact that the "have" provinces must share with the "have-nots". I appeal to hon. members opposite to sell that message.

Some hon. Members: Hear, hear!

[*Translation*]

The Acting Speaker (Mr. Ethier): It being 5.45 p.m., pursuant to the order made on Friday, November 21, 1980, the House will now proceed to the deferred division on the motion of Mr. Waddell, seconded by Mr. Knowles, relating to the Petroleum Administration Act. Call in the members.

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

● (1750)

(*Division No. 35*)

YEAS

Messrs.

Althouse	Hargrave	Murta
Baker (Nepean-Carleton)	Hawkes	Neil
Beatty	Hees	Nickerson
Benjamin	Howie	Nielsen
Blackburn	Ittinuar	Nowlan
Bosley	Jarvis	Nystrom
Broadbent	Jelinek	Oberle
Clarke (Vancouver Quadra)	Jewett (Miss)	Orlikow
Cook	Keeper	Paproski
Cooper	Kempling	Parker
Cossitt	Knowles	Patterson
Crosby (Halifax West)	Kristiansen	Reid (St. Catharines)
Crouse	La Salle	Riis
Dantzer	Lewis	Robinson (Burnaby)
Darling	Lewycky	Rose
Deans	MacDonald (Miss)	Sargeant
de Jong	MacKay	Scott (Hamilton-Wentworth)
Dick	Manly	Scott (Victoria-Haliburton)
Dinsdale	Mayer	Shields
Domm	Mazankowski	Siddon
Ellis	McCain	Skelly
Elzinga	McCuish	Stewart
Epp	McGrath	Taylor
Fraser	McKenzie	Thacker
Friesen	McKinnon	Waddell
Fulton	McMillan	Wenman
Gamble	Miller	Wise
Greenaway	Mitchell (Mrs.)	Wright—88.
Gurbin	Munro (Esquimalt-Saanich)	
Halliday	Murphy	

NAYS

Messrs.

Allmand	Comtois	Ethier
Appolloni (Mrs.)	Corbin	Evans
Axworthy	Corriveau	Ferguson
Bachand	Cosgrove	Fisher
Baker (Gander-Twillingate)	Côté (Mrs.)	Fleming
Beauchamp-Niquet (Mrs.)	Cousineau	Flis
Bégin (Miss)	Cullen	Foster
Berger	Cyr	Francis
Blais	Dawson	Frith
Blaker	de Corneille	Garant
Bloomfield	Demers	Gauthier
Bossy	Deniger	Gendron
Breau	Desmarais	Gimaïel
Bujold	Dingwall	Gingras
Bussières	Dion	Gourd
Campbell (Miss) (South West Nova)	Dionne (Chicoutimi)	Gray
Campbell (LaSalle)	Dionne (Northumberland-Miramichi)	Guilbault
Chénier	Dubois	Harquail
Chrétien	Duclos	Henderson
Collenette	Dupont	Hopkins
	Dupras	Hudecki
	Duquet	Irwin
	Erola (Mrs.)	Johnston
		Joyal
		Kelly
		Killens (Mrs.)

Messrs.

Lachance	Marceau	Rompkey
Lalonde	Massé	Rooney
Landers	Masters	Roy
Lang	McCauley	Savard
Laniel	McRae	Schroder
Lapierre	Olivier	Simmons
LeBlanc	Ostiguy	Smith
Leduc	Ouellet	Stollery
Lefebvre	Parent	Tardif
Loiselle	Penner	Tessier
Lonsdale	Pepin	Tobin
Lumley	Peterson	Trudeau
MacBain	Pinard	Turner
MacEachen	Portelance	Veillette
Mackasey	Prud'homme	Watson
MacLaren	Regan	Weatherhead
MacLellan	Reid (Kenora-Rainy River)	Yanakis—123.
Malépart	Roberts	
Maltais		

● (1810)

[*English*]

Madam Speaker: I declare the motion lost.

Order, please. The decision the House has just made also disposes of the second motion standing in the name of the hon. member for Etobicoke Centre (Mr. Wilson).

It now being past six o'clock, this House stands adjourned until tomorrow at eight o'clock p.m., pursuant to an order made on Monday, November 24, 1980.

At 6.12 p.m., the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, November 27, 1980

The House met at 8 p.m.

GOVERNMENT ORDERS

[*English*]

PETROLEUM ADMINISTRATION ACT

PETITION TO REVOKE PROCLAMATION

The House resumed from Wednesday, November 26, 1980, consideration of the motion of Mr. Waddell:

That the proclamation laid before the House on Wednesday, November 12, 1980, pursuant to subsection 52(3) of the Petroleum Administration Act, as proclaimed in PC 1980-2917, be revoked.

Mr. Harvie Andre (Calgary Centre): Madam Speaker, I rise to participate in this debate on the invocation of the Petroleum Administration Act. I rise with a sense of *déjà vu* or, perhaps more accurately, with the realization that I am reliving a nightmare we have already experienced once before in this country. When the Petroleum Administration Act was first introduced in April, 1974, my party and I were adamantly opposed to it. In our view, the passage of this act would negate realistic negotiations between Ottawa and the producing provinces since the government in Ottawa knew it would never have to negotiate with the give and take implied, because Ottawa would have the hammer. We fought this act as vigorously as we could, and we fought it alone. But the Liberal government with its majority and with the help of its NDP bedmates, of course, prevailed.

An hon. Member: Not with the Tory separatists.

Mr. Andre: The battle was a total rout because after many weeks and months we were able to gain the inclusion of the sections which allow ten members to bring about the debate that we now have. We gained that amendment without New Democratic Party help. The New Democratic Party approved the bill but it did not want the bill to be used, which is just like saying that it is in favour of the fox guarding the hen house but it does not want the fox to eat the chickens. Is that hypocritical? I say it is at least hypocritical. But there was worse to come.

The New Democratic Party energy critic, the hon. member for Vancouver-Kingsway (Mr. Waddell), was bordering on McCarthyism in some of his remarks which were directed at the hon. member for Capilano (Mr. Huntington). The late U.S. Senator, Joseph McCarthy, to whom that infamous phrase is not contributed, used to destroy reputations by making the accusation, "Why do you not stand up here now and state categorically that you are not a member of the communist party?" He knew full well that it would plant doubts in a person's mind. That is exactly what the hon. member for Vancouver-Kingsway is doing in asking the hon. member for Capilano to state that he is not a separatist. The hon. member for Capilano does not have to prove to the hon. member, or to anyone, that he is a Canadian. He fought for this country in the war. That cheap McCarthyism is below the dignity of the New Democratic Party we used to know from the past.

Mr. Kempling: Say it outside.

Mr. Andre: Character and integrity are not words one would use to describe the current New Democratic Party caucus. Perhaps that is why they are such comfortable bedmates of the group opposite. If there is one single reason behind the current energy crisis, it has to do with the lack of integrity and honesty shown by Liberal governments over the last seven years.

It is seldom possible to point with accuracy to the genesis of a public issue, but in this case it is possible. Very specifically, we can go back to July, 1973, when the then minister of energy, the Hon. Donald Macdonald, and his deputy minister, now Senator Jack Austin, tabled phase 1 of "An Energy Policy for Canada". That was July 7, 1973. They stated on page 9: "No national energy policy can be contemplated without the fullest of intergovernmental consultation and consensus." At page 58, they said, "That there can be no effective set of national policies developed without the participation of the provincial governments is readily apparent." That was the position of the government.

• (2010)

About a week later they held the Western Economic Opportunities Conference. All kinds of promises were made about consultation, listening to the west and helping western industrial development. Six weeks later, because the then leader of the NDP, David Lewis, said, "Do something about inflation or I will get out of bed and no longer support you," on September 4 they imposed a price freeze on crude oil. That was six weeks after they promised there would be no such thing in their energy policy.

On September 13, 1973, the Trudeau Liberal government announced a 43-cent. export tax on each barrel of oil because American prices were going up. Therefore Premier Blakeney and Premier Lougheed reacted with some anger and concern. Both changed the royalties in their provinces.

In November Ottawa raised the export tax to $1.90. During that time, as *Hansard* will show, we were told not to worry, they were just collecting this to keep the price differential

between Canada and the United States, but the money belongs to the producing provinces and the industry.

On December 13, 1973, the then federal energy minister, Donald Macdonald, said 50 per cent of the revenue from the export tax, which was then close to $2.20, would be given to the oil producing provinces and the rest would be invested by Ottawa in the petroleum industry, likely through a national petroleum company. Two weeks later, December 27, when the House was not sitting, the export tax was raised to $6.50. Macdonald said the commitment to return the tax revenue to the province would end on February 1. That was another blatant break of a promise and a commitment. Naturally there was outrage and indignation from the producing provinces of Saskatchewan and Alberta.

In January they held a national energy conference. There was agreement that the domestic price should rise from $4 to $6, and in March all parties agreed that the increase should be to $6.50 a barrel over 12 to 15 months. About a month and a half later, on March 6, then finance minister John Turner dropped the bombshell in his budget, ending the deductibility of royalties. Companies could no longer deduct such payments from taxable income. That was a blatant contradiction of everything the Prime Minister (Mr. Trudeau) had promised just two months earlier. That was a third violation of a commitment. Under the Prime Minister we now have, there were three broken promises in the fall of 1973.

Then there was an election. The NDP got their just reward. The Liberals, I suppose, got theirs. They were re-elected a majority government. They sat down and produced a new energy policy called "An Energy Strategy for Canada: Policies for Self-Reliance." In it they stated, "It is clear, therefore, that a viable national energy strategy requires consultation and constructive co-operation with and among provincial governments." For a while they lived up to that. In fact an agreement was reached. Finally, there was agreement in 1975 that we move to world prices, there would be an escalation of $1 every six months, and the federal government imposed a ten-cent excise tax to help finance the subsidy for imported oil.

Lougheed formally declared peace on December 30. In fact for two years everything went along reasonably well. The industry prospered. We started working toward self-sufficiency. Then the end of that Liberal government's term of office came along. On September 27, 1978, energy minister Alastair Gillespie announced unilaterally that $1 increase scheduled for July 1 would be cancelled. That was a unilateral decision in violation of what was then a written contract. It was the fourth direct violation of a promise. It was a written contract they had violated. They broke their word for the fourth time.

Mr. Lalonde: Lougheed agreed to it.

Mr. Andre: Later, after some concessions. He did not agree to it on September 27.

Mr. Baker (Nepean-Carleton): Marc, you listen to a good speech and stay quiet.

Mr. Lalonde: Agreed.

Mr. Andre: In March, 1979, the Prime Minister called a federal election for May 22, declaring that Canadian energy needs were too vital to be left to Exxon or the Alberta government. There we are. There is the history of broken promises, the chicanery, the dishonesty, the kind of dealings one would not expect from an enemy, let alone your own national government. That is the legacy.

If anyone wants to know the root of western alienation, look at this history of broken promises. If you want to know the root of the distrust shown by the people for the federal government, look at how the federal government has behaved—broken promise after broken promise after broken promise, and violated written agreements. That was up until the election of 1979. Since their return to power, the dishonesty has become worse.

During the summer we had the charade of so-called meaningful negotiations by the minister. We had the details laid out in the Alberta legislature. We know what actually happened at those meetings where the minister said he was negotiating in good faith. There were no such negotiations in good faith.

Then there was the advertising campaign. Incredible! George Orwell's 1984 personified right here in this strategy document for this energy advertising campaign. Then we have the malicious distortion of the energy pricing agreement which had been worked out between the Clark government and the Alberta government when the minister sent out his poor embarrassed officials to make the presentation on what gas prices would be under that agreement.

We then have the utter distortion on revenue sharing. It is interesting to note when various spokesmen from the other side talk about how the revenues from oil and gas are shared, they never talk about it at the pump where the consumer pays for it. When a consumer pays $1 for gasoline at the pump, 22 cents goes to the federal treasury, 22 cents to the Ontario government, and 18 cents to the Alberta government. Those kinds of proportions are never mentioned. What they keep saying and various ministers keep repeating by rote, even though they know not what they are saying, is that the sharing formula is 45 per cent province, 45 per cent industry, and 10 per cent feds.

What price are they talking? That is the $16.75 which bears no relation to the market or the world price. They keep saying that in Texas the state government only gets something like 20 per cent, and Alberta is getting 45 per cent. The reality is that the state of Texas gets more per barrel of oil. I believe they get $6.50 where the province of Alberta gets $6.10. The state of Texas does not own the oil. It is privately owned.

What is the fair price that we should have? The minister has said many times that world prices have no relationship to reality. There are OPEC prices. Is that the real feeling? I refer hon. members to the November 22 edition of the Toronto *Globe and Mail* and an article by Hugh Anderson:

> Pressed to the wall in an argument, and speaking "for background" only, federal energy officials will concede that keeping the domestic price of Canadian oil far below the price of imported oil makes little economic sense. There is currently a difference of about $20 a barrel.

The policy can only be understood through the prism of national politics. As Edward Clark, an assistant deputy minister in the federal Energy Department and one of Energy Minister Marc Lalonde's most influential advisers, puts it: "If Canada were a unitary state, not a confederation, there would be no problem about going much closer to the world price."

● (2020)

What an admission. In essence the article is saying that this whole thing of pricing has nothing to do with pricing or saving consumer dollars, but instead it is revenue. What they are saying is that if Canada were a unitary state and if the oil belonged to the federal government, we would be paying the world price. That is what the chief adviser of the Minister of Energy, Mines and Resources, Ed Clark, said when asked by a reporter. Yet the minister stands up in the House and has the audacity to say that the price which they are talking about is fair and reasonable based on the best advice and analysis of his officials. His officials have given the minister no such advice. His officials are described by Keith Spicer as "smug little ideologues in Lalonde's department".

What is a fair price? The Clark government and the Lougheed government agreed that eventually the price of oil and gas in Canada would reach 75 per cent of the world price. If we were at 75 per cent of the world price today—and the officials in the Department of Energy, Mines and Resources say that we should be—then the share ratio would be the following. Alberta would receive 23 per cent; the industry 23 per cent; and the federal government 53 per cent. The federal government would receive part of its share directly through taxes and the rest of it by virtue of policy which distributes the revenue to the consumers of the country. If the government is to be honest about the sharing of oil and gas revenues in this country, the formula is federal government 53 per cent, provincial government 23 per cent, and the industry 23 per cent.

If the government has any decency or integrity, it should try to be honest and stop repeating what is a blatant lie, the ratio of 45-45-10, which has no relationship to the truth. The dishonesty goes beyond that and extends into the national energy program which came down as part of the budget.

I see the minister responsible for the western development fund is present tonight. While we are on the subject of dishonesty, I would like to deal with the question of the $4 billion western development fund. I went through the budget fairly carefully, and there is only $2 billion in that fund, not $4 billion. It is a $2 billion fund spread over three years, and most of that $2 billion comes from existing programs. The minister's colleague, the Minister of Transport (Mr. Pepin), has said that he will do away with the Crow rate and make up for it through funds from the $2 billion. The Crow rate contributes about $300 million a year to western Canada, and the Minister of Transport is going to make up for that out of the $2 billion western development fund. If one considers the Prince Rupert project, this $4 billion western development fund comes out to nothing at all. At most it is in the millions, and it is certainly not $4 billion. However, that does not prevent members of the government from standing up with no apparent embarrassment and talking about the $4-billion fund.

I see that the holier-than-thou man with the collar is nodding; he should go to confession.

The dishonesty of the government, when it talks about $4 billion in the western development fund which does not exist, and in this document, "The National Energy Program", is evident.

In this document the government says that there will be no export tax, but in the very next paragraph it says that it will tax sales to U.S. consumers at 30 cents per 1,000 cubic feet. If sales to U.S. consumers are not exports, then what are they? And if that is not a tax on exports, then what is it? On page 17 of this document Canada's policies are compared to the British policies and the government says how favourably it is treating the industry compared to the way the British government is treating the industry in the North Sea. But it does not mention that the North Sea rules were changed several months ago by Prime Minister Thatcher. Is that dishonesty? It is certainly not honesty.

Mr. Lalonde: Plus a 20 per cent tax yesterday.

Mr. Andre: It is certainly not honesty if one remembers what the government has already said.

There is another statement on page 17 which describes how important it is to deal with the question of foreign control, and that over the period 1975 to 1979 approximately $3.7 billion in capital flowed out of Canada to the United States. What the government neglects to mention is that more than half of it, or $2 billion, is attributable to Petro-Canada as a result of this government, and not foreign ownership in the industry. Is that honesty? It would certainly not be described as honesty by anybody I know and respect.

On page 27 of the document the government describes the world price on oil as being arbitrary and artificial. Yet the man who undoubtedly wrote this document, though the minister put his name to it, has said in a newspaper article which I quoted earlier, that in fact if we were a unitary state prices would be near world levels. The official is saying on the one hand in the article that our price should be at world levels, and on the other hand, in the political document he is saying that world price levels are artificial. When was this official being honest—when he was talking to the reporter or when he was writing this document for the minister?

On page 38 of "The National Energy Program," the government refers to the 8 per cent net revenue tax which is in fact a royalty because it is levied right at the wellhead. The government does not want to talk about royalties because it knows it will be challenged in the courts and that it would probably lose in court. The document goes on to say:

This tax . . . will produce a high marginal tax rate for firms that reinvest little of their cash flow.

It seems to imply that one would only pay that tax if one does not reinvest. As an official admitted to me in committee, one pays that tax whether or not one reinvests. It is a blatant distortion of the truth. Moreover, this tax is not 8 per cent. It is between 12 per cent and 24 per cent depending on the type

of material one is producing, whether it be new oil, old oil, gas or what have you, and depending on the province in which it is produced. What is more interesting about that 8 per cent tax is that it is non-deductible for income tax purposes except, of course, if the company is a foreign multinational. A foreign multinational company can deduct that 8 per cent from the income of the parent company in the United States.

It is interesting that this great document which talks about Canadianization states that Canadian companies will not be able to deduct the 8 per cent royalty for income tax purposes, but that foreign companies may make the deduction. What genius dreamed that one up? It is absolutely absurd. It must have been the same genius who wrote this line, which is a dandy:

> While the Government of Canada is determined to increase Canadian ownership and control, it does not wish the result to be increased concentration of power in the hands of a few large . . . companies. Competition is the lifeblood of the industry, and the consumer's best protection. . . . Therefore, the government will be vigilant about ownership trends in the industry.

The government will ensure competition in the public sector by creating perhaps two or three additional companies. Here is the sentence:

> To ensure competition in the public sector, the government may establish one or more new Crown corporations to hold the assets acquired, rather than adding them all to Petro-Canada.

Is that not a dandy definition of competition? Instead of having just one Crown corporation at the minister's beck and call, he is going to have two or three and thereby have competition. There will be competition by having three toys to play with rather than one. If this were not so serious, it would be laughable.

● (2030)

On page 51 it says:

> Judging from the results achieved to date by Petro-Canada, it is also an effective way of encouraging the rapid energy development necessary to meet our security needs.

Petro-Canada has not found a drop of oil or a cubic foot of gas yet. How can we judge its tremendous success? Success in the gas and oil industry is judged by the gas and oil the industry finds. Petro-Canada has not found any. Petro-Canada does not have it yet, but it has negotiated with a German-owned and Liechtenstein-headquartered company to build a high rise office building in Calgary. Mind you, this is all in the interest of Canadian ownership. I suppose Petro-Canada got this contract from the Bermuda company which designed its new logo.

This Canadian ownership is really a great thing when exercised by this government. The litany goes on and on throughout this document. There is misinformation, blatant distortions and dishonest analyses of facts. I am not talking about prejudice or some interpretation. I am talking about blatant distortions which are totally contrary to what the officials who wrote this would say in another format.

The reality is that we are in a crisis. This country is in an energy crisis. We are not going to have enough oil to satisfy our needs within a few years. It is absolutely imperative that we resolve the disputes between the federal and provincial governments, reach an accord, and get on with making this country self-sufficient. That is absolutely imperative to this country. That means that there must be negotiations. The feds think they have the big club and that they can beat the provinces into submission. If that is their true feeling, they are making a very grievous and serious mistake because they will not succeed. They will do enormous damage to the country. They will do more damage than they have already done by taking that path, but they will not succeed in beating the provinces into submission.

The feds must sit down and negotiate. They must negotiate pricing, revenue sharing, and a strategy for future development of supplies for Canada. Canadians are basically a fair-minded people. I am talking about westerners and easterners. Easterners cannot help but think that westerners are greedy and selfish when the only information they get is the blatant lies put out by this minister and his colleagues who believe the things he is telling them. They cannot help but believe that westerners are greedy when they accept the figures of 45-45-10 as the revenue-sharing formula. How do they know any better? That is a distortion. It is a lie. They cannot help but think that Alberta is being very difficult and unwilling to negotiate if they are not aware of all the broken promises and lies of this government in the past.

By the same token, westerners cannot help being overly protective of their resources, given the history of those broken promises. They have waited 113 years for transportation policies which would look after their interests. They have been frustrated about the national policy of high tariffs. They now finally have a resource which is providing some income, and they will not sit idly by and allow this federal government, which has lied to them so often in the past, to seize that resource based on some promise that the federal government has their interests at heart.

If the federal government really wants westerners to believe it, it should stop lying about $4 billion development funds which are not $4 billion development funds. The government should stop lying about the 45-45-10 revenue-sharing formula, which is not true. It should stop trying to portray westerners as greedy and selfish and somehow less than real Canadians because they want to be able to protect their own futures. What Canadian does not want to protect his own future? What group of Canadians anywhere does not want to be able to prosper and grow with this country?

Western Canadians feel, with cause, that they do not have a federal government which can be trusted. I say with cause, because there is that record of broken promises. And how can that be changed? It can be changed by coming clean and by being honest. Perhaps that is too much to ask. I do not know. If it is too much to ask, I am afraid we are in for some very tumultuous months and years ahead. I hope it is not too big a change or too much to ask that the Government of Canada, which is a majority and which would like to be a national government, be honest, stop distorting the truth, stop putting out blatant pieces of propaganda, cancel public advertising

strategies and their Orwellian concept and expose Canadians to the truth about energy prices, about revenue-sharing, and about regional distortions.

Western Canadians are quite ready to share with their fellow Canadians. Their commitment to this country is every bit as strong as that of anyone else, but they are not prepared to be lied to and stolen from. As long as the approach of the federal government continues to be lies and theft, I am afraid we will see a continuing growth of that very ugly mood which exists in the west today. It will be a cancerous type of growth which may eventually destroy its host.

I plead with hon. members opposite who have consciences to think about that for a while. I do not have access to their caucus, but I ask them for goodness sake not to tolerate being abused and misused. They should not tolerate receiving false information. They should demand honesty and integrity from their government, and perhaps the country will survive.

Mr. Waddell: Mr. Speaker, I rise on a question of privilege. I wish to give the Chair and the hon. member for Calgary Centre (Mr. Andre) notice that I wish to reserve my right to raise a question of privilege in this House after I have read in *Hansard* the reference in the hon. member's speech to McCarthy and other remarks with reference to me. I just want to put that on the record.

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Mr. Speaker, earlier today I had to make a very difficult decision not to provide a permit to the Stratford Board of Governors to allow an artistic director to come into Canada on the ground that I felt the board should engage in a more extensive search for a Canadian who could provide the kind of dramatic qualities of leadership required by that institution. After listening to and watching the previous speaker and taking into account the theatrics and histrionics we have observed, I feel that I have found a very likely candidate for that position.

Mr. Andre: Did that take you half an hour.

Mr. Axworthy: The only problem is that if the hon. member were hired as the artistic director, the entire season would be full of farce and comedy, and we would not have any other types of presentations. I would be more than happy to recommend the hon. member for an alternative occupation and employment. I know that he is busily doing that for his leader. I do not want too many Tories unemployed come February, so we will simply leave the hon. member in his present occupation, which he very honourably and nobly espouses, as the evangelist for the oil industry. Perhaps we could call him the parson for the petroleum companies, or the minister for the multinationals.

The hon. member opposite has obviously wound himself into a religious fervor, and unfortunately he exhibits the worst signs of people who get themselves involved in that kind of obsession. They become narrow-minded and unable to see the truth and where it really lies.

There is a play called "The Rainmaker". It is a story about an evangelical preacher down in the United States. It is said of him that he is so busy being right that he forgets what is good. I suggest to you, Mr. Speaker, that if there is any comment on or description of the debate we have heard from hon. members opposite in the Conservative party, we can certainly say that they are so busy being righteous that they forget what is good for Canada; they are so busy taking a stand on these kinds of rigid, narrow-minded arguments that they forget what we should be doing to try to plan for the future of this country in the decade ahead.

• (2040)

If you distil the arguments, if you clear away all the insults, character assassination, bombast and rhetoric, you come down to two simple propositions put forward by the hon. member for Calgary Centre (Mr. Andre), which is simply that the consumer should pay much higher prices and that the revenue should go to the provinces.

Mr. Baker (Nepean-Carleton): That is not what he said at all, Lloyd. You were asleep again.

Mr. Axworthy: He simply said that the beneficiaries of an energy policy should be the provincial governments and their treasuries, and that the people who should pay those prices are the consumers. Basically, that is what the Tory energy policy is all about.

As the hon. member went through his litany of historical events he reminded me of the same person who wrote that new history book that the province of Alberta has just produced, which somehow avoids mention of our Prime Minister (Mr. Trudeau) as being the Prime Minister of this country. Somehow they find a selective filter through which they pass their ideology.

The hon. member forgets some facts of history, such as the OPEC countries which have been raising prices at astronomical, exponential rates since 1973. That did not come out in his account of history, Mr. Speaker. We did not hear about increases going from 10 per cent to 100 per cent, to 1,000 per cent, and to 2,000 per cent over the past five or six years. It seems that somehow all the energy problems were caused by the Liberal party and we were the authors of these horrible crises in the energy field. Somehow he forgot there is a world out there and that people were raising prices according to what their own position in the monopoly market would allow them to do. Well, he has lots of guts, that boy. He can really stand up to the heat. That really shows exactly why the Conservative party is over there and why we are here.

The fact of the matter is that Canadians do want a consistent energy policy which balances the interests of all Canadians, not just those who are in the oil patch in Calgary, but those who sit in the board rooms of Bay Street. They want an energy policy that is fair and equitable and that serves all individuals according to need and according to a fair proportion.

When the hon. member talks about the west he is talking about a very small minority of westerners. He is talking about the friends whom he sees at the Petroleum Club and the people who read the journals which talk about the great exodus out of Canada, the loss of jobs. He is not talking about the farmer in Alberta who, if members opposite had their way in the budget, would be paying $2,400 more a year by 1984 under the previous Tory plan than under our plan. If you talk to farmers in Alberta, Saskatchewan or Manitoba, who are also westerners, and ask them if they want to pay inflated oil prices, if they want to charge higher prices for their commodities and goods so that the consumer ends up paying more, they will tell you that they are not so sure about that.

You can talk to the consumer in western Canada who lives in Edmonton, Calgary, Winnipeg or Regina, who would be paying $500 more to put gas in his car or an extra $500 or $600 to heat his home. Those are westerners as well. They are not the kinds of westerners the hon. member was talking about, because he does not associate with them very much.

That is the kind of concern we had to bring to bear in establishing an energy policy. We had to take into account the fact that there were a lot of people in this country, whether they lived in the east or in the west, who could not afford the kinds of policies and programs which had been put forward in the previous budget.

We admit that it is not easy to get an agreement with the provinces. We are not saying there is a magic wand or an instant solution which will provide the great agreement which hon. members opposite want. I am sorry, Mr. Speaker, there is an easy way. We could surrender, we could appease, we could give in. But if we were to defend the interests of the entire country and of all those who live in it, then there would not be an easy way to do it.

I was a little surprised at the history lesson we received from the hon. member for Calgary Centre. He made it sound as if this were the great Armageddon of federalism, as if somehow what has been transacting in this country over the past few months is a one and only event. He made it appear as if the great, glorious provincial leaders were standing up to the federal government which, as he says, has been dealing in deceit and dishonesty. He is not a very good student of history, because the history of this country is one of constant conflict, tension, certainly a whole series of disputes between federal and provincial governments, disputes from one region of Canada to the next.

I was reading some debates on the unemployment insurance bill back in about 1939 or 1940, and I came across some comments from a provincial premier who said:

> It is clear to me that with the western provinces hopelessly bankrupt, any national scheme of unemployment insurance will have to be borne by the two central provinces and if unemployment insurance is necessary it would probably be best to run our own show.

He went on to say that he was opposed to the federal government providing any assistance to the western provinces which were totally bankrupt at that time. That was Mitch Hepburn, the Premier of Ontario. This sounds very familiar when we compare it to some of the statements we hear from some premiers today. Different regions, different provinces—same philosophy. They say, "We have ours, we will keep it, we will not share it". But fortunately, in 1939 and 1940 the federal government had the courage to bring in an insurance scheme to cover unemployment right across Canada, to make sure that there was fair sharing of benefits and to make sure that people in the central provinces paid more than they gained to make sure that the regions in the maritimes and in the west would get economic security.

I would suggest to hon. members opposite that they go back and read those debates on the Unemployment Insurance Act of 1940. What is interesting is that the very same party which is now claiming this great history of dishonesty by the federal government was saying the same things then. The arguments have not changed 40 years later. The same thing is true now, "Let us defend the provinces, let us not have the federal government impose its will, let us not share the wealth, let us not provide benefits". You would think that after 40 years they could update their act. The point is that this party throughout history has always recognized the fundamental fact of confederation, that there must be a sharing of benefits.

Mr. McKinnon: It was King who said "Let's not give them a nickel."

Mr. Axworthy: Do you know what we should do? We should take a look at the figures as they now appear. There has been a certain kind of mythology around that this new energy policy will bankrupt Alberta, that somehow the people of Alberta, who have worked hard and are good citizens, will be impoverished by this national energy policy. Yet when I look at the numbers and figure them out by the same calculations that hon. members opposite have used, I find that the per capita revenue by 1984 will be $4,000 per person in the province of Alberta on resources alone. Compare that with my own province of Manitoba which will get $22 per person from resource revenues. It seems to me that when you look at both the $4,000 and the $22, you have to conclude that there is a certain economic disparity at work. So there has to be some mechanism of sharing and evening out that disparity, some way of providing a balance between the two so that one province does not have to raise its income, corporate or sales taxes to extraordinary levels simply to try to achieve a level of services equal to that in a province which has all the wealth.

All we are trying to do is to say that the responsibility of the federal government in this day and age is to provide for some balancing, some sharing, so there are not those hills and valleys of economic wealth and economic disparity.

Some hon. Members: Hear, hear!

● (2050)

Mr. Axworthy: Also it is true to say that the other responsibility of a federal government is to ensure some degree of balance between public and private activity in the country. My party is committed to private enterprise. We support and give incentives to small and large businessmen to produce and

create jobs, but we are also committed to a basic fundamental principle that there must be some degree of ownership, control, and management within our own country.

Mr. Baker (Nepean-Carleton): Do you have criteria?

Mr. Axworthy: Yes, I do, that 90 per cent of the oil industry should not be owned by foreigners. That is the criteria I start with. I do not believe that with a valuable, essential resource like energy we can afford to have decisions made by people outside the country.

Mr. Baker (Nepean-Carleton): No one is arguing with that. Tell us about your criteria.

Mr. Axworthy: I believe the government must be able to establish certain rules and to have a certain degree of accountability to its citizens, whether corporate or private. But we have no reach to Pittsburgh, Dallas or Houston. We are simply vulnerable to those decisions. We are trying to establish some rules which will give some certainty to private industry, at the same time providing some incentive for Canadian owners and managers to create wealth in the country and to be accountable to their own elected representatives.

The hon. member for Calgary Centre spent a great deal of time, to the amusement of his colleagues, scorning the activities of PetroCan. Yet he ignored one very fundamental consequence of the development of PetroCan in Calgary itself. Because of PetroCan, and the legislation brought in by Mr. Macdonald, Mr. Turner and Mr. Gillespie, we gave an enormous incentive boost to private Canadian operators to become active in the oil industry. It was Petro-Canada that took a bunch of small oil companies, and by allowing them to become a consortium and to get access to Crown land, they for the first time were able to get into the exploration and development field, a field which had been dominated by multinationals up to that point in time.

Mr. Baker (Nepean-Carleton): Will the hon. minister accept a question?

Mr. Axworthy: Certainly.

Mr. Baker (Nepean-Carleton): The minister indicated that he was concerned about 90 per cent foreign ownership in the oil industry. That concern is shared by all Canadians. Would the hon. gentleman tell us how that occurred over the last 13 years? Who was in government when that occurred? Why was it allowed to occur? Has the government explored other ways, in addition to the ways the minister described, in which that may be alleviated?

Mr. Axworthy: Mr. Speaker, I would be very happy to try to provide an alternative history lesson to the one the member received from his honourable colleague. We are talking about a major change in the nature and composition of the oil industry beginning with the OPEC prices of 1973. At that point in time we met a turning point in our history and in the history of the world. All of a sudden we were creating vast windfall revenues and enormous economic grants that had no relationship to cost of production or development, but were simply created artificially by the decision of a group of governments which had the ability to command and control the world market. Once that began to take place, enormous power was given to those who were acquiring the wealth.

Mr. Baker (Nepean-Carleton): Did you see that coming over 13 years?

Mr. Axworthy: No one saw it coming. I mean, I would like to think we were all born in possession of crystal balls. I do not make any claim to prescience and foresight. We simply said that we had to react to events, like the Japanese, the Germans and the Americans did. I do not want to be unkind, but I suppose I could say to the hon. member opposite that if his crystal ball was so good, he might have avoided December 13 more effectively than he did.

Some hon. Members: Hear, hear!

Mr. Baker (Nepean-Carleton): Will the hon. minister permit another question?

Some hon. Members: Oh, oh!

The Acting Speaker (Mr. Ethier): Order, please.

Mr. Axworthy: I have tried to answer the member's first question. I would like to be allowed to continue. If there is time left, certainly I would be prepared to consider it.

Mr. Baker (Nepean-Carleton): I thought you had forgotten what the question was.

Mr. Axworthy: The fact of the matter is that we have gone through a major change, and it was this government which brought in Petro-Canada as an alternative based upon its energy policy of 1974 and 1975. We are simply saying now, as the industry grows and expands, that we want to ensure a balance between the public and private sectors.

One important result of the establishment of Petro-Canada was the incentive it gave to the private, small, independent Canadian oil and gas industry in Alberta. That is a part of history which is conveniently forgotten by members opposite, by Mr. Lougheed and by members of the oil industry. They were given incentives, they were given assistance to develop and expand their operations, but now the time has come where we must take another look at changing conditions. Perhaps that is one of the things which makes us different from members opposite.

We are prepared to change policies and programs as conditions change. We do not etch them in stone and keep them there for 40 years simply because it is the Conservative way of doing things. We are prepared to respond if something happens. Also we are prepared to admit mistakes and to say that as the world around us changes, and as our own country changes, we must have the flexibility to respond.

Mr. Baker (Nepean-Carleton): You have a lot of mistakes to admit.

Mr. Axworthy: With the Petroleum Administration Act we are simply trying to say that the conditions have changed, and we need to provide for a different regime of government to set prices and to provide a different order of incentives. If they do not work effectively, we are prepared to react, respond, consult, and make changes again if necessary. There is nothing frozen, static or reactionary about this side. I believe that is why we have been here so long and hon. members opposite have been there for so long. Canadian people want a government which is responsive and flexible, not one which is reactionary and rigid.

Some hon. Members: Hear, hear!

Mr. Baker (Nepean-Carleton): You will never be leader, Lloyd.

Mr. Axworthy: Let me deal with another mythology which has grown up in the House, that somehow the changes under the national energy program will have enormous economic "drags" upon the economy of Alberta. The hon. member for Calgary West (Mr. Hawkes), the hon. member with the Ph.D., and the hon. member for Calgary South (Mr. Thomson) rise in the House and say that the companies are leaving in droves.

An hon. Member: They are.

Mr. Axworthy: I looked at a report in *The Globe and Mail* which indicated that there was a cutback in oil drilling, but I should like to point out that the article appeared three days before the budget. It was based far more on the fact that now there is a surplus of natural gas, and it had nothing to do with the national energy program. If hon. members opposite accuse us of being somewhat loose with the truth, they should read that *Globe and Mail* article which appeared before our budget. It simply pointed out that, because of the surplus, oil rigs had to look for alternative markets.

In the national energy program we are responding to that very problem by setting up a natural gas bank, so that we can buy surplus gas and therefore provide more incentive for the continuation of exploration and development in the market. I have not heard members opposite talk about that good measure. It is an incentive to Canadian companies, it is an incentive to keep them working. I have not heard them talk about that, yet it is part of the national energy program. Nor have I heard them talk about the major incentives given to consumers to convert from oil to natural gas, which is an energy supply that we have in large surplus, in order to ease the burden upon our oil. One of the fallacies of the hon. member for Calgary South is that he assumes that our only energy source is oil. We are saying that we are energy rich as a country. We have oil, gas, coal, biomass, solar, propane, methane and all other kinds of energy sources. Surely the trick to having a proper energy policy is to ensure that we utilize all kinds and forms of energy, particularly those in which we have a major advantage.

So, an underlying and important thrust of our program and policy was to provide for conversion to natural gas. In fact, we can follow the linkage backwards. It would give private companies engaged in the exploration and development of oil and gas a further incentive to go forward and find new sources. So, Mr. Speaker, I must disagree when we are charged with ignoring the interests of the private sector. In fact, we are providing a wide range of incentives in those areas. We do not apologize for the fact that we are giving more incentives to Canadian companies than to the multinationals. We believe in equity and we do believe in balance.

● (2100)

I would like to deal with another topic which has caused me some concern over the last two or three weeks. It is the argument being made that the mistrust of western Canada is all due to the federal government. There is a deliberate, and I would say malicious, attempt to build the case that there would not be grievances or calls for separatism in the west if we did not have the Liberals around. The argument is that the Conservatives would solve all these problems. I take issue with people who say that having a Conservative government on this side would immediately result in an energy agreement with the western provinces. I can recall the former minister of finance, the minister for flabbergab, walking into this House and putting a budget on the table without having an energy agreement with the province of Alberta. He did not have an agreement right up to the end when they were in Edmonton trying to get a bargain out of Mr. Lougheed. What happened at that time was this: Mr. Lougheed kept upping the ante as each hour went by. He was putting more chips on the table. There was no agreement.

Furthermore, I suggest it is wrong to start setting region against region, to deliberately set one group of people against their national government. That is a trick the leader of that party must be very careful about. I know what his occupation is. I know what his obsession is. It has nothing to do with an energy policy. It has nothing to do with the constitution. What it does concern is keeping himself in that front seat. He is a politician and, as such, I will grant him the right to do that. But I suggest at times he steps over the margin. There are times when he stretches the point, when he begins to create the self-fulfilling prophecy of "don't believe in Ottawa, your national government, because they are not working in your interests." We are trying to work in the interests of western Canada. Not all western Canadians would agree with that, and maybe not the kind of industrial group the member from Calgary represents. They do not agree with that. There are a great many people in western Canada who are prepared to give us a chance, to see what we are prepared to offer. Members opposite have made light of the western development fund. We are not talking about a fund, Mr. Speaker. We are talking about an economic and industrial strategy for western Canada, taking into account major changes now occurring in the west. There is no doubt that western Canada is setting a political, social and economic agenda for the rest of Canada right now. They are the dynamo driving the economy. It is an area of

primary importance, both nationally and internationally. It is a region for which the time has come in terms of its economic significance. We are trying to put in place a policy for our government which will respond to those changes, one which will respond to the new economic significance of the west. The western development fund is only one part of that, simply to make revenues available to provide for additional initiatives and projects. We believe that reorienting the outlook of the entire federal structure, is necessary. Similarly the outlook of the provincial governments and the outlook of the private sector must be reoriented. How do we ensure the tremendous potential which is looming in western Canada in the areas of employment, new investment and new resources? We are thinking of means by which they can be properly capitalized and used for the benefit not only of westerners but of all Canadians. It is our objective to say, in the light of this new resource boom that this is the time and here is the chance to do what westerners have always wanted to do, which is to diversify and mature their economy, not to have it based solely upon resources but to bring industry and technology into the west. Our thought is to provide for a whole new industrial base which will not work solely for the interests of the west, though that will certainly be of prime importance, but will be of benefit to the entire country, multiplying its benefits from one end of Canada to the other. That is what we are after.

Mr. Speaker, I think this should be the objective shared by all members of this House. Rather than taking cheap shots and making premature judgments, trying to stomp something into the ground, they should be trying to help us. They should be making recommendations and proposals we could use. We are a government. We have to make decisions. In doing so we are also prepared to listen to members of the opposition who come forward with constructive and positive proposals of how we can take advantage of a new resource boom in western Canada and use it to develop a richer, broader, more varied economy in that region. It does mean investing in new transportation facilities. It does mean putting new rail lines in to carry potash, coal and grain to markets. It does mean investing in new industrial locations. It means ensuring that the productivity of the soil is maintained and enhanced. There are a number of options and opportunities open to us in the west. All we are saying, as the federal government, is that we would like to use some of the revenues which come out of our resources to recycle something back into that economic plan for the benefit of western Canadians. I find it hard to accept that such a plan should be the subject of the kind of criticism which journalists, editorialists, provincial premiers or members like the one from Calgary South express, which is so negative, blind and narrow that they would not give us a chance to put that kind of a program in place. We think a national government should have some role in that economic plan of development, not just a provincial premier or one provincial government. That is the difference between us. We feel that by putting that kind of economic plan into operation we can share the benefits among all.

The debate we are engaged in today is a good one and it is useful but I think it is time we gathered away from the wailing wall, stopped the gnashing of teeth and the tearing of hair, stopped the negativism we see here and started looking at what a national energy policy can do for western Canada. We should be looking at what western Canada can do for the rest of the country. If we can bring ourselves to that kind of action, then I think we will have a much more positive debate.

Some hon. Members: Hear, hear!

Mr. Lorne McCuish (Prince George-Bulkley Valley): Mr. Speaker, before I address myself to the motion before the House I would like to say most sincerely that it is, indeed, an honour for me to rise and contribute to this debate. It is fair to say that I am somewhat at a disadvantage here, Mr. Speaker, because you are so calm and relaxed and I am so much afraid. one emotion which I do have stronger than the fear I demonstrate is that of pride. I take pride in the fact that I am here, that I am a backbencher. In that one way, as a backbencher, there is only one way for me to go—down. I take pride in the fact that I am a Progressive Conservative and that I can call these men my colleagues—seven at last count. More important, I take pride in the fact that I have been chosen by the people of Prince George-Bulkley Valley to represent them in this, the House of Commons, and to speak on their behalf.

Although I take pleasure in contributing to this debate, I feel somewhat saddened by the fact that there is the need for it. I am saddened because we are in the midst of a debate on an issue which allows the federal government, under the Petroleum Administration Act, to unilaterally set the price of oil and natural gas.

Due to the federal government's inability to secure a lasting agreement with Alberta on a pricing scheme, they now propose to act alone without regard to, or respect for, their partners in confederation—the provinces. They have acted on clauses 36 and 52 of the act. This, to me, is tantamount to the other guillotine measures they have adopted during this brief session of the Thirty-second Parliament. A feeling of despair increases because the federal government is once again, demonstrating its disregard for western Canada, that part of our confederation which undoubtedly holds the key for future economic stability and security through its natural resources.

• (2110)

Now we find ourselves debating a section which allows the Government of Canada the right to overrule the provinces. This is a debate which should never have taken place.

I should like to emphasis the point made by the hon. member for Etobicoke Centre (Mr. Wilson). He stated that in December, 1979, our government was able to reach an agreement with the government of Alberta after tough, protracted and difficult negotiations. But we were able to reach an agreement. Our agreement was but a signature away from being final. Therefore, I find it hard to believe the present government would fail to come to an agreement with the government of Alberta, particularly as the Liberal government had promised the Canadian people a made-in-Canada energy package.

We, in British Columbia, want to negotiate a fair price for energy, one that will be fair to all Canadians. The provisions of the Petroleum Administration Act, the two sections which are under debate, should only be used when all else fails.

On this side of the House we do not dispute the need to implement that provision if—and let me emphasize the word "if"—there have been sufficient negotiations between the two levels of government. The Alberta energy minister has invited the Minister of Energy, Mines and Resources (Mr. Lalonde) to return to the negotiation table with the hope of securing agreement. Ignoring this invitation, the minister has arbitrarily opted to reject the invitation and to invoke sections 36 and 52 of this act. In my opinion, this is not the Canadian way of doing things and that is what I abhor about this whole ghastly mess.

The impact of the energy program put forth by the minister will not only affect the west, but it will have a grave and dangerous impact on the whole of the country. The Canadian consumer is being asked to contribute more money to the federal coffers than it was under the Crosbie budget of 1979. Within the next four years, Canadians will be paying over $1 a gallon more for gas. By the end of 1983 the cost of energy will be between $300 and $600 a year more than it would have been under the Crosbie budget.

When one looks at the record of the present government, we see a government living in a dream world, over which it maintains complete supremacy. This government has refused to negotiate with the producing provinces for an oil agreement. Instead it is acting unilaterally. The same government also refused to debate the constitution, the most fundamental law of this land. It proposes to act unilaterally through its resolution. Since this government took office, it has totally ignored the people and the views of the people who put them there. Why do we have a government which does not listen to the people it governs?

I would like to take a few moments to reflect upon some of the expressed concerns of western Canadians. I feel it is important to this debate, especially when we are considering legislation which will have a major effect on all Canadians today, and for generations to come.

The constituents of Prince George-Bulkley Valley have sent me to Ottawa for a very clear reason. As I said earlier, I am here as their representative and as their spokesman in Parliament. Therefore, I intend to express their concerns with regard to this debate. The issue relates directly to my constituents. It also relates to the continuing feeling of alienation and frustration in western Canada. Reports in the press, items on television and political leaders from all levels of government have all stated that the west is not understood. We hear that central Canada does not understand western Canada. Why do we hear about this alienation? My constituents in Prince George-Bulkley Valley want me to express the reasons. I intend to do so in this House, in this, the greatest institution known to Canadians.

Western Canadians are tired of subsidizing the price of fuel for industry in Quebec and Ontario. They are tired because they already pay top dollars for central Canada's products. They are tired of living with the fact that the Government of Canada has set measures to protect the textile industry. The government makes it difficult for westerners to buy the less expensive goods from Pacific rim nations. Westerners are tired of the fact that the federal government has shown little presence in western Canada. The government has paid lip service to the needs of western Canadians with no solid effort to create continuity and fairness for the western economy. Westerners are tired of paying 1.6 times the western world price for consumer goods because of the barriers put up to protect industries established in Ontario and Quebec.

Western Canadians are not fooled by the federal government's propaganda of Canadianizing the oil industry. They know that the government will turn the notion of Canadianization into nationalization. Is the term "nationalization" not directly related to socialism? Of course, it is. The frustration of the west has led the government to encourage ministerial visits to western Canada by ministers of the Crown. They say they sense a concern that all is not well. Let me assure this House that all is not well.

The result of the last election proves that western Canada does not agree with Liberal philosophies. An editorial by the Vancouver Board of Trade states:

> If the west is to be treated as something more than an obstinate child and if we are to be taken seriously as a mature member of this nation, we must speak up and state our case. Murmurings of western separation, conceived in resentment and nurtured by alienation, must not be allowed to grow.

To give this message, Mr. Speaker, is why the people of Prince George-Bulkley Valley have sent me here. Is it any wonder that western Canadians feel a sense of continued frustration when the federal government reaches into their pockets by forcing a massive federal tax grab on the industry that assures them of their future? The government has not only stifled our input into the constitution but has forbidden us the right to sit down and negotiate with our partners in confederation, namely, the provinces.

We want input into the future of our nation, and when we seek it, the Prime Minister (Mr. Trudeau) calls us hysterical. To give this message is why I have been sent here.

Western Canadians do not and will not accept the government's unilateral attempts to control our lives. I am at a loss to understand why the federal government has put Canada on a path toward a unitary state. It may not be the government's immediate intention, but its actions during this Thirty-second Parliament certainly lead me to believe that it does not hold the view that the provinces' rights should be upheld or that the provinces are, in fact, its equal partners in confederation.

We must ask ourselves the question: Are there other areas in which the government intends to act unilaterally? Its arbitrary decision to change unilaterally the most important law in the land without consultation with interest groups, notably native groups, women's groups, organized labour and even elected representatives of the people, leaves me with a sense of despair and frustration. Because the government intends to act unilaterally to attempt a take-over of one of the most important

industries in Canada I am left with a greater sense of despair and frustration. The government has most clearly implied the belief that nationalization or, if you will, socialism, is better for us than a system based on free enterprise. What will happen next? On what industry will the government of Canada next implement its so-called Canadianization scheme? Will it take over British Columbia's forest industry, the single most important industry to my province and, indeed, to all of Canada? Following the route upon which they have now embarked, I see very clear signs of something of that nature in store for British Columbians, other western Canadians and all of Canada.

● (2120)

I stand here to make an appeal on behalf of my constituents and all British Columbians who wish to see an end to frustration. I hope the government will recognize the serious implications of the measure for which they seek approval. The policy adopted by the federal government states that there is a desire to secure supply and ensure energy stability in an unstable energy world. Is energy security increased by the cancellation of the Cold Lake project or the cutback in exploration by Canadian independents? Is it secure when today in a small community, Grande Prairie, Alberta, of four Canadian petroleum companies, one reports a 40 per cent lay-off, the second a 95 per cent lay-off, the third a 75 per cent lay-off and the fourth a 100 per cent lay-off?

Exploration budgets are being cut. This is reported daily. Drill rigs are moving to the United States, and history tells us they will not come back. The government is prepared to allocate money to Saudi Arabia, but not to its own partners in confederation. This confuses me. I wonder what is happening on the government side when such terrible situations face the Canadian public.

Canadian independent oil companies have been hit extremely hard by the recent budget, particularly through the 8 per cent de facto royalty. The Minister of Finance (Mr. MacEachen), with his energy package, has made it possible for Canadian companies to make more money in the United States than in Canada. Canadians are being asked to pay huge increases in prices for over-all energy use. The government will reap the benefits of this, not the people of Canada.

The Minister of Energy, Mines and Resources in his opening statement on the national energy program said:

> We must not let our energy strength become a source of internal weakness. Most Canadians are aware of the strains created within the federation by domestic energy pricing and revenue-sharing issues.

If he is aware of this situation, I would ask the minister why his leader is prepared to put Canadian dollars in foreign economies. Why will the government not invest its oil dollars in Canadian oil? If he does not want our energy strength to become a source of internal weakness, why is the federal government not prepared to negotiate a fair pricing system with the producing provinces to see that our energy strength does not cause further internal weakness?

This minister has also stated that the outlook for the next decade is not encouraging. Well, I must agree with him on that point because, with his attitude, and the attitude of the government of which he is a part, our future is not encouraging. Our energy richness should strengthen our nation, but the government has weakened our nation with its unilateral and autocratic actions.

We are an energy-rich nation, with new technological techniques being introduced daily. Canada can become a world leader in oil production and refining. Look at a cross-section of the whole Canadian scene. We have capacity and the capability to produce enough oil and natural gas to supply all of the western world, if there were co-operation between all levels of government. We have an agricultural industry second to none, an industry that can feed the nations of the world. We have a forest industry which, with proper control, will serve Canadians for generations to come. Canada has the potential to be one of the strongest economic forces in the modern world. With so much potential, why are we wallowing in the morass of this debate? If the past Liberal governments had effectively planned an energy strategy, we would not be in this position today.

This brings me to a point the Minister of Employment and Immigration (Mr. Axworthy) was making earlier when giving this House a history lesson. He was expounding on the wonderful programs the Liberal party had introduced and carried out with regard to unemployment insurance. I wonder if he recalls Mr. Diefenbaker's roads to resources program and the fact that a Liberal Government decided against continuing it? Will he admit, as he indeed should, that if the Government of Canada had continued with that program, our northern area would now be open and perhaps we would not need his precious unemployment insurance programs.

Some hon. Members: Hear, hear!

Mr. McCuish: The Clark government was committed to an energy policy that would bring Canada to a position of energy self-sufficiency by 1990. Our policy was right, and I truly believe that many members opposite have realized as much by proceeding with a number of our measures.

I have spoken about internal problems within the government's energy proposals and their inability to come to grips with the real solutions that lie before it. Colin Beale stated in a newsletter he published in Vancouver:

> If Prime Minister Trudeau goes ahead with his plan to nationalize one or more of the U.S. oil companies now operating in Canada—
>
> Some New York analysts call it confiscation.
>
> —how do you think Reagan would react? He might just retaliate with some sort of bite out of our lumber market hide... And what would it mean for our industry if Reagan opens up some of the U.S. national forests to the domestic lumber industry?

Every time I see measures such as this imposed by the government, I wonder what they will take their next run at and where it will all end. Frankly it scares me.

The reaction from Canadian industry itself proves that the government has proceeded on a misguided course of destruc-

tion. The president of Paramount Resources Ltd., a Canadian oil company, states in a letter:

> On October 28, 1980, the Government of Canada saw fit to confiscate 25 per cent of the interest we have earned, and paid for at great expense, with no restitution or compensation whatever . . . If Paramount was a foreign corporation, we might be enraged. As a Canadian company, I can find no words to describe the rape and plunder the Canadian government has perpetrated on our company. The government has effectively deprived Paramount of all possible profit in the future.

I quote from another letter to the Prime Minister, this time from a resident of Alberta:

> I am still in a state of shock and disbelief that a Canadian government can propose such complete control over a given industry, amounting to de facto nationalization, as our current federal government has done with its national energy program and related budget proposals.

● (2130)

When opposition from such a great multitude arises to any initiative, then no matter which government has conceived it, a second look should be taken to determine whether the measure proposed is really good for the country. First we saw the official opposition oppose the government's energy policies—and we still oppose them. Then we saw the western producing provinces, represented by all parties, oppose the government's energy proposals. And now we see industry and private citizens from all parts of the nation opposing them. Should this not tell the government something?

It frightens me to think of the future directions this government might take. To further state my case, I quote from yet another letter written by a western Canadian to Liberal MPs. This person expresses his deep regret regarding the government's energy proposals, and he states:

> I am mad and saddened by what you have done and are doing to Canada. First, I do not think that you have properly assessed the rage of western Canadians regarding, inter alia, the budget, your energy policy and the constitution. Secondly, the discriminatory manner in which you have attacked the west and the oil industry assures me that Canada cannot become self-sufficient in oil in the foreseeable future.

I believe opposition to the government's energy policy is widespread and completely clear and that everybody in Canada recognizes this fact except the Liberal government. When I look at the direction the government is taking, I find myself past the feeling of frustration—I am sick and I am saddened because the federal government's actions will be sorely felt by every Canadian.

There is a famous saying which quite appropriately suits the Government of Canada at this time, and it is, "Forgive them Lord, for they know not what they do". Yet, I firmly believe that the government does know what it is doing. I believe it knows, as I do, that it is destroying this institution through its motion of closure and is destroying any sense of national unity by ignoring western Canada. It is attempting to destroy free enterprise in this country by taking over the oil industry. Most important, it is refusing to listen to the views of the people it is supposed to represent as a national government. I am truly saddened.

The Liberals can still turn things around if they wish. The government can still move away from the dangerous path it is on if it realizes that for us to continue as a strong, independent nation, the foreground must be the people with the government in the background. Big government and the massive tax dollar will not make a country work.

Mr. Roy MacLaren (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, a number of previous participants in this debate have referred to the fact that Canada holds a special position in this energy-sensitive world. Our resources in oil, natural gas, coal, and uranium are envied throughout the world. Unlike most of our industrial partners and competitors, we remain a net exporter of energy.

Just as Canada holds a special position in the world, the petroleum industry holds a special position in the Canadian economy. It produces a commodity of unrivalled and pervasive importance. No industry has undergone or is undergoing more rapid growth. The energy industry underpins and dominates our economic strategy. However, despite Canada's position of strength there is, however, reason for some concern. While Canada is energy self-sufficient, it is not oil self-sufficient. Oil currently provides about 40 per cent of our energy needs. But for every four barrels of oil that we consume in Canada, one must be imported from a foreign country.

The supply of oil from foreign sources cannot be relied upon. The outlook in the Middle East is unpromising. The Iranian-Iraqi war has affected the supply of oil to many countries. Some have warned that supplies may be insufficient to meet future demand. After the confused and contradictory policies of the previous Conservative government, which greatly offended a number of our friends in the Middle East, the Prime Minister's recent tour has done much to retrieve our reputation there. However, to establish a truly independent Canadian foreign policy, we must have an independent Canadian energy policy. After all, foreign oil is expensive oil, and unless we act now we will have to buy more of it. The world price will continue to be unsteady, erratic and unpredictable.

For that reason, among others, the government has proclaimed a goal of oil independence for Canada. In this we have asked for the support of all Canadians. We expect to become self-sufficient in oil within ten years. And in reaching this goal we believe that Canadian consumers would prefer to pay Canadian prices, not prices set by cartels elsewhere. We believe that Canadians will accept the need to support both at the gas pumps and as taxpayers, Canadian production—not foreign development.

How do we eliminate the foreign barrel of oil? The national energy program provides the answer. First, by encouraging more exploration and development in Canada, we can replace foreign oil with Canadian oil. We have set aside over $300 million so that we may use our oil more efficiently. A second approach is to substitute other more plentiful energy found in Canada for foreign oil. We have allocated $1.6 billion for our off-oil program. Our third approach is to restrain the total demand for oil through a major effort at conservation, for which we have provided over $1 billion in federal funding. Finally, to provide for our more secure energy future, there is

$75 million for the promotion of renewable energies and almost $300 million for energy research and development.

Both opposition parties are aware of the dangers of relying on foreign oil, but the previous government seemed to remain unaware of the dangers of relying on foreign-controlled oil companies. While many other nations moved to form state oil companies, the Conservative government tried to strip Petro-Canada of its assets or to abolish its leading role in our energy future. Public outcry, fortunately, forced them to reconsider their position. After all, without Petro-Canada all of the top ten oil and gas companies in Canada would be still foreign controlled today. Petro-Canada is the one exception.

Not only were the Conservatives moving in opposition to the practice of other countries, they were also incapable of learning from the provinces themselves. Several provinces, including Alberta, Ontario, Quebec and Saskatchewan—two of which have Conservative governments—have themselves established state corporations with a mandate in oil and gas to complement the developments of a yet more dynamic private sector. These governments are committed to using these provincially-owned corporations to shape their regional economic development.

The government is pursuing the same policy and applying it for the benefit of all Canadians. Until now Petro-Canada has been the major agent of Canadianization. Yet Petro-Canada earns only about 5 per cent of the total revenue from the production of petroleum in Canada. Even if this were to double or triple in time, it would still represent only a small share of the total Canadian petroleum market.

Accordingly, the national energy program provides special encouragement to private Canadian oil and gas companies. They are big enough to do the job. Canadian entrepreneurs are at least as bold as foreign managers. Canadian investors are as sophisticated as foreign investors. The public sector will in no way overwhelm the private sector. There will be no government monopoly. The old system of tax incentives, which will be phased out—a policy to which the previous government was also committed in the case of super-depletion—tended to favour big oil companies which are foreign controlled. The profits of Canadian companies have typically been smaller. Since the incentives of the past were in the form of write-offs against profits, the Canadian companies received less support and encouragement from their government than foreign companies.

● (2140)

As a consequence, Canadian companies have frequently been outbid in certain essential aspects of the industry, such as land auctions, farm-ins, and takeovers. As the 1979 petroleum monitoring survey indicated, the petroleum industry in Canada spent still more of its dollars on activities and acquisitions outside the energy sector. This applies particularly to the big integrated companies which spent about 7 per cent of their capital investment on sectors unrelated to energy. This use of revenue contributes nothing to the development of Canada's energy potential. We are not responsible for providing foreign-controlled firms with the capital to acquire Canadian firms.

To what other purposes have foreign-controlled companies put Canadian tax dollars and the dollars of Canadian consumers? In the last four years alone, capital exports in the form of dividend and interest payments and the return of capital exceeded imports by $3.7 billion. It simply does not make sense for Canadians to accelerate the development of their own petroleum resources and at the same time see the bulk of the profits and many of the jobs and industrial benefits go to other countries.

That is why Canadianization of the petroleum industry is a fundamental part of our new energy program, a program not designed to drive out foreign investors but simply to make sure that Canadians control at least half of their own industry. We shall not be a resource colony for the United States, Europe, Japan or anybody else.

Some hon. Members: Hear, hear!

Mr. MacLaren: The new system of incentives and allowances outlined in the program will stimulate the petroleum industry to ensure that our target of energy independence by 1990 is fully met. These incentives are available to the industry, with special benefits for Canadian-owned and controlled companies. If foreign companies wish to increase opportunities for Canadians to participate in their particular activities, our government will certainly reward such efforts.

Both Canadian and foreign-controlled companies in the northern territories and offshore—on the so-called "Canada lands"—are eligible to receive depletion allowances at a rate of one-third of exploration expenses. This same rate also applies to all companies for non-conventional and tertiary oil projects and to crude oil upgraders. In addition to such measures, Canadian-controlled companies with at least half Canadian ownership will be eligible for grants which will cover 15 per cent of exploration costs on provincial lands and one-half on Canada lands. Companies with Canadian control and more than three-quarters Canadian ownership will be eligible for grants of 35 per cent on provincial lands and 80 per cent on Canada lands. For development costs, grants of 10 per cent and 20 per cent respectively will apply to Canadian companies for expenditures in non-conventional, tertiary and upgrading projects.

Let me pause for a moment to illustrate these incentives with an example. For one dollar spent, the net cost of exploration on provincial lands by Canadian-controlled companies with more than 75 per cent Canadian ownership would be only 31 cents—that is after tax and after incentive costs and assuming a 47 per cent tax rate. For an individual Canadian investor in the 40 per cent tax bracket, the cost would be 39 cents. The comparable figures for Canada lands would be only seven cents for a Canadian company and 12 cents for the individual.

The petroleum monitoring agency is about to release a paper defining Canadian ownership and control for discussion with

the private sector, which will elucidate more details in this area.

The oil industry in Canada and, indeed, elsewhere is fiercely independent, and taxes are never popular, but to provide the national government with necessary revenue there will be increases in the taxation of the petroleum industry. Our government believes that the companies which benefit directly, the companies whose profits rose 54 per cent, to $4.7 billion, last year alone can be asked to contribute to this national interest.

The opposition has attacked our Canadianization initiatives. Hon. members opposite have cried, "nationalization, confiscation, expropriation". Their wailing is pure desperation. They cannot attack our energy program, so they attack another supposed program which simply does not exist. Certainly we intend to purchase a major foreign-controlled oil company, but we will pay fair market value for it. Despite such acquisitions, Petro-Canada will not have more than a limited share in the total Canadian market. Within ten years, the cash flow of the private sector in the Canadian petroleum industry is estimated to increase four times.

Canadian-controlled petroleum companies will form an even more prosperous industry than today. Among the small Canadian firms there are many potential candidates to lead the industry into the 1990s, buoyed by our incentives. Canadians will be major shareholders in many more firms. That is not nationalization; that is Canadianization.

Some hon. Members: Hear, hear!

Mr. Lalonde: Tories don't know the difference.

Mr. MacLaren: On Canada lands, the lands in the north and offshore, lands which the federal government holds in trust for the people of Canada, the federal government will pay one-quarter of exploration costs. This will offset the 25 per cent Crown interest. Depending upon the level of Canadian ownership of the companies, companies will be eligible to receive the additional benefits which I have already noted. How can the government expropriate lands which it already holds?

As others have noted, we have not moved as far as Britain, where the Crown had first claim of a 51 per cent share of North Sea production. Having obtained the benefits of that particular policy, the British government has now replaced it with a higher taxation level in order to obtain a greater proportion of petroleum revenue.

We have not moved as far as Norway, where its state oil company takes up to 50 per cent in every field and has an option to increase its interest to 70 per cent. We have not moved as far as Australia, where foreign oil companies must have one-quarter of their equity owned by Australians—and they must pledge to increase this to more than one half, and a majority of their directors must be Australian. No, in Canada we have moved cautiously, we have moved with moderation but we are moving with determination.

Let us look at our policy as it will be reviewed in 1990. With our dual program of conservation and additional supply we shall not need foreign oil in 1990. Canada will have achieved energy independence in the full sense of the word. More than 90 per cent of secondary industry demand, excluding transportation, will be satisfied by energy sources other than oil. Oil will decline from its present 43 per cent share to about 27 per cent of our total energy needs. The use of natural gas and electricity will increase dramatically as a result of our program. The contribution of renewable energy will more than double.

To achieve energy independence our energy equation must balance. This means that while domestic supply will have to increase, demand will have to be restrained.

I shall not take the time of the House to cite examples of the many initiatives outlined in the energy program which will ensure that both in the domestic and in the industrial area Canadians will be encouraged to shift from the scarce resource of oil to the more plentiful sources of energy which we enjoy.

Elsewhere in Canada we shall develop new sources of energy, renewable sources, thanks in part to the creation of a new Crown corporation, Enertech, which will take a lead in assisting the private sector in renewable energy and conservation technologies.

• (2150)

There is much more that could be said about the demand side of the equation, but in our discussions in this House the tendency, unfortunately, has been to concentrate almost entirely on the supply side. I assume that since the opposition has said little about the demand side of the equation, they find little in our policy with which to disagree. Let us turn for a moment to the supply side.

Contrary to a common myth, Alberta's remaining established oil and gas revenues are larger now than they were ten years ago. While their reserves of conventional oil have declined, their potential in natural gas and non-conventional oil has increased dramatically. Our program will promote investment and exploration activity where it is needed most: in tertiary and non-conventional projects in Alberta, and in frontier and offshore areas such as the Beaufort Sea and Hibernia where the bulk of future oil supplies will be found.

For natural gas, the only problem our producers have is in finding the markets. So we approved the southern portion of the Alaska gas pipeline, despite the opposition of the NDP, and we shall extend the natural gas pipeline eastward, now to Quebec and soon to the maritime provinces, giving producers a much larger domestic market and consumers a less costly energy alternative. We shall drop the price of natural gas in relation to oil from its present 85 per cent to 67 per cent by 1983, providing a strong incentive for Canadians to convert from oil to gas. If producers still cannot sell enough gas, we shall buy it and we shall bank it. We have set aside $400 million in our program for a natural gas bank. For oil produced by enhanced recovery methods, a supplement will be paid to producers, a supplement which will be additional to the

conventional oil wellhead price. This supplement will initially be about $14 a barrel, or sufficient to raise the total wellhead price to approximately $30 a barrel. This price will also be adjusted annually in a manner similar to the method of changing the oil sands price to which I shall refer in a moment. Implementation of that incentive will depend upon the co-operation of the producing provinces. The government has indicated that it is anxious to conclude agreements with each of the producing provinces on this important aspect of our energy supply.

As to the oil sands where our reserves are increasing, we are doing everything in our power to encourage their more rapid development. The federal government has always supported oil sands development. In the past, we provided the international price to Syncrude and to Suncor. We provided 12 per cent of the total investment in Syncrude. We allowed the deductibility of Syncrude royalties against federal income tax. We provided a tax system of rapid writeoffs and earned depletion which reduced the costs of investors by at least $2 billion.

Under the new energy program, we shall go even further. For new oil sands development, we have offered a price of $38 a barrel, roughly the international oil price today, and we shall increase it with inflation. We offered Imperial Oil a loan of $20 million to keep its Cold Lake oil sands project alive. The Alberta government refuses to put up its share, so we shall assume that burden as well. Unfortunately, the Alberta government has refused to proceed with these projects unless we accept their demands on petroleum pricing. If persisted in, the Alberta premier's decision will hurt all Canadians, but none more than those Canadians living in Alberta. Let me quote a recent Edmonton *Journal* editorial:

> Alberta has every right to drive a hard energy bargain . . . But driving a hard bargain differs markedly from holding fast to the adamant precondition of a "global" agreement on both conventional and synthetic oil pricing. Surely, if clear heads are to prevail, it must be seen that it would be a sign of statesmanship, not weakness, to divorce conventional and synthetic oil price negotiations.

Thus spoke the Edmonton *Journal*. We hope the Alberta premier will reconsider his attitude. We regret his decision to withhold 15 per cent of Alberta's oil production from other Canadians. Surely $100 billion over the next decade is sufficient income for any province, including Alberta. The Alberta government should surely be satisfied with 43 per cent of the total revenues from oil and gas. We, the national government, are willing to accept less than one-quarter. Compare us with other federations, such as the United States and Australia, and you will be struck by the lower level of revenue available to the national government of Canada.

I noted that last Friday the hon. member for Etobicoke Centre (Mr. Wilson) claimed that the federal share of petroleum revenue under our plan would be much more than 24 per cent, something like 45 per cent to 50 per cent—he was not quite sure. Let me set the record straight. The issue here is the sharing of net operating income from oil or natural gas. This is the traditional way of determining shares and I believe it remains appropriate. The hon. member noted that not all sources of federal revenue are counted, but he conveniently neglected to mention that not all sources of provincial income are counted, such as revenues from downstream profits and taxes on petroleum profits.

The hon. member opposite went on to contend that the new energy policy is causing some drilling rigs to move south. We have heard a lot about those drill rigs recently but, as the Minister of Employment and Immigration (Mr. Axworthy) noted a few minutes ago, some oil rigs did indeed move south but it was well prior to the announcement of the new energy program. The movement of rigs was the result of oversupply prompted by the record petroleum activity in Canada in recent years. How could a member claim that the movement of a few rigs was an effect of a cause that had not yet happened? We are proud of the rapid growth in Canada's drilling rig industry. In 1975, there were only 272 rigs in Canada; now we have about 570. Although a temporary slowdown is expected because of the decline in natural gas sales—a decline which the energy program will do much to reverse—the Canadian Association of Oilwell Drilling Operators has said that the long-term outlook for the industry is optimistic and the demand for services will continue to grow.

Our current debate is predicated on the proclamation of certain sections of the Petroleum Administration Act. We have taken this step reluctantly but, as hon. members know, the previous agreement had expired. Some pricing schedule had to prevail. This does not restrict the right of the provinces to set the price of oil and gas within their own borders. In fact, the British Columbia government sets the price of natural gas at below cost, and the Alberta government has unilaterally proclaimed an act to set natural gas prices within that province. We have repeatedly pledged that our proclamation, now made, can be revoked immediately as soon as a satisfactory agreement is reached with the producing provinces. We cannot, however, ignore our national responsibilities. During our discussions in the past months, Alberta demanded the same net benefits as offered by the previous government. Alberta would not consider a natural gas export tax. Alberta would not consider a wellhead tax. Alberta would not discuss equalization. Alberta would not separate consideration of the oil sands from conventional oil sources. Alberta took the position that we as the national government had no claim to a greater portion of revenue which they claim was tantamount to federal expropriation. This left us with the possibility of deriving these revenues from the oil industry, including Alberta's oil industry, and Canadian consumers including Albertans. We made proposals on March 13—

• (2200)

Mr. Deputy Speaker: Order, please.

Adjournment Debate

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 40 deemed to have been made.

CANADIAN NATIONAL RAILWAYS—INTENTION TO ABANDON TRACK IN NOVA SCOTIA—GOVERNMENT POSITION

Hon. Elmer M. MacKay (Central Nova): Mr. Speaker, last June the Minister of Transport (Mr. Pepin) refused to indicate his support for the retention of the Oxford subdivision of the Canadian National Railways in Nova Scotia. This 55 miles of track known as the "short line" is very important to Nova Scotia. Also at that time the minister declined to investigate the condition of the railway, the deplorable condition of the track itself. As I understood his reply, he indicated that the CTC, as far as he was concerned, was the end-all and be-all. He would not do anything until they made a decision on an application to abandon this part of the system.

In the meantime, almost six months have come and gone. Conditions on the short line, as far as I know, have not changed, and its future has been left under a cloud.

The disgust that members of Parliament of all parties currently feel toward CN policy transcends partisan politics. Jeff Matthews of the Halifax *Chronicle-Herald* noted the following in a recent story:

If the Commons had been voting Monday on a least popular corporate citizen, the CN just might have run away with the prize.

The story which triggered this particular feeling was, of course, the CN's current policy in closing many of its express terminal services.

As you know, Mr. Speaker, yesterday the hon. member for Hillsborough (Mr. McMillan) took the unusual but appropriate step of moving the adjournment of the House to discuss this particular move of CN which will cause over 250 CN employees to lose their jobs and inflict substantial hardship within the region. The minister is aware that CN has been systematically divesting itself of appendages which detract from its profit picture. However, he must surely agree that while profitability is commendable in a Crown corporation, a national railway system has a service to perform as well.

It is always timely to remind the House and the country that since its formation the CNR has been relieved of its debt and interest costs four times. The total relief provided from 1922 to 1978 has been in excess of $6.7 billion. At times CN management has been rather erratic, to say the least. For example, after the recapitalization that took place in 1952 which gave CN a debt-equity ratio almost identical to that of CP, CN proceeded to convert its power fleet from steam locomotives to diesel, and completed this conversion in less than half the time it took the CPR. Of course, if one was not taking depreciation into account and just had $700 million worth of debt written off, one could go out and borrow any amount to buy new diesel engines, which is exactly what they did. CN expected that investment to make them so efficient that they would be able to beat CP into the ground. But, it has not quite worked out that way, and their trucking ventures did not work out that way either. They paid two or three times what any sane trucker would pay for an acquisition, and of course they could never generate an adequate return for the capital outlay. The tower in Toronto is another example of CN policy. It cost them 2.5 times as much to build it as they thought it would, and the number of paying customers is much less than they had anticipated. So the tower is not earning an adequate return either, and thus it goes on. Nor can they adequately maintain a very important part of the Nova Scotia railway system.

A major portion of the short line railway runs through the county of Pictou, connecting it with the rest of the province and the nation. Without it, the town and the port of Pictou would be cut off from our national rail system. According to the national statistical agency, the town produced nearly $8 million in shipments of manufactured goods in 1977. Of course these statistics do not take into account the massive Michelin Tire complex at Granton. Instead of the dismantling and dismemberment of our railway system in Atlantic Canada—and I am speaking specifically now of Nova Scotia—what is needed is a detailed study of how it can be improved, such as those undertaken in western Canada. Such evaluations, whether by Mr. Justice Emmett Hall or others, have called for a reasoned approach. Neither DREE, the federal Department of Transport, nor the Nova Scotia department of transport has yet shown initiatives in regard to the Nova Scotia rail system. The maritimes are perhaps the only region in Canada where the railways are allowed to implement piecemeal abandonments without reference to the region's total rail transport needs. Piecemeal moves to dismantle sections of our rail system run a high risk of producing a truncated rail transport system.

• (2205)

No further abandonments in relation to the maritime rail transport system should be considered until an adequate evaluation has been undertaken in regard to the region's present and future needs. Since constitutional matters are dominating the attention of Parliament, it is timely to remind the government that the federal government is under a constitutional obligation to maintain Nova Scotia's rail link with New Brunswick and Canada.

As a sidelight, it is interesting to denote careful reading to the debates in the House of Commons which reveal the air of constitutional obligation under which the Canadian Government Railways were authorized in 1886 and 1887 to complete the then Oxford Junction and New Glasgow branch of the Intercolonial Railway, which is the branch about which I speak tonight. I quote from *Hansard* of 1887 the words of the Liberal member of Parliament from Nova Scotia who represented Guysborough. His name was John A. Kirk. This is what he pointed out:

Then, the local legislature, during the session of 1886, passed a resolution asking the people of Nova Scotia to decide at the polls whether they wished to continue

in the union or not. Under those circumstances, on the 15th of June, 1886, the people declared by an overwhelming majority that they wished to withdraw from the union. Well, sir, I think that had something to do with the action of this government in afterwards passing those minutes of council in reference to railroads.

That quote was from *Hansard* of May 6, 1887, at page 311. The "short line" provides for the national government an additional capability to maintain the rail link with New Brunswick as required by the constitution.

If a derailment or other mishap should interrupt rail movements on the main line between Oxford and Truro, Nova Scotia's rail link with New Brunswick and the rest of Canada would be broken. The "short line" presently provides the opportunity for the maintenance of the rail link.

Mr. Speaker, I see my time is up. May I simply say in closing that we would like to hear less double-talking, or perhaps it was double-crossing, of the west, and more action to keep the existing rail system in operation in Nova Scotia.

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I have very little to add in answer to the hon. member's question beyond what the minister has already stated to him in the House and in correspondence.

An application for abandonment of this particular line was first made in 1963 and resubmitted in April of this year. In the interim the railway has continued to operate the line and will continue to do so until it is authorized to abandon it. I think it is generally known that the Canadian Transport Commission must decide whether to allow the abandonment or not. If it does not, the CTC may compensate the railway for its losses. In any case, public hearings are required and 30 days' notice must be given to interested parties. To my knowledge the CTC has not yet indicated when it will hold hearings. I suppose one could be tempted to accuse the regulatory agency of being rather slow in this case, but I doubt if that is the hon. member's intention.

Pending a hearing and decision by the CTC it would not seem proper for the minister to indicate a preference on the future of the line. As recorded in *Hansard* on June 11, the minister pointed out there are certainly avenues of appeal once the decision is made. In the meantime, however, it is the minister's intention to let the matter run its proper course.

CANADIAN FILM DEVELOPMENT CORPORATION—RESIGNATION OF MICHAEL McCABE—AMOUNT OF SEVERANCE PAY

Mr. Benno Friesen (Surrey-White Rock-North Delta): Mr. Speaker, on May 21 I rose in the House to ask the Secretary of State (Mr. Fox) the circumstances under which Mr. Michael McCabe had left the employ of the CFDC. Specifically, my question had to do with the report that Mr. McCabe had, in fact, resigned as the executive director of the CFDC. The word among the industry people was that having resigned he was granted one year's salary. In answer to an order paper question several weeks ago, I believe, the salary pegged for the executive director was in the range of $50,000 to $60,000 per year. That is not bad severance pay. In the annual report of the Canadian Film Development Corporation, dated June 1, 1980, under the heading "Management" we find the following:

On June 1, 1980, Mr. Michael McCabe resigned as the corporation's executive director.

● (2210)

According to the records he did, in fact, resign. I asked the minister whether it was not rather strange behaviour and a little generous to someone who had resigned to give him an extra year's salary. Did Mr. McCabe resign? Was he squeezed out, or was he fired?

Other questions followed: What did Mr. McCabe do after his so-called resignation? Is it true he is involved in another business? The minister said, as reported at page 1260 of *Hansard:*

He indicated in his letter of resignation that he felt he had made his contribution to the corporation, that he wished to return to the private sector, and he thought this was the best time to leave the corporation so that he could pursue his own private interests in the future.

What were Mr. McCabe's own private interests in the future? If the conflict of interest guidelines of the Prime Minister have any relationship to what senior executives of Crown corporations do, I wonder what Mr. McCabe is doing now. The word is he is now working with a firm called Film Accord of Montreal, even though he is apparently living in Toronto. My question is this: how much business is that company, Film Accord, doing with CFDC? Could it be that Mr. McCabe has spent several years working with the Canadian Film Development Corporation in order to cultivate connections with the film industry, to form his own consulting firm and thereby reap the benefits of the lines of communication he established with the government while he was a member of the Canadian Film Development Corporation? I wonder whether the Prime Minister's guidelines should apply to Mr. McCabe.

Is it true that he is receiving $50,000 or so in salary even though he is no longer connected with the corporation? Is Mr. McCabe in a conflict of interest situation vis-à-vis the Prime Minister's guidelines? I understand he spent a lot of time at the film festival in Cannes where the CFDC together with the NFB spent thousands of dollars pushing Canadian films which did not get anywhere. A yacht was rented as part of the promotion for those films. I understand also that Mr. McCabe spent considerable time in California apparently pushing Canadian films. How successful was Mr. McCabe in peddling Canadian films in California? Did the board of directors ever demand an accounting of the time spent by him in California? How was he spending his time? Was he successful? How much in the way of sales did he achieve for the CFDC or for those films which CFDC helped to finance?

Finally, I understand that Mr. McCabe went as part of a production company to help film the movie "Bethune" in mainland China. In the annual report of the CFDC there is a list of all the films which the CFDC helped produce in 1979. Nowhere in that list of films which they helped to finance is a film called "Bethune". If my memory serves me correctly, that

film was not produced by the CFDC, but by the CBC. Is it true that Mr. McCabe was part of the production crew which went to the Republic of China? Was he granted a leave of absence? Was he on full salary while he was in China? For all of Mr. McCabe's frenetic activity it seems to me that he was handsomely paid, both by way of salary and by way of the fringe benefits he seemed to accumulate while he was executive director of that corporation. The minister seems to say in his answer that he does not know anything about the terms of separation between Mr. McCabe and the corporation. If the minister is going to discharge his responsibility totally, he ought to know what those terms were. The taxpayers of Canada, who have invested millions of dollars in the CFDC, have a right to know how that board of directors is managing the affairs of that corporation.

● (2215)

If they are going to discharge their stewardship properly, they owe an accounting to the Canadian people as to how their executive director discharged his duties. How much did it cost the taxpayers in addition to the very generous salary they were paying him? Does the Secretary of State (Mr. Fox) hold the board of directors accountable for the way they managed the affairs of that corporation? Can the parliamentary secretary stand in his place tonight and tell us whether Mr. McCabe was paid a year's severance pay, whether the board of directors asked for an accounting of Mr. McCabe's time in California and whether he went to the Republic of China to help film that movie, even though it was not part of the CFDC production schedule? If the taxpayers are to be given an account of the stewardship of that corporation, the parliamentary secretary should speak on behalf of the Secretary of State tonight.

Mr. Peter Stollery (Parliamentary Secretary to Secretary of State and Minister of Communications): Mr. Speaker, I intend to stick to the question the hon. member asked May 21 last and not involve myself in the rather extravagant elaboration of the question to which he has treated us.

Last May 21 the hon. member specifically asked that the Canadian Film Development Corporation disclose what is essentially confidential information concerning aspects of the corporation's internal administration as well as its relationship with its clients. The member opposite has consistently chosen to ignore one very crucial fact concerning this issue. It is that the Minister of Communications (Mr. Fox), who is responsible for the CFDC, operates at a traditional arm's length relationship with what is a Crown corporation and does not attempt in any way to interfere with its day to day internal operations. I am sure the hon. member would be the first to protest if he did.

In response to the questions raised by the hon. member, the minister has acted in a responsible manner by requesting a full report from the CFDC. This report has not, as yet, been forwarded to the minister for his full appraisal of all the facts surrounding the resignation of Mr. Michael McCabe as executive director of the corporation.

The minister will be asking again, this week, for presentation of the CFDC report at the earliest possible date. Once the minister has had an opportunity to study its contents thoroughly, he will be in a better position to respond to the questions raised by the hon. member, namely, the resignation of Mr. Michael McCabe.

CANADA MORTGAGE AND HOUSING CORPORATION—RENT INCREASES FOR APARTMENTS IN TORONTO

Mr. Neil Young (Beaches): Mr. Speaker, I want to thank the Minister of Public Works (Mr. Cosgrove) for being here this evening. I rise in connection with a question directed to him on May 23 of this year with respect to the Toronto Main Square apartment buildings. Those buildings are held by the Canada Mortgage and Housing Corporation for which the minister is responsible. The purpose of my question was to determine why the tenants in those buildings were being notified that rents would be increased by 12 per cent on lease renewal, and that the first and last month's rent would also have to be paid at that time.

● (2220)

Since then I have written a number of letters to the minister on this matter. At no time has the minister given a satisfactory response to the fact that the tenants in those apartments are being asked to pay an increase in rents that is double the increase permitted by most landlords under Ontario laws. The minister made a further response on May 26, 1980, and told the House that CMHC had introduced a rent-geared-to-income program at Main Square. Six months later, I am advised that even though a number of tenants have applied for this relief, not one has received it. The tenants in those apartments want to know just who is giving the correct answer to this question.

Whatever the real answer is, the effect of this rental increase is, and will be, very real for Main Square tenants. At the time Main Square was constructed in 1971 it was reported that 65 per cent of the apartment units would be subsidized and that those who qualified for reduced rents would be senior citizens, handicapped persons, single parent families, students and low-income families.

The executive of the Main Square Tenants Association have repeatedly requested that they be supplied with information on the current population of those buildings, and to date have not been successful in receiving that information. However, in a letter dated July 23, 1980, to Toronto City Council the minister said that as of March, 1980, there were 22 handicapped and 252 senior citizens in Main Square.

In another letter dated September 10, 1980, to the Leader of the Ontario New Democratic Party the minister said:

> Initially, there were 50 units available for such tenants, but only 22 units are currently occupied by handicapped or disabled persons. The reason for this was that CMHC was not able to rent them to handicapped people at the time the units became available and they were therefore rented to other tenants.
>
> However, I can assure you, as these units become available, every effort is made to lease them to handicapped or disabled tenants.

I recently received a letter from a Main Square tenant which I am sure other members of the House will want to hear and I am equally sure the letter will have the same effect on them as it had on me and it speaks for itself. It reads as follows:

Dear Mr. Young

I am writing to you out of sheer desperation with a total feeling of indignity. I am a woman who is totally handicapped. I have lived in Main Square since the complex first opened under the Communicept program which allowed handicapped people to live here totally independent.

I am completely dependent on a fixed government income which does not keep pace with inflation.

I was notified by Property Management that as of December 1, 1980 my rent would be increased by 12 per cent. When I subtract the $30.00 subsidy from the new rental increase the actual cost to me is 15 per cent.

I submitted a notarized, questionable, "means test" to management at their request, which fully documents my total income and points out quite clearly the hardship that is placed on me by the 15 per cent increase in rent. To date there has been no response from management regarding special consideration and it makes me wonder why I must be humiliated into filling out a "means test" and notarizing it and not having it acknowledged.

I am afraid this additional hardship will give them the excuse to institutionalize me, taking away my freedom and dignity.

Since I am unable to stand up for my rights would you please make this stand for me?

Even though the minister has advised me and the tenants association and everyone else that CMHC has introduced a 25 per cent formula gearing rent-to-income to Main Square, the fact is, such a formula is not in operation in Main Square.

● (2225)

In examining the records kept by the tenants association it is also obvious to me—and it would be to the minister or to anyone else who cared to look at those records—that the company which CMHC contracted to manage Main Square has been more interested in making a profit than it has in properly managing the buildings.

It is a disgrace that only nine years after this apartment building was constructed a number of its structures, such as the underground garage, are in a state of disrepair. Cars parked in this garage are continually broken into and vandalized. At least one car had all of its four tires slashed in the last few months. Access to the garage by unauthorized persons is so easy that abandoned cars are an every-day item.

The lack of over-all security and protection not only in the garage but also in the buildings themselves has resulted in two reported rapes, two reported attempted rapes, several reported indecent assaults and at least one reported case of indecent exposure. All those incidents have the tenants in Main Square wondering just what kind of landlord CMHC is.

The tenants and their association have persistently made representations to the managers of Main Square to have normal and proper maintenance and security procedures implemented, and in nearly every instance have had those approaches rebuffed by both CMHC officials and the managers of this property.

I could go on at great length about the conditions in those buildings, but I see that my time has nearly run out. I will conclude by inviting the Minister of Public Works (Mr. Cosgrove) to meet the tenants of Main Square face to face and to hear about those problems at first hand from the people who are living with them on a daily basis.

Hon. Paul J. Cosgrove (Minister of Public Works): Mr. Speaker, before responding to the specifics of some of the points raised by the hon. member opposite I would like to confirm as a matter of record that I received only short notice of the question raised this evening. However, in light of the substantial and serious issues raised by the hon. member, I agreed to attempt to respond to the question this evening.

At the outset, with respect to the question whether the 25 per cent rent geared-to-income formula is in place, I can confirm this evening that the formula is indeed in place. If there is any confusion about that, it will be set aside. In addition, because it was announced on May 26 by me in this House, the formula will be made retroactive to the beginning of June. Mind you, it will be available to those people who would otherwise have qualified under the rules which are normally understood. Of course, it would be under a situation in which individual tenants would apply, and they would have to satisfy corporation officials that they did meet those particular requirements.

With respect to the unfortunate incidents raised by the hon. member I would like to indicate my acceptance of his invitation to meet with the tenants of Main Square. I would like to confirm this evening that it is my intention within the next few weeks, because my constituency is close by, to look for an opportunity to do that with the hon. member. Because my constituency is in metropolitan Toronto and because of my experience in metropolitan Toronto, I know that security in multiple buildings over the last few years in metropolitan Toronto has created considerable difficulty not only for this project but for many other projects in the metropolitan area. The police have found it very difficult to cope with this situation. I think the response is one which could well involve not only CMHC but also a review by police of security generally in the area. In addition, it could involve the co-operation of the tenants association and that of the city through its various programs. It could also involve metropolitan Toronto officials.

I thank the hon. member for his question and, as I have indicated, the undertakings which I have given this evening will, I hope, go some way toward satisfying the hon. member and the people he represents.

Mr. Deputy Speaker: The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 11 a.m.

At 10.30 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Friday, November 28, 1980

The House met at 11 a.m.

● (1105)

ROUTINE PROCEEDINGS

[*English*]

FINANCE

HIGH INTEREST RATES—MOTION UNDER S.O. 43

Mr. Dave Nickerson (Western Arctic): Madam Speaker, I rise under the provisions of Standing Order 43. Despite the dire and awesome warnings that I and my colleagues gave in this House on Tuesday last predicting that, unless the Minister of Finance (Mr. MacEachen) pulled up his socks and dumped his ill-advised, ill-considered and ill-conceived budget, interest rates would skyrocket, nothing has been done. In fact, the worst has happened. Yesterday the Canadian prime rate shot up by ¾ of 1 per cent to its highest level since mid-May. In view of the vicious circle caused by the inept Liberal budgetary policy of high interest rates, economic slowdown and falling value of the Canadian dollar, I move, seconded by the hon. member for Halton (Mr. Jelinek):

That the Minister of Finance be put on a diet of bread and water until he brings down the Canadian prime rate to at least 12 per cent.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

NORTHERN PIPELINES

ALYESKA PIPELINE—CONCERNS OF YUKONERS—MOTION UNDER S.O. 43

Mr. F. Oberle (Prince George-Peace River): Madam Speaker, I rise on a matter of urgent and pressing necessity having regard to statements made recently by the leader of the Yukon government in connection with worker mobility rights which are to be included in the constitutional reform package. Such rights would seriously undermine the socioeconomic terms and conditions to which proponents of the Alaska highway gas pipeline have agreed, giving the Yukon some control over manpower planning and in-migration of transient workers. Mr. Pearson has threatened to withdraw his government's support of the project for fear of a repeat of the disastrous socio-economic side effects that were associated with the Alyeska project. I therefore move, seconded by the hon. member for Yukon (Mr. Nielsen):

That the government use whatever means appropriate to the situation, firstly to assure the people of the Yukon and their government that their legitimate concerns with regard to the construction of the Alaska highway gas pipeline will be respected, in accordance with the terms and conditions set out in the pipeline agreement; and, secondly, to dispel any doubt the pipeline community may now have resulting from the statement of the Yukon government.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

ENERGY

PETROLEUM MONITORING AGENCY OWNERSHIP FORMULA—MOTION UNDER S.O. 43

Mr. Otto Jelinek (Halton): Madam Speaker, I rise under the provisions of Standing Order 43. In light of the fact that the Petroleum Monitoring Agency yesterday released a Canadian owernship formula which, in mathematical form, is $COR = \frac{R + (R/B \times S)}{I}$ a formula which, according to the Ottawa *Citizen*, "appears likely to force the oil and gas industry to spend as much time in the next few months exploring its corporate and shareholder roots as it will be exploring for oil and gas fields", I move, seconded by the hon. member for Prince George-Peace River (Mr. Oberle):

That the minister of energy make a statement on motions as to why he abandoned his commitment in New York to a formula which would be "as simple as possible", and whether he was advised in developing this formula by his colleague the Minister of State for Economic Development since it appears to reflect that minister's one time adherence to the A + B theorem of Major Douglas.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

S.O. 43

IMMIGRATION

REFUGEE STATUS FOR VICTIMS OF ITALIAN EARTHQUAKE—MOTION UNDER S.O. 43

Mr. Cyril Keeper (Winnipeg-St. James): Madam Speaker, I rise on a matter of urgent and pressing necessity. Since the devastation of the Naples-Salerno earthquake has left thousands of Italians homeless and in dire need, I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That this House direct the government to establish immediately an Italian refugee program so that homeless persons who do not have relatives in Canada and those whose relatives cannot afford to sponsor them may be able to come to Canada, and that the federal government cover the costs of transportation and care for one year as they did for the boat people.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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MISCELLANEOUS ESTIMATES

ATTENDANCE OF GOVERNMENT MEMBERS OF STANDING COMMITTEE—MOTION UNDER S.O. 43

Mr. Doug Lewis (Simcoe North): Madam Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43. Whereas research and development has been allowed by the Liberal government to slip drastically over the past 12 years, and whereas the Liberal party showed its complete disregard for research and development in Canada by sending no members to the miscellaneous estimates committee yesterday, other than the chairman, to examine officials from the National Research Council, although the Progressive Conservative Party had six members in attendance, I move, seconded by the hon. member for Hamilton-Wentworth (Mr. Scott):

That this House urge the government to send members to committee meetings when the health of Canadian industry is being discussed.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1110)

HIGHWAYS

YELLOWHEAD HIGHWAY—COST-SHARING PROGRAM TO UPGRADE—MOTION UNDER S.O. 43

Mr. Charles Mayer (Portage-Marquette): Madam Speaker, I rise under the provisions of Standing Order 43. The federal budget of October 28 established a development fund for western Canada. Whereas the Yellowhead highway cannot keep up with population growth and the industrial development in the region it serves, I move, seconded by the hon. member for Vegreville (Mr. Mazankowski):

That the Minister of Transport immediately sit down with the ministers of transport of the four western provinces and negotiate a cost-sharing program designed to upgrade the Yellowhead highway to standards commensurate with the present and future requirements of that highway.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

ARTS AND CRAFTS

CANADIAN REPRESENTATION AT INTERNATIONAL FAIRS—MOTION UNDER S.O. 43

Mr. Nelson A. Riis (Kamloops-Shuswap): Madam Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43. I wish to recognize this government's recent initiative to sponsor the Canadian arts and crafts fair in Manhattan, New York City. All members of this House encourage Canadian artisans from all parts of Canada to display their excellent crafts throughout the world and before international buyers. However, despite the fact that this fair was well organized, well promoted and a real credit to the Canadian arts community, one glaring omission was made: not one artisan from the provinces of Manitoba, Saskatchewan, Alberta and British Columbia was represented.

An hon. Member: Shame!

Mr. Riis: Needless to say, my colleague the hon. member for Hamilton Mountain (Mr. Deans) and I were extremely disappointed. I therefore move, seconded by the hon. member for Beaches (Mr. Young):

That this House demands that when fairs titled "Canadian" are sponsored by this government, all parts of the country are represented and that efforts be made to demonstrate that Canada is more than simply Ontario and Quebec.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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CONSUMER AFFAIRS

EFFECT OF POSSIBLE CROP FAILURE—MOTION UNDER S.O. 43

Mr. J. R. Ellis (Prince Edward-Hastings): Madam Speaker, I rise under the provision of Standing Order 43. In view of

warnings yesterday by officials of the government that, as a result of critically low world food stocks, a crop failure next year would hit food prices like OPEC hit oil prices in 1973, I move, seconded by the hon. member for Parry Sound-Muskoka (Mr. Darling):

That the Minister of Finance and the Secretary of State for External Affairs make a joint statement on motions at the earliest opportunity as to the impact such a scenario would have on the Canadian consumer and on our aid commitments overseas, specifying any contingency plans they may have developed to deal with such a crisis.

Madam Speaker: For presentation, this motion requires unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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EXTERNAL AFFAIRS

FIRST-CLASS TRAVEL FOR AMBASSADORS AND DIPLOMATS—MOTION UNDER S.O. 43

Miss Pat Carney (Vancouver Centre): Madam Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43 to introduce a motion which I hope will have the support of all members of the House since it deals with travel arrangements for our ambassadors and heads of posts who represent our country abroad.

Since our ambassadors and heads of posts must travel on economy fare from Canada to their posts abroad, often involving long, exhausting flights, while members of Parliament have first-class travel privileges in Canada, I move, seconded by the hon. member for Vancouver Quadra (Mr. Clarke):

That this House direct the Secretary of State for External Affairs and his colleague, the President of the Treasury Board, to take the measures necessary to ensure that our Canadian ambassadors and heads of posts have the same travel privileges outside Canada as those awarded members of Parliament within Canada, as our diplomats and members of this House both represent, in our different ways, our country.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

FINANCE

INCREASE IN INTEREST RATES—ASSISTANCE TO LOW-INCOME CANADIANS

Hon. John C. Crosbie (St. John's West): Madam Speaker, my question is for the Minister of Finance or, in his absence, the acting minister, who I think is the President of the Treasury Board. The Bank of Canada prime rate went up yesterday to 13.95 per cent. Canadian banks have raised their prime rates to 14.5 per cent. For small business this means a rate of 15.5 per cent or 16 per cent. I point out to the minister that Statistics Canada has reported that the capacity utilization rate in manufacturing fell in the July-September period to 78.5 per cent of capacity only, the lowest level in 18 years. These higher interest rates will stop a recovery in its tracks.

In view of these facts, will the government implement programs to help reduce the cost to potential home buyers, mortgage holders and home owners of these higher interest rates and help tenants with a shelter allowance program? Will the government also introduce an energy tax credit program or a similar program to help lower income Canadians meet these higher costs?

● (1115)

[*Translation*]

Hon. Pierre Bussières (Minister of State, Finance): Madam Speaker, I should like to remind the hon. member that this .89 per cent increase in the prime rate is not the highest ever recorded in Canada. He must remember very well that on October 25, 1979, the prime rate shot up by 1.75 per cent, that is from 12.25 to 14 per cent, in Canada. And the hon. member remembers who was then prime minister, also who was minister of finance. The hon. member referred to some difficulties in the industrial sector for a given quarter. All statistics are more or less significant in time. If the hon. member looks at the latest statistics, he will note, for example, that in the manufacturing sector profits have increased, that production is picking up. He should also know that during that period there were some rather important investments in that field and that such investment may have caused to some extent a slowdown in manufacturing output. However, as a whole the situation is not so bad and a recovery can be anticipated.

[*English*]

Mr. Crosbie: Madam Speaker, if this minister is going to attempt to answer questions, I wish he would try to answer them. The capacity utilization in the manufacturing industry is at its lowest level in 18 years. We are now in a recession. We are not in a similar position to last year and interest rates are going up. They are at the same high point now as they were when we were in office last fall. I would remind the minister that at that time the present Minister of Industry, Trade and Commerce said the following on behalf of his party on November 6:

The Liberals and I generally want action taken now to prevent the hardship this Conservative high interest rate policy is creating for millions of Canadians and their families.

That was the attitude of his party last year. We are now asking the government to carry out their bold words of last year and to take action to help the millions of Canadians who are suffering as a result of this high interest rate policy at a time of recession. There was no recession last fall but we are in

recession now; the minister has forecast a 1 per cent decrease in the gross national product this year. So if the minister is going to answer, let him tell us if he will take action to help these millions of Canadians.

[*Translation*]

Mr. Bussières: Madam Speaker, the hon. member is deliberately ignoring the action taken by this government to fight this recession. He has come out strongly against the budgetary deficit of this government. The primary purpose of the deficit supported by the government was to counter the expected recession. There is statistical evidence that we are progressively coming out of this recession and that the economy is on the way to recovery. The hon. member should recognize that the decision to accept a much larger budgetary deficit than we would have wished has helped the country to get out of this difficulty and contributed to an economic recovery whose effects are already being felt.

[*English*]

Mr. Crosbie: Madam Speaker, I have a final supplementary question. The minister says we are moving out of the recession. Well, we are not going to move far because the high interest rates will stop that movement. With respect to the deficit, we had $3.6 billion less in deficit last fall and we introduced the energy tax credit and a mortgage interest and property tax credit to help Canadians. This government is introducing nothing but more costs to Canadians.

My supplementary question is for the Prime Minister, Madam Speaker. It is a plea to the Prime Minister to take some interest. On October 30 of last year his finance critic proposed—

—a 14 per cent prime rate because . . . it will mean the loss of thousands of jobs, increases in the cost of living, it will bring the housing industry to a halt, it will put housing beyond the reach of most middle and lower-income Canadians, it will hurt small business and it will hurt farmers, and will add to the cost of food.

If that is what interest rates did last year, it is exactly what they are doing this year. Will the Prime Minister take some action now to help Canadians meet these increased costs, or was his finance critic last year just talking through his hat, giving us a lot of nonsense which he is not prepared to act on now that he is in government?

● (1120)

[*Translation*]

Mr. Bussières: Madam Speaker, the hon. member is once again raising the question of interest rates. Canada is often criticized for not following closely the interest rates in effect in the United States. I should like to point out to the hon. member the present gap between Canadian and American interest rates.

This gap has widened in the last few weeks, which may have very important side effects. This technique of adjusting each week the interest rates to the pressures exerted both on our currency and on the economy as a whole allows us to monitor more closely an interest rate better geared to the problems of the Canadian economy. I firmly believe that the efforts made to fight inflation and bring about an economic recovery will enable us in the medium term to set more acceptable interest rates and will promote a healthy economy for the greater benefit of all Canadians.

* * *

[*English*]

SMALL BUSINESS

REQUEST FOR EXTENSION OF DEVELOPMENT BOND PROGRAM

Mr. Bill Kempling (Burlington): Madam Speaker, my question is for the Minister of State for Finance. In view of the new rise in prime rates, most small businessmen will be hard pressed to continue operation; in fact, many of them will not survive. I think a look at the bankruptcy rate will confirm that. Will the minister consider extending the small business development bond cut-off date from March 31 to at least December 31, 1981, to help the small business community bridge this gap and thus ease the difficulty they will be in with rising interest rates?

Mr. Nielsen: He will squirm out of that one too.

Mr. Crosbie: He is the government's squirmer.

[*Translation*]

Hon. Pierre Busssières (Minister of State, Finance): Madam Speaker, I do not recall the hon. member speaking so dramatically when his colleague for St. John's West raised the interest rates from 12.25 to 14 per cent on October 25, 1979. I would like to remind the hon. member that the fight against inflation and the fight to restore a sound economy is one which, as this government has always stated, must be fought by all sectors of the economy, namely, of course, farmers and small businesses, as well as all individuals and businessmen. Moreover, I would like to point out that as concerns the particular measure mentioned by the hon. member, the minister responsible for small businesses has been having regular discussions with the Deputy Prime Minister and Minister of Finance, who had already agreed to extend small business development bonds. I do not believe that decisions should be made in terms of one particular event, but rather that we should follow the normal course of the economic situation. In view of the signs of recovery that we now have, I am sure there will be no need to grant an extension for the bonds.

[*English*]

Mr. Kempling: Madam Speaker, my supplementary question is directed to the Minister of State for Finance—or should I say the minister in charge of government squirming. I should like to quote from page 1017 of *Hansard* for November 6, 1979 wherein the hon. member for Winnipeg-Fort Garry, the present Minister of Employment and Immigration, said:

—if there is a requirement to raise interest rates, there is an equal requirement to help those people who are hurt by those interest rate increases.

Mr. Nielsen: The chickens are coming home.

Mr. Kempling: I ask the minister to assist the small business community in view of the large number of people it employs. He knows, I know and everyone knows that the largest percentage of employment in the country is in the small business sector, which will be very severely hurt by these interest rate increases if they continue at this level. Will the minister consider reducing the income tax rate for small business to offset the interest rate charged by the banks?

• (1125)

[*Translation*]

Mr. Bussières: Madam Speaker, small businesses can already avail themselves of several programs which are administered by my colleague, the Minister of State for Small Businesses. The hon. member mentioned one, the Small Business Development Bond program which allows extremely generous rates of interest on certain loans. Many provisions of the Income Tax Act are also of special benefit to small businesses. The fact, for instance, that the Minister of Finance agreed to keep indexation also means that small businesses can keep more money in their pockets come income tax return time.

* * *

[*English*]

THE CONSTITUTION

PROPOSED RESOLUTION—REQUEST BY NATIVE LEADERS TO MEET PRIME MINISTER

Mr. Jim Manly (Cowichan-Malahat-The Islands): Madam Speaker, my question is for the Prime Minister. On previous occasions I have raised with the Prime Minister the need for him to meet with Indian, Metis and Inuit leaders to discuss the current constitutional resolution now before Parliament. In my hand I have a copy of a letter dated November 17, 1980. It is a joint letter from the three leaders of the national organizations asking to meet with the Prime Minister to discuss this resolution. In spite of the government's haste to rush the resolution through Parliament, this letter has not been answered, nor have the requests of the native leaders to meet with the Prime Minister been granted.

Has the Prime Minister received the letter? Is he willing to meet in the near future, with the leaders of the Indian, Metis and Inuit peoples to work out acceptable amendments to the constitutional resolution?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the hon. member knows that the proposed constitution is being discussed by a joint committee of this House and the other place. I am informed that ten days ago members of that committee agreed to meet with the Indian representatives. As far as our members on that committee are concerned, they are prepared to meet with the representatives as early as Monday morning, afternoon or evening. I understand there are negotiations going on as to whether that date will be kept; I do not know if it will be, as it is in the hands of the committee. Our members are prepared to meet them Monday morning, as I have indicated.

Mr. Manly: Madam Speaker, the leaders of these organizations would very much like to meet with the Prime Minister to find out what kind of amendments would be acceptable to him and his government before they appear before the committee. The Prime Minister has stated that, if language rights are not entrenched now they never will be because of the difficulty of getting the provinces to agree to them. He has told native leaders it will be easier for them to get their rights after the constitution is entrenched and patriated than before. Why does the Prime Minister have a double standard with respect to this matter? Does he think native rights are not as important as language rights?

Mr. Trudeau: Madam Speaker, the hon. member knows, as I have said before in the House a few times, that I did meet with the Indian chiefs and elders. In that meeting a few months ago I spoke to them at great length about our position on the constitution and our desire to meet with them and to discuss with them any constitutional matters in which they are directly involved. Since I made that speech meetings have taken place with both officials and the minister responsible for Indian affairs. The matter is now before a committee of this House. Surely that is the place for the Indians, like other groups in this country, to present their views and to seek amendments. I am relying upon the members of that committee to see if these amendments can be accepted with some consensus among all parties and, hopefully, many of the provinces as well. I must await the report of the committee in order to see their views on that.

I think the hon. member is misstating the case in so far as the comparison between language rights and native rights is concerned. Language rights have been agreed to by the ten provinces in meetings they had in St. Andrews in 1977 and in Montreal in 1978. A clear policy on minority language rights and the field of education was announced, and it is that policy which we are putting into the constitution.

• (1130)

Such is not the case with native rights. There are some very general requests to entrench aboriginal rights, but as I said in this House just a few days ago, aboriginal rights are undefined. Nor is it defined as to whom these rights would apply—to how many groups of Indians or aboriginal peoples, to what extent the rights would apply to the Metis, and what is an Indian, a half Indian or a three-quarter Indian.

The House of Commons, Parliament and the joint committee will have to look into these questions, and when the native requests are very clearly put and the content is known, then it will be up to the House to take the responsibility to determine whether or not there should be an entrenchment at that time.

Mr. Manly: Madam Speaker, the Prime Minister has said that he met earlier in the year with native leaders, but the result of that meeting is that there were absolutely no guarantees of their rights given whatsoever. The Prime Minister

always comes back to the difficulties involved in entrenching aboriginal rights. We recognize that there are difficulties, but surely, because of those difficulties, it is important for the Prime Minister himself to meet with those leaders. Since the Calder case, even the Prime Minister must recognize that there are such rights. Why will the Prime Minister not sit down with the leaders of aboriginal peoples and find some acceptable way of recognizing these rights and of negotiating them in the future so that they will be protected?

Mr. Trudeau: Madam Speaker, the hon. member makes much of my sitting down with the native leaders. I would have him know that I have sat down many times over the past years with the native leaders and that we have discussed this question again and again. I have no objection to a further meeting with them. I have indicated in this House that I would be prepared to do so again at some appropriate time in the coming months.

But surely the hon. member recognizes that it is not enough to say that he is for aboriginal rights. I am sure that if I asked him what consequences the insertion of those two words in the constitution would have, he would be absolutely incapable of answering exactly to whom they would apply in Canada and exactly what they entail. That is the situation.

ARRIVAL IN OTTAWA OF "CONSTITUTION TRAIN"—SUGGESTED MEETING WITH INDIAN LEADERS

Mr. F. Oberle (Prince George-Peace River): Madam Speaker, I would like to ask a short supplementary question of the Prime Minister. Would he be a little more specific with regard to the "constitutional train", which is arriving in Ottawa this afternoon, its passengers having travelled 3,000 miles to meet with the Prime Minister. Is the Prime Minister prepared over the weekend or next week to sit down and meet with the leaders of the Indian nations who have come to Ottawa to discuss the future, not only of themselves, but of the country?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the native people have not come here to meet with any particular people. I believe they would like to meet with as many members of Parliament as possible, and certainly I hope they will. But the committee which is studying this question was created by this House and by the Senate, so I think it is important that they meet with the committee. If after that meeting it appears that my great skills can help in some way to solve the problem, then I would be happy to meet with the native people. But I do not believe in creating expectations that a meeting which is not more better defined than it is in the questions that I have heard would be productive.

I wish the Indians would put their case, that it would be known and could be examined by the representatives of all parties on that committee, so that a report could be produced. Then the hon. members opposite would have to do more than just ask questions; they would have to make up their minds on the matter.

HOUSE OF COMMONS

PRESENCE IN GALLERY OF MINISTER OF LAND AND DEVELOPMENT OF SRI LANKA

Madam Speaker: At this point I would like the House to recognize the presence in our gallery of the Hon. Gamani Dissanayake, the Minister of Land and Development of Sri Lanka.

Some hon. Members: Hear, hear!

* * *

GOVERNMENT ADVERTISING

INCREASED FUNDING OF CANADIAN UNITY INFORMATION OFFICE—REQUEST FOR BREAKDOWN

Mr. Otto Jelinek (Halton): Madam Speaker, in the absence of the Minister of Justice and the minister of state for propaganda and multiculturalism, I would like to put my question to the Acting Minister of Justice. It arises out of a series of documents I have here which are marked "secret" and which were prepared by the Canadian Unity Information Office earlier this year in support of their request for an additional $28.9 million, including a massive $14.25 million publicity campaign in support of the government's constitutional plans.

In view of the number of unexplained figures presently in Supplementary Estimates (B), many of which coincide with figures in this document prepared by the CUIO, would the Acting Minister of Justice or any other minister explain or table in this House the detailed breakdown of these figures, including a description of how much of that money has already been spent by the CUIO and how the government intends to use the remainder of the funds?

Hon. Bob Kaplan (Solicitor General): Madam Speaker, it is obvious to the hon. member that I have no knowledge at all of these documents. I will look into them and bring them to the attention of the minister so that he can answer the question. I would appreciate receiving copies of the documents from the hon. member.

REQUEST THAT PROGRAM BE DISCONTINUED

Mr. Otto Jelinek (Halton): Madam Speaker, I will certainly make the documents available to anybody who requests them. My supplementary question is for the Prime Minister. It is with regard to advertising. In view of the fact that hundreds of thousands of Canadians, like myself, came to Canada to escape governments which spent vast amounts of money to manipulate the opinions of their citizens, and because the Prime Minister's own government at the present time is asking to increase the budget of the Canadian Unity Information Office by 170 per cent, regardless of the excuses his ministers have continued to make to justify constitutional and other government advertising, would the Prime Minister assure the House and Canadians that he will put a stop to the government's growing practice of spending millions of dollars of the

taxpayers' money on propaganda campaigns? I wish the government would quit telling the people what to think with the people's own money.

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I have seen publications by practically every province, including the province in which the hon. member has chosen to live, financed at the taxpayers' expense, which indicate policies, the advantages and the glory of living in any particular province. I have seen ads on television about how beautiful it is to be in Ontario and so on. I do not believe there is anything wrong with governments indicating to Canadians that they have good cause to be proud of the country in which they live.

* * *

ACCESS TO INFORMATION

REQUEST FOR RELEASE OF PUBLIC OPINION SURVEYS OF PROPOSED CONSTITUTION

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Madam Speaker, my question is also for the Prime Minister, who has said that his government is committed to the concept of freedom of information. In view of the fact that the documents released today by the hon. member for Halton include an allocation of $1.4 million for research on the constitution, including $900,000 for public opinion surveys of the public's reaction to the constitution, will the Prime Minister tell the House whether he is prepared to instruct the Minister of Justice, for whom these polls were prepared at the taxpayers' expense, to stop suppressing those polls and to make them available to Parliament and Canadians so that, at a time when this Parliament is being called upon to assess the constitutional direction which this country should be taking in the future, they will have access to the results of those $900,000 worth of public opinion surveys paid for by the taxpayers of Canada?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I am sorry but I missed the hon. member's question. I am not quite sure to what document he is referring, but he did mention, I believe, some $1.4 million being spent on research on the constitution. I believe that is the amount which the government allotted to the various Indian groups in Canada so that they may conduct research on the constitution. I see nothing wrong with the Government of Canada also spending an equivalent amount of money.

Mr. Beatty: Madam Speaker, the House will recognize that the Prime Minister avoided answering my question, which was very simple. Would the Prime Minister, in the spirit of information, order the release of three public opinion surveys and the following trace surveys on the constitution which were completed at a cost of $900,000 of the taxpayers' money? Those documents are currently being suppressed by the government. How can the Prime Minister conceivably justify to the Canadian people the expenditure of millions of dollars of taxpayers' money to manipulate public opinion to try to draw support for the government's propaganda for its constitutional initiatives, when at the very same time he refuses to release information relating to public opinion surveys of public response to his constitutional initiatives, paid for by taxpayers' money?

• (1140)

Mr. Trudeau: Madam Speaker, I remember hearing the Minister of Justice indicating in this House that he had released that particular day results of some 120 or 130 surveys. He did say that a small number, perhaps three, had not been released. I do not know which three but I will be happy to see if those three cannot be released very soon.

Mr. Hees: Three important ones.

Mr. Trudeau: Three important ones? I imagine they were all important, Madam Speaker. I wish the hon. member for Northumberland would spend a little more time reading the 133 which have been released, because he would get a lot of good information on which he could base questions.

Some hon. Members: Hear, hear!

Mr. Hees: We want the three with the real information.

* * *

THE ECONOMY

REDUCED PURCHASING POWER OF CANADIANS

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, I, too, would like to ask a question of the Prime Minister. Is the Prime Minister aware that the purchasing power of Canadians has been dramatically reduced in the past year, in fact to the extent that Canadians now have in comparative terms $244 less a year to spend than they had a year ago? As a result of this, there has been a reduction in the industrial capacity figures to the point where they are at the lowest they have been in 18 years. Bankruptcies are up 20 per cent. People cannot find their way to meet mortgage payments or renew mortgages. Will there be a time when we in this House are going to be able to deal with the problems confronting tens of thousands of Canadians all across this country?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I think I indicated in the House a few days ago that it is obvious, with the vast transfer of spending power resources which Canadians are now embarked upon in order to purchase petroleum abroad under OPEC prices, that the rate of growth of the Canadian economy, of the purchasing power, and so on, is not as great as it used to be. The House knows that we have before us now a budget and an energy policy which will increase the price of petroleum, but it is an increase considerably less than that requested by the producing provinces.

Mr. Crosbie: That is untrue. It is completely untrue. It is unfounded. In fact, I could go further, but it would be unparliamentary.

Madam Speaker: Order, please. The hon. member for St. John's West does not have the floor just now.

Mr. Crosbie: I wish I had.

Mr. Trudeau: Madam Speaker, this is a novel interjection because the hon. member for St. John's West said that the prices for petroleum that we are bringing down in our energy policy are not less than those requested by the producing provinces. This is complete news to me. I am sure it would be news to the Premier of Alberta that we are proposing prices with which he now agrees. The hon. member for St. John's West has made a complete untruth with that interjection which, as usual, had nothing to do with reality.

Mr. Crosbie: Get the sand out of your head.

Mr. Deans: Madam Speaker, I will read *Hansard* to see if my question was answered.

Some hon. Members: Oh, oh!

Mr. Deans: My supplementary question is for the Prime Minister. Recognizing that consumer purchasing power has decreased, that the manufacturing sector is on the decline, that unemployment is rising, that there are fewer people who can go into the stores and buy the products which we must manufacture, and that interest rates have contributed significantly to the problem which confronts us in Canada today, is it not realistic to think that perhaps we in the House of Commons and the government should reassume the political responsibility for the setting of interest rates, and that we should establish an interest rate in Canada which is made in Canada, as was promised by the Liberal party during the last election?

Mr. Trudeau: Madam Speaker, the premise of the question is fallacious.

Mr. Deans: It is not, and you are out of touch.

Mr. Trudeau: The hon. member says it is not and that I am out of touch.

Mr. Deans: Try living on it.

Mr. Trudeau: I heard him say that the manufacturing sector is on the decline.

Mr. Crosbie: It is.

Mr. Trudeau: I have here an indication that real output in manufacturing, as measured by real domestic product, increased sharply in December, 1980, a 2.2 per cent advance—

Mr. Crosbie: We are not there yet. That is next month.

Mr. Hees: That is November.

Mr. Paproski: It is November 28, and it is Friday.

An hon. Member: This is Canada, Pierre.

Some hon. Members: Oh, oh!

Madam Speaker: Order, please.

Mr. Trudeau: Madam Speaker, I have the figures here for the third quarter which ended September, 1980. If the hon. member or the howling members opposite have the figures for the fourth quarter, I would be very happy to hear them.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

* * *

SPORTS

CANADIAN AMATEUR HOCKEY ASSOCIATION—MINOR HOCKEY CHAMPIONSHIP

Hon. Steven E. Paproski (Edmonton North): Madam Speaker, my question is for the Minister of Labour who is responsible for fitness and amateur sport. It is my understanding since the last exchange we had in this chamber that the Canadian Amateur Hockey Association, Murray Costello and company, has reconsidered its decision with regard to Father Athole Murray's Notre Dame College in Wilcox, Saskatchewan, in connection with its hockey program. Is this true or false, or does the minister have something to add to that?

Hon. Gerald Regan (Minister of Labour): Madam Speaker, I thank the hon. member for the question. There has been no specific announcement by the Canadian Amateur Hockey Association in relation to Father Athole Murray's Notre Dame College at Wilcox, Saskatchewan. However, an announcement was made in Halifax by Brian Wakeland, the national president of the Canadian Amateur Hockey Association for minor hockey, that this year's Air Canada Cup for Canada's minor hockey championship would be played on the basis of last year's rules.

This answer was given in response to some complaints and problems which were affecting other areas besides Notre Dame and indicated that all teams eligible to participate last year, including Notre Dame, would be eligible to participate this year. This is very encouraging news. If the hon. member's question and my response elicits a clarification from the Canadian Amateur Hockey Association, that would be very pleasing; but it is apparent on the basis of the official statement in Halifax that all teams which participated last year, including Notre Dame, will be eligible. If that is accurate, I want to thank the hon. member, members from all three parties who made representations on behalf of Notre Dame's cause and the thousands of Canadians who wrote to me on the subject.

LOTTERIES

DISPOSITION OF UNCLAIMED FUNDS

Hon. Steven E. Paproski (Edmonton North): My short supplementary, Madam Speaker, is directed to the same minister. Will the minister advise the House whether he is using the interest on the unclaimed loto funds for amateur hockey and football scholarships for those worthy students who require money? The money is sitting there; what is the minister doing with the $750,000 interest accumulated on the unclaimed Loto Canada funds?

Hon. Gerald Regan (Minister of Labour): Madam Speaker, I have some difficulty determining how that question is supplementary to the original question. However, I want to assure the hon. member that we are continuing to improve and to expand the grants in aid to students who have achieved excellence, not only in the Olympics, but now also in non-Olympic sports in the country. We have not specifically applied any particular source of funds, because the unclaimed lottery funds, from the days when we used to have that wonderful organization known as Loto Canada, are being held against the possible outcome of some lawsuits which were undertaken by people who felt the Conservative government's withdrawal from Loto Canada did them a legal injustice.

Mr. Paproski: What did that have to do with my question?

* * *

● (1150)

AGRICULTURE

PROPOSED CANADIAN AGRICULTURAL EXPORT COUNCIL

Mr. Jesse P. Flis (Parkdale-High Park): Madam Speaker, my question is to the Minister of Agriculture. In view of the fact that the previous Liberal government took initiatives to establish the Canadian Agricultural Export Council under the jurisdiction of the Minister of Agriculture, only to be disregarded by the previous government—I repeat, Madam Speaker, only to be disregarded by the previous government—will the minister update this House on the progress of CANAGREX, its structure and method of financing?

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, CANAGREX, the Canadian Agricultural Export Council, is under very serious discussion. Preliminary drafting of the legislation is proceeding. I hope we will have something in the not too distant future to report to the House.

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EXTERNAL AFFAIRS

PASSPORT GUARANTORS—NON-RECOGNITION OF VETERINARIANS

Mr. Lorne Greenaway (Cariboo-Chilcotin): Madam Speaker, my question is addressed to the Minister of Employment and Immigration. Recently a veterinarian in British Columbia signed as guarantor on a passport application form and it was returned as unacceptable by the department. The reason they gave was that they do not recognize veterinarians as a profession. I am a veterinarian and I find that very offensive. If you look at the document, Madam Speaker, you see that school teachers, postmasters, lawyers, dentists and others can sign these applications. Will the minister do something about this and recognize that these people are professionals? They are the James Herriots of Canada, for heaven's sake.

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, passports come under my responsibility. The guarantor section of the passport application form is not meant to be a stamp of government approval of various professions in Canada; it is related only to serving the needs of the public. We believe we have provided for a sufficiently large number of classes of guarantors so that all of the public is adequately served.

Mr. Greenaway: Madam Speaker, I find that answer unacceptable. The answer that came from the department was that they do not recognize that profession as a profession. That is just unacceptable. I therefore ask the minister to have a look at that.

Mr. MacGuigan: Madam Speaker, I do not know what may have been said to the hon. member, but I can tell him it is not our duty to pass on various professions. It is our duty merely to ensure that the people have a wide selection of possibilities for passport guarantors.

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RAILWAYS

WHITE PASS AND YUKON ROUTE—MEETING TO DISCUSS CLOSURE

Hon. Erik Nielsen (Yukon): Madam Speaker, I have a question for the Minister of Indian Affairs and Northern Development. According to a news broadcast this morning by the CBC at Whitehorse, the president of the White Pass and Yukon Route Corporation, Mr. Tom King, has called a meeting of all railway employees and their wives for tomorrow morning in the Travel Lodge in Whitehorse to discuss closure of the White Pass railway. Has the minister been informed of such a meeting? I know that he is in the middle of negotiations which have been going on for some time now, negotiations commenced by the previous government. When is the minister going to exercise some leadership and initiative in coming to a solution to the very critical problem facing the railway so that it will continue its operation and provide the only link to tide water that the Yukon has?

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): Madam Speaker, I think the hon. member is confusing two issues. As I understand it, the meeting taking place there is relative to a labour dispute that, hopefully, is in the process of being settled. The question

whether a commissioner will be appointed should more properly be directed to the Minister of Labour. I understand that is the essence of that particular meeting.

If the hon. member is referring to what we are going to do with respect to White Pass in terms of the very sizeable capital investment which will be required to keep the railway in fit shape, I had detailed discussions on that matter with Mr. Pearson and the Yukon government in the last couple of days. He is aware of the situation, namely, that we have had our offer on the table for some time and so has the Yukon government, and jointly have committed ourselves. We are waiting for some word from Alaska, which as the hon. member knows has a great interest in this matter and some vested interest as well. Many Americans are employees of that railway. The indication is that they would be prepared to make an investment also, but nothing definite has evolved. We hope that, because of a change in the political situation there in the last few weeks, they will now give their attention to the matter and indicate whether they are prepared to participate in this capital infusion along with ourselves and the Yukon government. As the hon. member well knows, we are looking for Cyprus-Anvil to have some input as well. I hope the whole thing will come together in the next month or six weeks.

Mr. Nielsen: Madam Speaker, I have a very brief supplementary. My information, of which I do not vouch for the accuracy, is that the meeting called for tomorrow morning includes the wives of the railway employees. I wonder if the minister's information is the same, because it appears rather odd to me that the wives would be invited to a meeting to settle a labour dispute. We will all rest easier, of course, if the minister can assure us that the railway will not be closed and that he expects to find a solution very shortly to the real problems confronting the railway.

Mr. Munro (Hamilton East): Madam Speaker, the railway is functioning; what is needed are improvements. Certainly that is our intent. It is essential to the Yukon that it continue to function and that it have this enrichment we are talking about. There may be concern expressed at this meeting with respect to the future of White Pass, but I think the labour dispute is of some considerable concern. I was happy to note, and I hope it is accurate, that Cyprus itself has indicated some willingness to afford employment opportunities to those who may be laid off. Naturally, I hope that will not be necessary.

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CANADIAN BROADCASTING CORPORATION

RADIO-CANADA JOURNALISTS DISPUTE—INQUIRY RESPECTING RESUMPTION OF NEGOTIATIONS

Mr. Mark Rose (Mission-Port Moody): Madam Speaker, my question is for the Minister of Communications in his responsibilities for reporting to the House on behalf of the Canadian Broadcasting Corporation. Since Radio-Canada journalists have been without a contract for almost a year now, have been on strike since October 30, a strike incidentally supported by politicians of the three major parties in that province, and since the CBC has declined even to meet with the union since the strike started, does the minister intend to use his good offices to get the parties together again to settle this issue which has been depriving Francophones of news and public affairs programs since the strike began?

[*Translation*]

Hon. Francis Fox (Secretary of State and Minister of Communications): Madam Speaker, I thank the hon. member for his question concerning the present strike by Radio-Canada reporters. The hon. member wishes to know when negotiations might resume. I am pleased to advise him that CBC management spokesmen have informed me this morning of their intention to meet today with union members to determine whether negotiations might resume with a view to achieving a new collective agreement.

[*English*]

Mr. Rose: May I ask the minister if he has any more information about the meeting and whether the CBC is ready to depart from its Bob Cratchit offer of 7 per cent and 7½ per cent—

Mr. Knowles: Scrooge.

Mr. Rose: Is it Scrooge? I am sorry. It is the journalists who are the Bob Cratchits! Seven per cent and 7½ per cent over a two-year contract fails even to keep up with inflation. In addition, is the CBC prepared to discuss or negotiate improving working conditions and hours of work for those journalists, not only in the province of Quebec but for CBC journalists and other workers throughout Canada?

[*Translation*]

Mr. Fox: Madam Speaker, of course, it is CBC management which must take part in the negotiations aimed at a new collective agreement. I am informed by management that the initial position was based on the conciliation committee report which the union rejected. Nevertheless, Radio-Canada is prepared to sit down with the union in order to come to an agreement as quickly as possible.

* * *

[*English*]

CROWN CORPORATIONS

LEGISLATION TO REQUIRE ANNUAL REPORTING

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Madam Speaker, my question deals with what I consider important reports which, in the opinion of many of us, have been gathering dust. I refer to the Lambert commission report and D'Avignon report. My question is addressed to the President of the Treasury Board. Is his department considering or contemplating legislation to control, force accountability and direct these Crown corporations to give us annual reports on how they manage public funds? If so, what stage has the consider-

ation of this legislation reached as of today and are there any obstacles at this time that he can foresee? Would the minister inform the public as to why we should not have legislation controlling these Crown corporations?

• (1200)

Hon. Donald J. Johnston (President of the Treasury Board): Madam Speaker, let me advise the House first of all that these reports are certainly not gathering dust. In fact, very substantial progress has been and will be made in bringing forward a co-ordinated response to the Lambert and D'Avignon reports.

With respect to Crown corporations per se, I know this House has great interest in the subject and a bill was previously tabled. We have received many constructive criticisms of that bill. I know there is considerable interest on all sides of the House; I recently read a speech by the hon. member for Wellington-Dufferin-Simcoe on the subject. I would like to assure hon. members that I will be bringing forward proposals with respect to Crown corporation legislation to my colleagues in the very near future, and by that I mean within a matter of days.

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ACCESS TO INFORMATION

CAMPAIGN OF AWARENESS TO NEEDS OF THIRD WORLD

Mr. Bill Clarke (Vancouver Quadra): Madam Speaker, my question is for the Secretary of State for External Affairs. I want to ask him about the "Dear friend" letter which he sent out recently together with a questionnaire entitled "Study No. T.0061". In his letter the minister implies that he is seeking the views of opinion leaders across Canada. A first step in this campaign is "to enhance the awareness of Canadians to the needs of the Third World".

How many of these questionnaires did the minister send out? Did they go to all parts of Canada, and how were the recipients selected? Perhaps the minister can tell us if it is a substitute for the government's costly advertising campaign which has been going on recently.

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, in order to lay the groundwork for a campaign of public information, some months ago I decided to have a large-scale oral survey of Canadian public opinion to enable the campaign to be better planned. That survey has been completed, and shortly I will be releasing the results to the public and, of course, to this House.

The questionnaire to which the hon. member refers is the same questionnaire which was also sent to a representative selection of public opinion leaders across Canada. It was a supplement to the more scientifically conducted questionnaire, and the results of that will also be available to the public in the long run.

Mr. Clarke: Madam Speaker, the minister obviously has more faith in the Post Office than some of us. The questionnaire was mailed on November 6 requesting a return by November 12. Can the minister tell us how many he has received back and when he might be releasing the results to the House?

Mr. MacGuigan: Madam Speaker, the primary survey is the scientifically conducted one, the results of which will be released within a week or two. The other one, the supplementary one to which the hon. member is referring, that of opinion leaders, will depend upon when we feel a sufficiently representative number has been returned.

* * *

INDIAN ACT

ALLEGED DISCRIMINATION AGAINST INDIAN WOMEN

Mr. Lorne McCuish (Prince George-Bulkley Valley): Madam Speaker, my question is for the Minister of Indian Affairs and Northern Development. Reading from a prepared text, in his speech to the Standing Committee on Indian Affairs and Northern Development on November 18 the minister stated, and I quote:

> I agreed last summer to suspend sections of the Indian Act which discriminated against Indian women, when asked to do so by band councils.

Is the minister saying that he is prepared to allow sex discrimination and make third-class citizens of Indian women solely at the whim of a band council?

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): Madam Speaker, I think the implication of that question is rather insulting to chiefs of band councils across Canada, because the essence of the action I took was simply—and this is in line with our commitment and, I understand, the position of the opposition too—the promotion of a great deal more self-government by Indians across this country.

In essence, it is saying that if the chief and band council wish me—and they give me a BCR—to use my powers under section 4 of the Indian Act to set aside the alleged discrimination in section 12 with respect to an Indian woman who marries a non-Indian man, I will do so on receipt of that BCR. It is the government's way of saying to Indians that with respect to this particular problem they can make the decision. Once they make the decision, we will adhere to a decision they themselves make and give them an opportunity to settle this question without having non-Indians settle it for them.

Mr. McCuish: Madam Speaker, the minister is saying that he has in fact condoned negative action by a band council. I wonder if he would relate the position to his home town of Hamilton. If the mayor and council of that city decided that the women in Hamilton no longer should have the right to own land or to vote, would he concur with the action and support that mayor and council? If not, by what rationale can he hold the rights and privileges of women in Hamilton above those in Grassy Plains?

Point of Order—Mr. Mazankowski

Mr. Munro (Hamilton East): Madam Speaker, if the hon. member is suggesting that the government should move in and tell the Indian people how they should cope with the situation themselves at the same time as we are talking in the context of self-government, I think that is contrary to the position not only the official opposition and many others have taken but also the position of the Canadian government. In any event, it has been stated by the Prime Minister and I in the past that, with respect to certain anti-discriminatory provisions of the patriation resolution, within three years this will have application to do away with the type of discrimination about which the hon. member is talking. However, surely it is not unreasonable in the meantime without interference from non-Indians to allow the Indian people themselves to cope with this particular problem.

* * *

POINT OF ORDER

MR. MAZANKOWSKI—STATEMENTS MADE BY MR. PEPIN DURING QUESTION PERIOD ON NOVEMBER 24

Hon. Don Mazankowski (Vegreville): Madam Speaker, I rise on a point of order which arises out of answers to questions given by the Minister of Transport (Mr. Pepin) on Monday last. This is the first opportunity I have had to raise this matter. I regret that the Minister of Transport is not in the House at the present time.

My point of order has to do with answers which were given in connection with questions having to do with funds which were committed by our administration for the purpose of urban transportation improvements in the province of Ontario. This exchange can be found at page 4981 of *Hansard*.

In his customary flippant and superficial manner the minister attempted to discredit the genuine commitment and undertaking which were made by our government at that time. Moreover, in my view, either advertently or inadvertently, the minister imputed motives which I believe are unfair to me but, more particularly, I believe could cast a reflection upon the minister of transportation and communications of the province of Ontario. I simply wish to correct the misunderstanding for the benefit of the minister and, indeed, for the House.

As I am sure the minister is aware, the question of urban transportation and improvement of the urban transportation system in Toronto has been the subject of a tremendous amount of discussion, debate, and exchange of correspondence. I believe it goes back to 1976. There was an extensive exchange of correspondence, telephone calls and discussions. Indeed, this intensified during our tenure of office, particularly during the latter part of 1979 and the early part of 1980, and culminated in an exchange of documents which constituted agreement in principle.

The agreement was to provide for additional funding in the amount of $10 million for the fiscal year 1979-80 and the next two fiscal years, the sum of which would amount to $30 million in total. A letter was directed to me from Mr. Snow outlining the request. I subsequently directed a telex to Mr. Snow which concurred and provided approval of the additional funding in the amount of $10 million in the current fiscal year and an additional $10 million for improvements to the Toronto Union Station and the Bathurst railway corridor.

• (1210)

This was also followed by a press release which was issued by the minister of transport and communications of the province of Ontario, and it was very clear, in the exchange of correspondence and in the documentation, that these were funds in addition to the existing program. The Minister of Transport should also note, if he is not aware of it, that each year—

An hon. Member: That is not a point of order.

Mr. Mazankowski: I am correcting the record, or the implication—

Some hon. Members: Oh, oh!

Mr. Mazankowski: With all due respect, Madam Speaker, members across the way suggest I am wasting the time of the House. It is my integrity and the integrity of the minister of transport and communications of the province of Ontario which are at stake. I believe they are worthy of preserving, and I simply want to—

Madam Speaker: Order, please. I believe that the hon. member on the other side was reminding the hon. member for Vegreville (Mr. Mazankowski) that he was entering into debate, which I think he was doing in exposing this point of order. I would further remind him that if he feels the minister has imputed motives to him, he can perhaps discuss that, but the fact that the minister might have imputed motives to someone else who is not in the House should not be brought out in the manner in which the hon. member is doing it now. I would ask the hon. member to restrict himself to the point of order he wants to raise concerning himself, and not other people who are not in the House.

Mr. Mazankowski: Thank you, Madam Speaker. The point I want to make is that the minister has suggested that the undertaking was simply the shake of a hand, that there was no Treasury Board submission, and that it was, in effect, improper for me to have done what I did. I should indicate to the House and for the benefit of the minister that he should know that every year there were lapsed funds in the UTAP. Last year was no exception, and I am sure that this year is no exception. If he were to check that out, clearly he would find that to be a fact. He also suggested that there was no Treasury Board submission. The fact of the matter is that he should know that Treasury Board approval is not required for the utilization of lapsed funds in the case of the fiscal year 1979-80, provided that the proposal complies with the terms set out governing the program. So clearly the funding was in order, appropriate, quite proper and correct.

I am satisfied that the funding for the next two years, which would have required Treasury Board approval, would and should have been honoured. So, Madam Speaker, the commitment was more than simply a handshake or a partisan gesture, as the minister said, on the eve of an election. It was a genuine, well-discussed and well-thought-out-proposal that was to be honoured and should be honoured, and I hope and trust that the Minister of Transport will change his mind and look at the file—

Madam Speaker: Order, please. It is very hard for me to see whether or not that point of order is well founded and I would have to check the record. Since the minister is not present in the House at this time, we will leave that point of order in abeyance and see whether the minister wishes to reply to it at another time.

I have notice of a question of privilege from the hon. member for Humboldt-Lake Centre (Mr. Althouse).

* * *

PRIVILEGE

MR. ALTHOUSE—CONTENTS OF TELEX RESPECTING PLANT BREEDERS' RIGHTS

Mr. Vic Althouse (Humboldt-Lake Centre): Madam Speaker, in the last day or so a copy of a telex has found its way to my office. The telex, addressed to the attention of all directors, was issued on July 25 of 1980. Its contents read as follows:

> The NDP is forwarding you a questionnaire on plant breeders' rights. I suggest that you and your scientists do not reply.

It is signed by A. A. Guitard who, I understand, is the research director for western Canada. All of this is under the Department of Agriculture.

I have realized for a long time that plant breeders' proposals are controversial and that there are strong feelings in all sectors of agriculture and within the agricultural community, including research people, in connection with that issue. I also understand the difficulties faced by plant breeders, a great many of them being civil servants who are unable to speak out. I realize that they have strong opinions, as they should, because the outcome will affect the kind of job they are doing. At the same time I am very cognizant of the fact that they are in that position, and for that reason no such questionnaire was ever considered, prepared, or issued. The closest thing to that type of questionnaire we have ever undertaken is a question which I put to my constituents on the back of my *Householder* which I will be sending out next Monday on what they think of plant breeders' rights. I ask them to respond either for or against them.

The matter which I raise as a question of privilege today is with regard to the wording of the telex which specifies that a questionnaire is being forwarded by the NDP. This is not a request by management alerting people to the fact that we might or might not be submitting a questionnaire, or mentioning that possibility. It states specifically that the NDP "is forwarding" such a questionnaire. This leaves the implication that this is the case, which it is not. It puts all of us in a rather strange position.

Here we have a directive from a research scientist, which Mr. Guitard is, a man accustomed to dealing with hard facts. Either he has forgotten his lifelong training, which I doubt, or he has been fed some facts which turn out not to be facts, or has been fed information which he believes to be factual. Again this implies that either some untruthful information is being disseminated in the department about myself or my party, or that such information is being gathered and provided, which, in either case, does not make me feel any more happy about it.

Because this directive indicates anticipated actions which we have not taken, and states that a certain event will take place, it presents what history has proven to be an untruth or, to use a more parliamentary term, inaccurate information. I think we have a question of privilege before us and I would ask you, Madam Speaker, to consider all the facts and to give them your attention.

Madam Speaker: It seems to me, first of all, that the hon. member is referring to a telex which dates back to July 25, 1980. I understand from the hon. member's intervention that the telex was announcing something that was going to happen later, and therefore the hon. member probably waited to see whether that action would in fact take place. I would remind the hon. member that questions of privilege must be raised at the earliest opportunity.

However, that is not the substance of his question of privilege. I do not find a question of privilege in the point raised by the hon. member. He has probably a grievance. He is complaining about improper information being sent to someone. Also, the hon. member himself is not personally implicated, and the reference is rather to the NDP party, so the privileges of the hon. member have not been directly breached by this action, it seems to me. At any rate, the privileges of members do not extend outside of the House, so I really feel that the hon. member has only a grievance. We have heard it now, and I do not see a question of privilege in his point.

• (1220)

MR. WADDELL—STATEMENTS MADE BY MR. ANDRE

Madam Speaker: The hon. member for Vancouver-Kingsway (Mr. Waddell) on a question of privilege.

Mr. Ian Waddell (Vancouver-Kingsway): Madam Speaker, last night when the hon. member for Calgary Centre (Mr. Andre) was speaking in the debate on the Petroleum Administration Act, as reported at page 5121 of *Hansard* he had the following to say:

> The New Democratic Party energy critic, the hon. member for Vancouver-Kingsway (Mr. Waddell), was bordering on McCarthyism in some of his remarks which were directed at the hon. member for Capilano (Mr. Huntington).

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, I rise on a point of order. I was in the House last evening and I heard the exchange which took place in the debate to which

the hon. member refers. It involved not only the hon. member for Calgary Centre (Mr. Andre) who is not here today, but also the reputation and the standing of the hon. member for Capilano (Mr. Huntington).

I respect the right of the hon. member for Vancouver-Kingsway (Mr. Waddell) to rise on a question of privilege, even though he may be wrong on both counts with respect to both members. But I think it would be adding discourtesy upon discourtesy if the member were allowed to proceed in the absence of the members who were involved by name last night in those remarks. I think it might be appropriate if we allowed the matter to rest until they are here.

Madam Speaker: The hon. member is free to rise at this time on what he considers to be a question of privilege but perhaps is a point of order. I am confused as to what the hon. member is really raising because he called it a point of privilege. I am confused as to whether it is a question of privilege or a point of order. At any rate, the hon. member has heard the suggestion of the hon. member for Nepean-Carleton (Mr. Baker). Does the hon. member for Vancouver-Kingsway (Mr. Waddell) want to extend that courtesy and delay his point of order or question of privilege until a time when these members will be present in the House?

Mr. Waddell: Madam Speaker, at page 5125 of *Hansard,* I am reported as saying the following:

> Mr. Speaker, I rise on a question of privilege. I wish to give the Chair and the hon. member for Calgary Centre (Mr. Andre) notice that I wish to reserve my right to raise a question of privilege in this House after I have read in *Hansard* the reference in the hon. member's speech to McCarthy and other remarks with reference to me.

Mr. Nielsen: Madam Speaker, I rise on a point of order.

Mr. Waddell: Just let me finish my point. I do not think the member need rise. I am prepared to extend—

Madam Speaker: The hon. member for Yukon (Mr. Nielsen) on a point of order.

Mr. Nielsen: I will defer it because I heard the hon. member for Vancouver-Kingsway (Mr. Waddell) say something that the Chair probably did not hear.

Mr. Waddell: I have said that I gave notice last night.

Mr. Baker (Nepean-Carleton): Yes, that is correct.

Mr. Waddell: The hon. member for Nepean-Carleton (Mr. Baker) is correct that the hon. member for Calgary Centre and the hon. member for Capilano (Mr. Huntington) are not in their places today. The third person who is involved in this question of privilege—and it has been raised all week in the House of Commons; it is a very important point with respect to western separatism—is the Leader of the Opposition (Mr. Clark), the hon. member for Yellowhead, who has been asked on numerous occasions to reply in the debate—we have had a six-day debate—on my charges with respect to his position on western Canada.

Mr. Nielsen: He is not here today.

Mr. Waddell: He is not here today either. In the interests of getting this matter properly aired, I will reserve my right to raise the matter. I intend to bring it up on Monday. I will tell the hon. member for Nepean-Carleton that right now, and I hope he will have the three members here in the House to reply.

Mr. Baker (Nepean-Carleton): Just so that it is clear, certainly I will advise the hon. members, but I make no guarantee to the hon. member for Vancouver-Kingsway with respect to the attendance of members.

Mr. Ouellet: Where is he?

Mr. Evans: Where is the hon. member for Capilano (Mr. Huntington)?

Mr. Baker (Nepean-Carleton): They are likely in their ridings. It may have escaped the Postmaster General (Mr. Ouellet) that the hon. member for Capilano represents a seat in British Columbia and that the hon. member for Calgary Centre represents a seat in Alberta. It takes a little time for them to get to their constituencies. The Postmaster General and I are quite fortunate in that regard.

An hon. Member: It takes longer to go by private rail car.

Mr. Baker (Nepean-Carleton): We can get to our constituents very easily. I want to make it clear that certainly I will inform the hon. members with respect to the matters raised. I want to thank the hon. member for Vancouver-Kingsway for his marvellous display of courtesy.

Mr. Bill Clarke (Vancouver Quadra): Madam Speaker, when the question of privilege of the hon. member for Vancouver-Kingsway (Mr. Waddell) is being considered, when he sees fit to bring it up, it should be noticed and realized that only the hon. member for Calgary Centre (Mr. Andre) is mentioned in his notice of a question of privilege. The hon. member for Capilano (Mr. Huntington), the hon. member for Yellowhead (Mr. Clark), and myself are not mentioned.

Mr. Waddell: They will be.

Mr. Clarke: I would not want the hon. member for Vancouver-Kingsway to think that he could include all members when he has only reserved the right to raise a question of privilege concerning one member.

Hon. André Ouellet (Minister of Consumer and Corporate Affairs and Postmaster General): Madam Speaker, I take note of the remarks of the opposition House leader. I sympathize with these members from British Columbia and Alberta.

Mr. Nielsen: You think they have problems!

Mr. Ouellet: I realize that they have to go back to their ridings every weekend and sometimes leave on Thursday night. This brings me to wonder why the opposition has not yet accepted the very keen proposition of my government House leader to have only four sitting days each week.

Mr. Siddon: Because the House should work.

Mr. Ouellet: I hope this will be considered seriously and that we will get on with the long overdue amendment to our working schedule in Parliament.

Mr. Baker (Nepean-Carleton): I will leave that one alone.

Hon. Stanley Knowles (Winnipeg North Centre): Madam Speaker, I rise on another point of order, but now that I am on my feet, perhaps I should reject the suggestion that we should work any shorter a week than we are now working.

Mr. Ouellet: Now we know who blocks reforms here.

Mr. Knowles: A three-day work week would be an even greater reform—is that what you want?

Mr. Ouellet: There is no reason why we cannot work longer hours on three or four days.

Madam Speaker: I thought the hon. member for Winnipeg North Centre (Mr. Knowles) was rising on a different question of privilege which I should like to hear, if possible.

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POINTS OF ORDER

MR. KNOWLES—USE BY MEMBERS OF AIR TRAVEL PRIVILEGES

Hon. Stanley Knowles (Winnipeg North Centre): Madam Speaker, perhaps I should call it a point of order to save Your Honour having to rule on it. During motions under Standing Order 43 today, the hon. member for Vancouver Centre (Miss Carney) moved one in which she referred to the fact that members of Parliament have the right to do their air travelling in Canada first class.

I should like to make the point, although the member did not say that all our travel is first class, that there was an implication there which I think should be corrected. Many of us—perhaps most of us—do our air travelling in Canada economy class, and I think that should be on the record.

Some hon. Members: Hear, hear!

MR. EVANS—STATEMENT MADE BY MR. BEATTY

Mr. John Evans (Parliamentary Secretary to Deputy Prime Minister and Minister of Finance): Madam Speaker, I rise on a point of order of which I gave notice on November 26, 1980. I refer to page 5092 of *Hansard* and a question of the hon. member for Wellington-Dufferin-Simcoe (Mr. Beatty) during question period to the Right Hon. Prime Minister (Mr. Trudeau). In the question the member indicated clearly that the testimony of Mr. Justice Clyne of Vancouver before the constitutional committee indicated that the proposed actions of the government with regard to the constitution were, in his opinion, unconstitutional. I should like to have that matter reviewed, because I listened to the testimony and that is not

what he said. In fact, he said they were constitutional in his opinion.

Mr. Baker (Nepean-Carleton): That is not a point of order. It is something which occurred during committee proceedings.

Madam Speaker: Yes, the hon. member should know that he should not refer to proceedings of committees in the House. However, I have listened to his point of order and I will just leave it at that.

• (1230)

ROUTINE PROCEEDINGS

[*English*]

EMPLOYMENT OPPORTUNITIES FOR THE '80s

Second report of the special committee on Employment Opportunities for the '80s—Mr. Allmand.

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

Mr. Jim Hawkes (Calgary West): Madam Speaker, I rise on a question of privilege. I am the vice-chairman of the committee and I would like to bring to the attention of the House that I have not yet seen the report which has just been tabled.

I understand from question period that the committee was dictated to by the government House leader. I would need some time to prepare a question of privilege adequately on the report. Therefore I would request Your Honour's indulgence to allow me time to review the record and look at the report.

Hon. Warren Allmand (Notre-Dame-de-Grâce): Madam Speaker, I rise with respect to the same matter. Notice of the meeting to prepare the report referred to was given to all members on the committee, including the hon. member opposite. He was telephoned and he knew when the meeting was to take place. The reason he did not see the report is that he did not attend the meeting. He was told. I discussed the content of the report with him on several occasions. I did so a few minutes ago in the House. At that time he did not mention the point he has just raised to me.

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, the hon. member of the opposition claims that I gave instructions with regard to the preparation of the report that was just tabled. I want it to be clear once and for all that that is absolutely false. What the hon. member has just said is absolutely untrue. It may be wishful thinking on his part, but I can assure him it is not the case. I gave no instructions whatsoever to that committee. The committee in question is a parliamentary task force which is to report on December 19. I understand this report is a preliminary report,

and I had nothing at all to do with its preparation. I trust the hon. member will have the courage to withdraw his accusation which I take as a serious personal insult if not a direct accusation.

[*English*]

Mr. Hawkes: Madam Speaker, I am at a disadvantage because I did not attend the meeting. I have seen the reports of the meeting and I attended previous meetings. I think there is a great deal of testimony from members of the committee which would indicate that procedures in that committee and the substance of this report are, in effect, being dictated by the government House leader. I would like the opportunity to examine the record and come back to the House on my question of privilege to put the evidence before the House.

[*Translation*]

Mr. Pinard: Madam Speaker, I wish to emphasize that the hon. member does not seem to have the courage to withdraw the completely unwarranted and unfounded accusation he has just made and that he is trying to hide behind the examination of I do not know what notes or the cross-examination of I do not know what hon. member. I insist that he should withdraw this false accusation, without any basis in fact, which he has just repeated by saying that I contributed directly or indirectly to the preparation of the report which has just been tabled. I categorically deny this accusation. I am certain that my word is at least as good as his and I am asking him to believe me and to withdraw the unfair accusation that he has made.

[*English*]

Hon. Erik Nielsen (Yukon): Madam Speaker, perhaps I could suggest a way out of this difficulty. I suggest to the hon. member who raised the question, for the purposes of deferring it, that he withdraw the current statement with respect to the alleged participation on the part of the government House leader until such time as he has read the report. Subsequently, he may present a question of privilege based on the alleged participation of the House leader and upon whatever evidence he may come up with at some later date. In the meantime, perhaps the hon. member would be disposed to withdraw any allegations at this time.

Mr. Hawkes: Madam Speaker, of course I accept the minister's word. This leads to another problem in that the committee report was drafted under a misunderstanding. The committee chairman may, in fact, wish to withdraw the report at a later date. I would like the question of privilege to be aired after I have had a chance to examine the public record.

[*Translation*]

Mr. Pinard: Madam Speaker, I do not see what there is to check as concerns my participation in the preparation of this report. However, to clarify what both the hon. member and the hon. member for Yukon (Mr. Nielsen) do not seem to understand, I would like to say that this committee wants an extension of its deadline and that it should make that request in the very near future.

Obviously, I was consulted about this matter. However, regardless of consultations about the extension of the deadline, which we would be willing to grant if there is no debate in the House, I must state that in no way did I take part in the preparation of any report, and if this can allay the fears of the hon. member, I am convinced that he will no longer want to accuse me of anything. However, I would like this to be clarified today. There is nothing else to verify.

[*English*]

Madam Speaker: I was somewhat confused myself when the hon. member for Calgary West (Mr. Hawkes) said he would check the records. That type of allegation would not be included in the records since obviously, if something happened, it was conversation which took place among a number of people. I am happy that the hon. member has offered to withdraw these allegations and to take the hon. minister's word, as he has stated in the House. I think when a motion for concurrence is moved the hon. member could raise his objection at that point. For the time being the report has been presented and I will consider it as such.

* * *

PARLIAMENTARY EMPLOYEES COLLECTIVE BARGAINING ACT

MEASURE TO EXTEND PUBLIC SERVICE DEFINITION TO PARLIAMENTARY EMPLOYEES

Mr. Mark Rose (Mission-Port Moody) moved for leave to introduce Bill C-621, to permit collective bargaining for employees of Parliament.

Some hon. Members: Explain.

Mr. Rose: Madam Speaker, the purpose of this bill is to implement an all-party unanimous recommendation from a special committee studying the Public Service Staff Relations Act in 1967.

All members know that, technically, House of Commons employees are not members of the public service. This bill extends the right now enjoyed by the public service to people who work for Parliament.

I think the rumours, events, and controversy of the last few weeks attest to the fact that we need much better procedures on all fronts in terms of dealing with human relations in the House of Commons, with such matters as pay scales, seniority, bargaining rights and the like. I believe this bill will go part way in solving some of these very difficult problems for staff members working here on the Hill, which I think in the main tries to be one of the best employers in Canada, if not the best.

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

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 84, 791, 941, 1,428, 1,536, 1,563 and 1,567. I would ask that the remaining questions be allowed to stand.

[*Text*]

FEATHERBED FILE

Question No. 84—**Mr. Cossitt:**

1. Where is the Featherbed file presently located and specifically, what is the exact municipal address along with the portion of the building at that address in which it is located?

2. What are the names of all persons who have access to the file?

3. What are the names of all persons who have had in any way whatsoever access to the file or any part of it in the past four years?

4. Has the RCMP shown the file or any parts thereof to any Solicitors General of Canada and, if so, what is their name?

5. What is the total number of names, individuals or any other entities mentioned in the file?

Hon. Bob Kaplan (Solicitor General): By the Ministry of the Solicitor General (Royal Canadian Mounted Police):

1. The Featherbed file is retained at RCMP Headquarters, 1200 Alta Vista Drive, Ottawa. The pinpointing of the repository of the file is not considered to be in the public interest.

2. It is not considered to be in the public interest to divulge the names of persons who have access to this file.

3. See reply to part 2.

4. I am acquainted generally with the Featherbed file and have been informed that previous Solicitors General may also have been familiar with its contents.

5. The policy of the RCMP is to preserve the confidentiality of all information it holds on individuals and organizations.

CONTAMINATION OF WATERS

Question No. 791—**Mr. de Jong:**

1. Did the Dieldrin levels in herring gulls and bloater chubs continue to increase in 1979?

2. Was the source of the PCBs currently contaminating the St. Lawrence by way of the Grass River isolated and, if so, what was the source?

3. Was action taken regarding the PCB contamination near Mississauga at the Gulf Oil of Canada outfall and, if so (a) what was it (b) was it cleaned up (c) were or are charges to be laid?

4. Was action taken to remedy the pollution caused by the E.B. Eddy Company near Espanola, Ontario and, if so, what was such action?

5. Is action being taken to ensure that the 49 per cent of industry, that is not meeting discharge standards, will comply with the standards and, if so, to what extent?

6. Will the government ensure that in the future, real honest figures are used when compiling statistics on discharge requirements?

7. Is Canada doing anything to limit the amount of phosphorous loading in the Great Lakes and, if so, to what extent?

8. Is anything being done with regard to the amounts of photomirex in the environment and, if so (a) to what extent (b) is a study on the effects of this substance on humans being carried out?

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): I am informed by the Departments of the Environment and National Health and Welfare as follows: 1. No.

2. The New York department of environmental conservation has collected and analysed samples of water and sediments in the Grass River in an attempt to isolate the source. However, the results are inconclusive, therefore NYDEC is preparing a comprehensive sampling program which will cover the greater Massena area and will include water, sediment and fish analyses. This program will commence next spring.

3. (a) The matter being referred to likely relates to the discharge of phenols from Gulf Oil of Canada Ltd. and not PCBs.

(b) At the request of the Ontario Ministry of Environment the company is preparing a report on control alternatives for this problem. As an interim measure, the company is diverting its effluents to the municipal sewage treatment plant during periods of high phenol discharge.

(c) Prosecutions will be considered only if the company demonstrates an unwillingness to effect a permanent solution to this problem.

4. The E.B. Eddy Forest Products Ltd. pulp and paper mill in Espanola produces bleached and unbleached kraft pulp and kraft paper. It is in compliance with the biological oxygen demand (BOD) and suspended solids (SS) requirement of the federal pulp and paper liquid effluent guidelines. It does not meet the toxicity requirement. A provincial control order was issued in February, 1978, that requires the mill to reduce both air and water pollution. The company recently signed an agreement with the federal and provincial governments to modernize the Espanola mill. The federal and provincial governments will contribute $25 million and the company will spend $225 million. The control order has been redrafted to conform to the agreement. The mill will meet all federal and provincial environmental requirements by the end of 1983.

5. In 1975-76 85 existing mills were in compliance with the federal objectives for biochemical oxygen demand and 52 mills for total suspended solids. All the "new" mills covered by effluent regulations were in compliance. At the end of 1978, the number of mills had increased to 93 mills in compliance for biochemical oxygen demand, and 65 mills for total suspended solids. Based on written compliance schedules negotiated with companies, 71 per cent and 58 per cent of total production should meet the federal government objectives by 1986 for biochemical oxygen demand and total suspended solids respectively. In addition, the DREE Forest Industry Modernization Program has resulted in the submission of projects for many mills in Quebec and Ontario. These projects will result in improved environmental controls. In virtually all cases, if the projects are completed in the five-year span of the program, those mills will be meeting the federal requirements

for total suspended solids and biochemical oxygen demand. In fact, a great percentage will likely be in compliance before the end of the program period, that is, before 1984. Also several more proposals are expected, which should increase that percentage even more.

6. The government ensures that when compiling statistics on discharge requirements, only the best available data are used. The reliability of the data is verified by random spot-check samples which are taken by trained field personnel and analysed in government laboratories.

7. As a result of the findings of the lower Great Lakes study between 1963-68, it was determined that the accelerated eutrophication of Lake Erie and Lake Ontario was the result of increased nutrient inputs especially phosphate. In order to deal quickly and effectively with this identified problem, Canada acted independently to reduce the phosphorous (P) content of laundry detergents 8.5 per cent P dry weight in 1970 and 2.2 per cent P dry weight in 1972. This action resulted in a rapid reduction in the total phosphorous loading from municipal sewage treatment plants. In recognition of the deteriorating state of Great Lakes quality, the governments of Canada and the United States signed the Great Lakes Water Quality Agreement in 1972. This agreement called for implementation of phosphorous removal facilities at all sewage treatment plants discharging more than 1 million gallons per day into the lower Great Lakes. Plants of this size were required to reduce phosphorous concentrations in their effluents 1.0 mg/1 or less. By 1978, 40 of the 68 Canadian plants discharging to Lake Erie and Lake Ontario had achieved the 1.0 mg/1 target. In terms of the total allowable phosphorous discharge from these principal sewage treatment plants, Canadian sources exceeded the agreed upon limit to Lake Erie and Lake Ontario by 468 kg/day. In the United States, plants discharging to these lakes exceeded the limit by 11,288 kg/day. In Lakes Superior and Huron where a policy of nondegradation has been recommended, phosphorous control programs are now under review. The terms of the 1972 agreement also recognized the importance of determining the magnitutde of the phosphorous loading coming from non-point sources, including runoff from agriculture and forested areas. An international reference group was established to investigate this problem and its final report was presented to the International Joint Commission in July, 1978. This report identified runoff from agricultural land as an important source of phosphorous. The two governments have just received the final recommendations from the LJC and are preparing a formal response in consultation with Ontario. In 1978 the governments of Canada and the United States reaffirmed their commitment to improve Great Lakes water quality by signing a second Great Lakes Water Quality Agreement. The agreement specified future phosphorous target loads for each of the Great Lakes. Before proceeding under this agreement to further reduce phosphorous loadings to the Great Lakes, a number of issues remain which require resolution. These include refinement of the target loadings and existing loading estimates and clarification of the importance of determining that portion of total phosphorous entering the lakes which is available to promote undesirable algae and other growth. The governments of Canada and the United States are now proceeding to negotiate the phosphorous reductions which must be undertaken by each party to achieve the agreed upon target loadings. It is expected that these further reductions will be directed to municipal point sources and to important nonpoint sources of phosphorous. Until the negotiations on phosphorous loading allocations and compliance schedules are completed, it is difficult to estimate what commitment to further phosphorous reduction will be required in Canada.

8. (a) The Department of the Environment has monitored the levels of photomirex in herring gull eggs from Lake Ontario and found that the long-term trend in levels is downwards. Photomirex has also been monitored in fish samples. Co-operative studies with the Department of National Health and Welfare on the effects of photomirex are currently being conducted on laboratory animals.

(b) In so far as the Department of National Health and Welfare is concerned: No. In order to assess the effects of photomire on humans, the toxic properties of photomirex are being studied in experimental animals.

IMPORT STATISTICS

Question No. 941—**Mr. MacKay:**

With reference to a first quarter 1979 directive to Statistics Canada and Revenue Canada (Customs) from the Board of Economic Development Ministers concerning the problems of accuracy and detail in import statistics, what action has been taken by these departments?

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): I am informed by the Department of National Revenue and Statistics Canada as follows: Revenue Canada has accepted responsibility for implementation of the government approved policy for handling the problems of accuracy of detailed import statistics. Treasury Board has approved the additional resources required by Revenue Canada for the next fiscal year, and for the remainder of the current fiscal year those resources which are available at Statistics Canada are being tranferred to Revenue Canada.

RCMP—RELOCATION—BEDFORD-SACKVILLE, N.S.

Question No. 1,428—**Mr. Crosby:**

1. Was a proposal made for the relocation of the Royal Canadian Mounted Police detachment in the Bedford-Sackville area of Halifax county, Nova Scotia and, if so, what was the proposal?

2. Is the RCMP authorized to purchase a property or purchase land and construct a building directly or must it go through a government agency?

3. Is the RCMP authorized to negotiate for the rental of (a) existing premises (b) premises to be constructed by a private party?

4. What is the estimated capital building cost or annual rental cost for providing facilities for the RCMP in Bedford-Sackville?

Hon. Bob Kaplan (Solicitor General): By the Ministry of the Solicitor General (Royal Canadian Mounted Police):

1. The proposal was made by the commanding officer, "H" division in October, 1979, to the attorney general of Nova Scotia to relocate the Bedford detachment to Sackville, Nova Scotia, as Bedford was being granted town status, with resulting town policing responsibilities, and a move closer to our prime area was approved by the attorney general in November, 1979, with the proviso the RCMP remain in Bedford and provide police services until May, 1981. The proposed move was approved by RCMP headquarters in December, 1979.

2. The RCMP is authorized to purchase a property or purchase land and construct a building directly.

3. The RCMP is authorized to negotiate for the rental of (a) existing premise and (b) premises to be constructed by a private party.

4. The rental rate for the present detachment in Bedford is $1,750 per month, however, the annual rental cost for the new Sackville detachment is not known at this time. In the event of future construction, Public Works Canada will be asked to provide a cost estimate. In the interim, funds in the amount of $800,000 have been programmed tentatively for the purchase of a site in 1983-84 and construction of a new detachment building in 1985-86.

PORT OF CHURCHILL—SHIPMENT OF GRAIN

Question No. 1,536—**Mr. Mazankowski:**

Did the Minister of Transport arrange for the MV *Arctic* to pick up a shipment of grain at the Port of Churchill this fall and (a) if so, when is the voyage planned (b) if not, for what reason?

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): Yes. (a) During the first half of November, (b) Not applicable.

TREATIES WITH OTHER COUNTRIES—CANADIAN CITIZENS TO SERVE PRISON SENTENCES IN CANADA

Question No. 1,563—**Mr. Howie:**

Does Canada have treaties with any country permitting Canadian citizens to serve their prison sentences in Canada instead of the country where the conviction was pronounced and, if so (a) with which countries (b) in each case, do the provisions of the Canadian parole system apply, or do similar provisions in the country where the conviction was pronounced apply?

Hon. Bob Kaplan (Solicitor General): By the Ministry of the Solicitor General: In so far as the Correctional Service of Canada is concerned: Yes. (a) The United States, Mexico and Peru; (b) The provisions of the Canadian parole system apply.

CONSTITUTIONAL ADVERTISING CAMPAIGN

Question No. 1,567—**Mr. Howie:**

1. What advertising agencies were engaged to perform services in connection with the constitutional advertising campaign launched by the government this summer and what amount was paid to each?

2. Were tenders called for the contracts and were they advertised in the press and, if not, for what reason?

Petroleum Administration Act

Hon. Jean Chrétien (Minister of Justice and Attorney General and Minister of State for Social Development): For Canadian Unity Information Office:

1. Planicom Inc.	$ 900,000
Le Groupe de Communicateurs Unis du Canada	700,000
MacLaren Advertising Ltd.	1,300,000
The Jerry Goodis Agency Inc.	1,300,000
Vickers & Benson Ltd.	300,000
West-Can Communications Ltd.	400,000

2. Contracts were not awarded through tender. Submissions were asked from major advertising agencies and as is the normal commercial practice, selections were made on the basis of the best creative and media presentation.

GOVERNMENT ORDERS

[*English*]

PETROLEUM ADMINISTRATION ACT

PETITION TO REVOKE PROCLAMATION

The House resumed from Thursday, November 27, 1980, consideration of the motion of Mr. Waddell:

That the proclamation laid before the House on Wednesday, November 12, 1980, pursuant to subsection 52(3) of the Petroleum Administration Act, as proclaimed in PC 1980-2917, be revoked.

Mr. Roy MacLaren (Parliamentary Secretary to Minister of Energy, Mines and Resources): Madam Speaker, yesterday at the time of adjournment I was speaking about the efforts which have been made by the national government to reach an agreement with the producing provinces, principally Alberta, on oil pricing. I recall for the House that we made proposals to the government of Alberta on March 18. We made proposals on May 13. We met again on June 18, 19 and July 24.

It was at the meeting on July 24 that we received Alberta's proposals for the first time. At that meeting we made two major proposals. We suggested a synthetic oil price which would be the lesser of $38 or the international price, plus an inflator, and we proposed a tertiary recovery price of some $30, plus an inflator. These proposals reflected what the industry had stated that it needed to proceed with the further development of the oil sands and of the enhanced recovery projects.

• (1240)

Alberta's response was that it could not consider the proposals for the development of the oil sands and of enhanced recovery in isolation. They did not say that our proposals were either unfair or unreasonable. In fact, with regard to tertiary recovery, we proposed a price greater than the price sought by the province of Saskatchewan. But it seemed to us that on that occasion Alberta was not seeking resolution. It was not to be persuaded to let the oil sands projects proceed.

Two parties, Mr. Speaker, are of course necessary to negotiate. An objective reading of the record will show that we approached the table in good faith, that we made substantial and reasonable offers, that we moved a long way in an attempt to get a fair deal for Canadians, and that we listened to provincial concerns. I should like to emphasize that the Petroleum Administration Act was introduced as a stop-gap measure.

I believe that both our government and the government of Alberta would prefer to see agreement. I believe also that we share the same goal of accelerating the development of our indigenous supplies. Accordingly, we do not understand why the provincial government continues to hold approval of the proposed new major oil sands project in abeyance. We believe that Alberta's decision in this regard is contrary to the stated goals of the Alberta government itself, and directly harmful to the many Albertans who pin their future economic hopes on those projects. These are matters which we would certainly like to discuss further with the Alberta government.

There has been a fundamental disagreement between the Government of Canada and the government of Alberta about revenue sharing. We had the distinct impression from the government of Alberta spokesmen that they felt that the national government should get any increased revenue only from the industry through corporate taxation. The Alberta energy minister has since said that this is not what he meant. This is an encouraging development and one which bodes well for our next meeting.

However, if the Alberta energy minister still feels that we have no claim to a greater portion of the government revenues and insists again that any reduction in the provincial share of revenues would be tantamount to federal expropriation of provincial resources, and he did not mean that we should derive increased revenues from industry, then he must mean that the federal government should derive additional revenues from Canadian consumers, including Albertans. This hardly seems fair. We could not continue in negotiations which were not producing results on any front, without making some national decisions.

The special provisions of the Petroleum Administration Act have not been proclaimed in isolation. They have been introduced in the context of a budget and a national energy program. Furthermore, these provisions have not been proclaimed without first making a strong effort to negotiate an agreement. They have not been proclaimed without the intention of continuing to seek an agreement with the producing provinces. We are ready to talk within the framework of our principles, entitlements, and needs.

We feel confident that we can fulfil our national obligations, and that includes our responsibilities in Alberta and in the west. No province will gain more than Alberta from federal spending on the new energy initiatives. Over the next four years spending on these initiatives in that province will approach $2.3 billion or approximately $1,030 per Albertan. The government of Alberta will receive a higher share of resource revenues than any other state or province in the world. For the industry itself there are guaranteed incentives, grants and prices which will facilitate long-term planning.

The estimated "net-back" on a barrel of oil before taxes will increase from the present $6.25 to $24.58 by 1990. Within the decade, Albertans will benefit from the $120 billion spent in their province on energy-related projects. Tens of thousands of construction jobs and more than 100,000 full-time industrial, technical and management jobs will be created. The spin-off benefits for the public service, the service industries, commerce, education and housing cannot be imagined. The Alberta government sells its gas at the lowest price in the world outside the Middle East, since the province eliminated its retail sales tax last year. Alberta looks to a real growth rate of about 5 per cent or 6 per cent annually. Others would make the growth rate as high as 9 per cent or 10 per cent. As Premier Blakeney of Saskatchewan has said, the major problem which his government will face in the next decade is how to deal with its new wealth.

Mr. Rose: Would the hon. member permit a question?

Mr. MacLaren: Yes.

Mr. Deputy Speaker: The hon. parliamentary secretary's time has expired. A question may only be entertained with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Rose: In his remarks last night the parliamentary secretary made the point that no one in this House had discussed limiting the demand side in energy. Without predicting what kind of recommendations which the special task force on alternative energy and conservation will be making, there is a good deal of preoccupation about lowering the demand side.

Mr. Deputy Speaker: Order, please. If the hon. member wishes to put a question he is at liberty to do so, but it appears that he is entering into debate. Would he please put his question?

Mr. Rose: I will get to my question. I am merely trying to put it in some context. Would the parliamentary secretary not agree that when 87 per cent of the national energy policy is directed toward the supply side and only 13 per cent is directed to the limiting of the demand side, the thrust of the government program is really toward the supply side and not the demand side?

Mr. MacLaren: Mr. Speaker, I want to pay tribute to those few who, during this debate, have called attention to the essential element in the total energy equation of reduction in demand. The hon. member opposite has been one of those exceptions who has given that factor in our energy policy the due weight it deserves. I said last night that the tendency in our debate has been to emphasize supply rather than the reduction in demand and substitution, which are essential elements in our national energy program.

As for the expenditure of the government on methods to substitute other forms of energy for oil and to promote conservation across Canada, the expenditures are being increased substantially and they, of course, can also be found in the budgets of other government departments such as Public Works and Canada Mortgage and Housing. All such programs are intended to reduce the dependency of Canadians on oil and increase the use of alternate forms of energy.

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, in continuing the debate on the motion presented by the hon. member for Vancouver-Kingsway (Mr. Waddell), I would like to spend some of my time this morning and this afternoon discussing the effects that the Petroleum Administration Act and the increased prices suggested therein will have on the agricultural sector and on the food production capabilities of the country. I would like to place this subject in the context of world requirements, both for food and for energy, and to discuss briefly the kind of energy policy which should be shaped in order to take into account these special considerations, not only as food producers in some parts of our economy, but as individuals who must survive on this planet and who must pass on the ability to survive on this planet to future generations.

● (1250)

The motion we are dealing with specifically talks about natural gas pricing. However, we had a companion motion which has been discussed in the last few days which dealt with oil pricing. If it is within the order of the House, I would like to extend that to a broad discussion on energy policy, coming back occasionally to the natural gas aspects of it. Basically, there are three broad categories into which an energy policy should fit. An energy policy should fit into an industrial strategy for the country and for its regions. An energy policy should fit the current and future needs of the nation and its regions. An energy policy should also be cognizant of the needs of all users and provide the means of rationalizing consumer patterns for the various forms available to everyone.

The pricing regime proposed by the government misses the point on most of these counts. The accumulation on earth of hydrocarbons, that is gas, oil and coal, took something like 600 million years. These hydrocarbons accumulated because minute quantities of the sun's energy converted organic matter by means of photosynthesis. This stored chemical energy is being released by man in the form of heat, and also as a form of feedstock for many industrial processes.

We began man's development of these types of energy as a feedstock with the coal tar developments in Europe at the turn of the century. We have developed petrochemical industries in the world today to make use of crude oil as a feedstock. We have a fertilizer industry which is dependent, in part, on natural gas as a feedstock. The hydrocarbons which have accumulated over 600 million years are being used up, both as a form of energy and as a form of industrial raw material. Unfortunately, when one looks at the consumption of this 600 million years of accumulation, we find that man has discovered how to use it on a fairly large scale in less than 200 years. During the latter part of the 1700s we started using coal in great abundance. We tapped into oil and gas 50 to 100 years ago. We are told that with the kind of use patterns we have established for ourselves at present, mankind will manage to use up the accumulated energy, which took 600 million years to form, in 200 to 300 years, if use patterns continue in the same way.

How has man decided, having been able to tap this kind of energy, what method to use to parcel up these rare, precious resources? Past practice has been to allow the market economy to do it. We have not adopted a legal practice which says, "Here, these are our resources. They have accumulated for our use. We should manage them for future generations as well as our own." Instead, we said, "anybody who can sit on top of a pool of oil, a vein of coal or a pocket of natural gas, can take it and sell it for whatever profit one can get." Therefore, we have allowed the profit motive to decide how to use up that energy. Of course, when one allows the profit motive to operate, to make the decisions in the economy, one finds that the decisions made are not always the best ones for current society, nor are they for future societies.

What happens under that kind of an allocation system? We find that areas with lots of wealth in terms of money and resources use these resources in great abundance. Areas that do not have very much in the way of energy resources do not get to share in the benefits of them. What we have developed and allowed to continue is a shortsighted and potentially disruptive practice of letting the market dictate.

It is two minutes to one o'clock, Mr. Speaker. May I call it one o'clock before I move on?

Mr. Deputy Speaker: The hon. member for Winnipeg North Centre (Mr. Knowles) has given notice that he would like to raise a point of order.

Mr. Knowles: Mr. Speaker, I was consulting with the other House leaders, but this period of two minutes caught me and I was unable to get to the hon. member for Nepean-Carleton (Mr. Baker).

In view of the fact that the recorded vote, if it is requested, is to take place Monday rather than today, I would suggest that the putting of the question be deferred from 3.45 p.m. to four o'clock. In other words, I suggest that we put the question at four o'clock and have the vote on Monday as previously ordered. I suggest that now because we do not now know to which hon. member the extra time will be given.

Mr. Baker (Nepean-Carleton): Mr. Speaker, the purpose of my friend's interjection and suggestion is to allow members of the House to speak, and I think that is quite reasonable to have 15 minutes more in debate.

Mr. Collenette: Mr. Speaker, I can confirm the conversations. That follows the arrangement we had the other evening on the first proclamation under debate.

Mr. Deputy Speaker: Is it agreed?

Some hon. Members: Agreed.

Mr. Deputy Speaker: Agreed and so ordered.

It being one o'clock, I do now leave the chair until two o'clock this afternoon.

AFTER RECESS

The House resumed at 2 p.m.

[*Translation*]

The Acting Speaker (Mr. Blaker): Order, please. When debate was interrupted at one o'clock, the hon. member for Humboldt-Lake Centre (Mr. Althouse) had the floor.

[*English*]

Mr. Althouse: Mr. Speaker, continuing on from where we were before the lunch hour, I had been talking about an energy program and allocation program that take into account various problems within countries and regions. I now want to deal with Canada and our consumption. As most people are aware, Canadians are the highest energy users on a per capita basis. This is in part due to our cold climate, but to a goodly extent it is due to some of the reasons I outlined before lunch, such as the method we use to allocate energy to those who can afford to use it. Because Canadians have been relatively wealthy as a nation, we use a great amount of energy. We have it to use, so we use it.

Each year we extract energy in approximately the following proportions: About 44 per cent is taken out of the ground in the form of petroleum, 19 per cent in the form of natural gas, 15 per cent in the form of coal, and the other 22 per cent is divided among hydroelectric power, nuclear energy, wood, and a great many other kinds of technology now becoming more popular.

The farm sector, on which I want to spend a bit of time this afternoon, uses only 3 per cent of the total energy consumed in Canada. Hon. members would not think that that would be something worth spending very much time discussing, but I do so because we are extracting 55 per cent of our energy resources from petroleum and natural gas, and it is from petroleum and natural gas sources that agriculture takes almost all of the fuel it requires under the technology we are using today.

● (1410)

Even though agriculture uses only 3 per cent of the total energy used in Canada, agriculture does use 7 per cent of the gasoline used in this country and 11 per cent of the diesel fuel. These two forms of fuel account for about two-thirds of the energy consumed in agriculture. Fertilizer consumes about another sixth of the energy used in agriculture, and a great deal of the energy input in fertilizer results because it is extracted from natural gas. The nitrogen we extract to use for fertilizers is taken mainly from natural gas. The other one-sixth, approximately, used in agriculture is the energy which is used in manufacturing the machinery farmers use in their productive process.

We are users of large amounts of energy, but when we look at the kinds of agricultural products we export, I suppose we are more or less competitive in terms of the amount of energy put into the production process and the amount of energy extracted. On wheat farms in Canada, for every unit of energy put in we extract approximately three and one-half units in an average year. We have a reasonably good conversion which compares favourably with that of England. It compares favourably with that of Australia, and quite favourably with wheat farming on an input-output basis in the United States.

We are competitive in a monetary sense and perhaps in an energy use sense, but when we throw in all the factors which should be computed in an energy input formula, we neglect in this particular input-output ratio to take into account the energy we are extracting from the soil, so to speak. I realize that is putting it a little crudely, but we have to remember that this continent is a new agricultural area. Particularly on the plains of western Canada and the western United States there was a large buildup of nitrogen in the soil. The soils out there took about 10,000 years to accumulate. There was a brief momentary surplus of nitrogen trapped in the form of humus in those soils, and we have been exploiting that trapped nitrogen at an alarming rate.

In my province of Saskatchewan we have been farming the soils for approximately 80 years. In those brief 80 years we have released approximately half of the nitrogen which was trapped in those soils. We have exported that nitrogen source along with our wheat and our other grains as we have sold them off the farm. Because of our having broken up the land and killed the original vegetation, and having gone into a cropping program whereby we leave the land lying fallow approximately half the time, the nitrogen and humus which were trapped in the upper foot or foot and a half of soil have tended to be leached down by the rain too far into the soil to be picked up by the roots of plants, so we have lost another approximately 8 per cent or 10 per cent of the nitrogen that way. However, most of it went out as part of the grain which was produced on the land.

We do not have many options in picking up that outflow of resource. It is an outflow from soil which is normally considered by many people to be a renewable resource, and yet some of the components of that soil are in fact not easily renewable. They can be replaced only with the kind of technology we have today, the result of which is chemical fertilizers, a component of which is nitrogen which is extracted from natural gas.

When natural gas prices increase, that immediately means an increase in the cost of production at the farm level. It means that because of the very difficult cost-price squeeze which always faces farmers, they will probably continue to export, in part at least, the nitrogen that is in the soil. They

know there are probably another 80 years of nitrogen trapped in there. Some of it is coming out all the time. There will have to be some replacement every year, but farmers can carry on wearing the soil down because in the lifetime of this particular generation of farmers the nitrogen will not quite run out.

I suppose that is the same kind of moral dilemma and economic dilemma we, as Canadians, have when we look at the whole energy package. We say that this generation will have enough and that only the next generation will have to worry. I think that is indicative of bad judgment and bad planning, and shows up in the political judgments we in this country make. For instance, we are trying to increase exports of wheat, knowing that when we make that judgment we are going to be continuing to exploit the soil. The only way we can continue to do that is to have access to cheap natural gas to manufacture more nitrogen to replace the nitrogen we are pulling from the soil.

At the same time as we are trying to export wheat, which perhaps makes sense because we are processing natural products to some extent, we are processing gas into fertilizer and thereby employing some people. We are employing the product of that manufacturing process back into farming, recycling it again and exporting the wheat, so we are employing people at two or three stages. I could follow through with the argument in that respect, but I have a great deal of difficulty in seeing why we should be exporting natural gas without any processing going on, without providing any jobs, without increasing the technological aspects of our society but just shipping it off as a raw natural resource.

The pricing of a product has much to do with the kind of policy we have. In this country we have been setting a simple, straightforward price, and whoever can afford it will buy. I am pointing out today that that kind of system may leave our ability to produce enough food for this continent and this planet in jeopardy. I say this because the pricing regime we have been falling into, in the last several price proposals which have been put forward by this government and the previous one, is one which is based on the assumption that the price has to be competitive only with those of other countries.

We do have to be competitive with other countries. We realize that when we decide to export grain from our farms, but we also have to be careful of the way we allocate funds that we extract from a product. We are taking more and more just in the form of taxation, and the funds from that taxation are being used more and more to cover costs outside the energy field. They are not used to replace energy, they are not used to find alternatives to energy, they are not used to find technology which will avoid the use of energy. They are simply spent, almost like flaring up the gas well. They are being burned up with no thought for the after effects on the economy, no consideration of the future energy needs which people will have.

● (1420)

There are many alternate energy sources which farmers can use. Not all of them are applicable in the kind of market economy in which we are living. If we are using the philosophy of letting those pay who can, many of these technologies will not be integrated into the farming system in this country and in the whole of North America. We know, for instance, that we can produce a great amount of energy per acre by growing corn, and yet we also know that corn takes more energy input than any other kind of crop on a per acre basis and it is just barely competitive on an input-output basis. Yet, because of the economy of production under the current system, more and more agricultural production is going into corn.

The tendency is toward monoculture of crops such as corn or potatoes in some parts of our country, and in my part of the country crops like wheat. Even though we know that rotating the crops will maintain the nitrogen and humus level, most of our farmers are not following that practice by force of pure and simple economics. As long as there is partial replacement of the nitrogen through alternate forms, such as fertilizers, we will avoid ones which are produced naturally year after year. We know that legume rotation will maintain productivity at about the same level year after year. However, we also know that we will only extract grain crops about half of those years.

What we should be doing about it, Mr. Speaker, is re-evaluating our system of production. Many scientific organizations have been doing this. The Science Council of Canada has done a re-evaluation of production and energy use, and the Science Council of Saskatchewan has been doing this for the past two or three years. They have set out the parameters in which we are working. They know, for instance, that there is no point in expending any more energy, or dollars on energy which will go into machinery manufacture. I think that the economy is probably reacting to that finding of the Science Council of Saskatchewan, if you look at some of the problems that White and Massey-Ferguson are having.

By using energy input-output data you can predict what will happen in the economy down the road in as short a space as two or three years. We could be using the kind of agricultural practice which will capture more of the sun's energy and turn it into food output. We know that in this country we are capturing approximately 1 per cent of the potential energy of the sun with our agricultural methods. We know that in countries like Japan and Denmark they are capturing between 2 per cent and 4 per cent of the potential energy of the sun and converting that into food which can be consumed by man and beast.

Plants and the agricultural industry are a very clear alternative method of converting energy. They are well-known energy converters. Plants have been converting energy for millions of years. Man simply has to learn to use the existing methods to better advantage so that we can reduce our reliance on the kind of energy that has been trapped in rock formations below ground in our country, and we have been developing a technology to use the energy produced by living plants. Some of our physicists and small investors have come out with systems of transferring the sun's rays directly to electricity by introducing water to keep the collector cool. There is a double use of the sun's energy. We not only recover heat but we also

produce electricity. These kinds of technologies will need more development. Development funds, however, are not being made available.

The kinds of people who have been experimenting with these technologies do not tend to be tied to a large energy production firm, such as Imperial Oil or Texaco, although those people are involved in the process. Most of the basic discoveries are being made, while not quite in backyards and small garages, almost at that level of technology and investment. These people need some assistance by way of special grants and special aid to help them bring those basic ideas, some of which have been tested out by reputable firms and reputable scientific organizations, to fruition. They have been shown to produce the kind of energy conversion that the investors claim, yet getting them to a marketable stage and developing the technology to a point where it can be generally available are a long way off and are still an expensive process. Yet, in spite of heavy taxes being demanded in the energy proposal before us and in previous ones, very little money is allocated in that direction.

We know that in some parts of the country ethanol production might make sense. I was recently in Prince Edward Island where I spoke to just one potato grower who sorted potatoes in the winter time in his processing plant. He has about a million pounds of surplus culled potatoes there and he has now begun to add a small piece onto his operation for something like $1 million which will turn these culled potatoes into ethanol. I do not know, and he does not know, whether it will be a paying proposition, but he is experimenting with the conversion of those culled potatoes, at least partially, into an energy form that he can use.

The pricing proposal before us is not paying adequate attention to some of these possibilities. We think that the energy policy should take into account the whole society and the fact that some aspects of production in this country require transportable fuels more than others.

I mentioned agriculture. I should leave you with the thought that when you are making comparisons between those who use the most fuel and those who use less, you should know that a 1,000 acre wheat farm in Saskatchewan uses less fuel for its annual production than the average household with two cars in a city like Ottawa. The average consumption of both is about the same. So if you are really going to be worried about reducing our reliance on transportable fuels, you should be focusing on reducing the amount of transportable fuels such as natural gas and oil for residential heating, and switching to fuels that will better generate heat and energy, such as fuel coal from burning plants or hydroelectric plants.

● (1430)

I have tried to deal mostly with agriculture today, but in conclusion I should like to indicate that the energy program should be cognizant of not only agriculture but of all people in the country who have jobs. We should ensure that our energy program continues to provide jobs and that we do not simply export raw energy in the form of gas or oil. Also we must recognize that not only farmers but the workers in Atlantic Canada, Toronto or Vancouver, require a certain amount of stability in knowing that they have shelter and will be kept warm. I have seen no evidence to indicate that this particular energy program looks down the road to the day that, looking at the gross figures, cannot be too far away. We are not making preparations for it. We are not setting aside technology, thought, energy or money toward the future. We are making very little provision for the future generations of the country.

Some hon. Members: Hear, hear!

Hon. Judy Erola (Minister of State (Mines)): Mr. Speaker, I welcome the opportunity to enter this debate. I paid particular attention to the remarks of the hon. member for Humboldt-Lake Centre (Mr. Althouse), particularly those dealing with the field of agriculture. I am a farmer's daughter and I too can attest to the frugality of the farmer. I disagree with him to some extent, though, on the perspective of the national energy package which we presented. I contend that it is a program with a great deal of perspective, and it is a long-term one. I will go into that during the course of my remarks.

The hon. member brought up another matter about who uses natural gas, one of the questions with which I dealt on a recent trip to western Canada. The additional 30-cent tax which will be paid by the consumer, I think it is interesting to note, will be paid primarily by consumers in the east. It is important to stress in the House and to the people of the country that 44 per cent of the natural gas consumed in Canada is consumed by the province of Ontario. As we move from oil to gas, as the national energy program urges us to do, and indeed it gives us a great deal of expert advice and help in the way of grants, we will see the consumption of gas growing in the province of Ontario, and the consumers of that province will be bearing the brunt of this extra tax.

Mr. Waddell: The minister said the Americans will.

Mrs. Erola: In export terms they will, but for the consumers of Canada, the consumers of eastern Canada will be paying the higher price or carrying the heaviest load.

What are we trying to accomplish with the provisions of the Petroleum Administration Act as brought into play by the hon. Deputy Prime Minister and Minister of Finance (Mr. MacEachen)? The Petroleum Administration Act was first passed into law in 1974 in response to the widening international energy supply crisis which was precipitated by the Arab oil embargo of 1973. Since that time all Canadians have become acutely aware of the importance of national energy security as they watched international energy prices rise at a rate of upwards of 1,000 per cent. The act was enacted by the federal Parliament so that in a time of national emergency the federal government would have means to ensure that all Canadians, regardless of what region of Canada they resided in, would enjoy energy security at a reasonable cost.

As hon. members know, the Government of Canada has been negotiating with the producing provinces for a new

pricing regime for some time. As hon. members must appreciate, in order to implement its objectives, the government, as set out in its budget presented on October 28, had to establish the parameters of that pricing regime. The budget and energy programs are intended to provide Canadians with both economic and energy security in the years ahead. It is obvious that this could not be done without first establishing a pricing schedule so that economic activity might continue in an atmosphere of relative stability. Members of the previous government well know the pitfalls of this exercise. Despite their contention of an agreement between themselves and the producing provinces, it is abundantly clear that such an agreement was never actually realized.

Mr. Baker (Nepean-Carleton): Mr. Speaker, I rise on a point of order. I can understand if ministers and other members on the other side of the House refuse to accept, at least publicly, the existence of the agreement to which the minister referred, but I think the minister should be very careful about her assertions with respect to that, because a statement was made on public television by the minister of energy for Alberta within the last week and a half indicating that such an agreement was in place. I understand the political motivation, but I think one must be very careful about asserting certain things which are not true, when it involves statements made by ministers of the provinces from whichever they come.

Mr. Cullen: Was the agreement signed? Do you have it in writing?

Mr. Nielsen: Yes.

Mrs. Erola: The agreement might have been reached tentatively, but was it signed? According to our information no formal agreement was reached.

Mr. Cullen: Right on.

Mrs. Erola: The government is still very anxious to negotiate an agreement with the provinces, as the Right Hon. Prime Minister (Mr. Trudeau) stated in the House this week. These negotiations will begin again shortly at the official level, as the government of the province of Alberta indicated to us that they are not interested in meeting at the ministerial level. These measures instituted under the terms of the Petroleum Administration Act, whereby the national government established the domestic price of oil, are not meant to be self-perpetuating. They are a short-term interim solution and will be abandoned when an agreement is struck with the producing provinces. I am sure that an agreement will be struck.

The debate on these proclamations has been riddled with misrepresentations, unrealistic alternatives and distortions, and I was gravely disturbed at the tone of some members' comments.

After meeting the separatist challenge in the province of Quebec, if one listens to certain members opposite one would believe that we are now faced with a new threat to our national unity—western separatism. Just recently I returned from western Canada, and I can tell the House and Canadians that the westerners with whom I spoke—the people, the workers, the drivers, the swampers, the farmers and the small town businessmen—are Canadians. It is true that they are upset with the national government and that they feel a sense of alienation from the decision-making process here in Ottawa, but they are not separatists. They are Canadians; they love this country which they have worked so hard to build.

I should like to remind members opposite that alienation is not a state of mind which is relegated only to the west. I am from northern Ontario and I can recall many times the feelings of frustration and alienation which could be expressed by my friends and myself.

Canada is a vast country, and I am not sure Canadians really appreciate the immensity of it. On this point I should like to inform hon. members that alienation does not only occur in relation to the federal government. It also occurs within such a small area as the province of Alberta, that is, an alienation between the developed and underdeveloped regions. Indeed, in this regard I think it is time that we dispelled the myth of Alberta's vast wealth, a myth which has been held largely by easterners. Certainly Albertans per capita are by far the richest Canadians, but only those who have a large share of the wealth.

• (1440)

What of those other Albertans—and I met a great many of them—who must pay very high housing costs, food costs, and costs which are generally associated with large scale development? During my recent visit to western Canada I had an opportunity to visit those on the periphery. They want what others have. They are Albertans, yet they have not personally shared in the wealth. In those small communities streets remain unpaved. They want theatres and swimming pools. I share their dreams and goals.

Mr. Speaker, I have brought back their concerns. When we are examining the priorities for the western initiatives I will strongly urge my colleagues to consider assistance to those small towns first. I would like to add that I was very well received in these areas of western Canada. The people were genuinely interested in hearing the details of our policies and our energy package. We are working for all Canadians with the energy strategy which has precipitated this debate.

It has been quite a debate. I would like to comment briefly on some of the things which have been said in this House. We heard the hon. member for Wellington-Dufferin-Simcoe (Mr. Beatty) pontificate on clause after clause of the Petroleum Administration Act. He spoke ominously of the veiled threat he perceives lurking in the hands of the faceless bureaucrats. I can assure him that Canada has a civil service which rivals the best in the world. I would like to point out to him that not to set up the necessary mechanisms such as the Petroleum Administration Act, would be a grave abdication of responsibility on the part of the national government. If the tools are available, and if they are well tuned, then the time between the perception of possible crises and the needed response is short, indeed.

On Monday my good friend from Edmonton East demonstrated again to this House his dedication to Canada on the western separatist issue. I thank him for that. Of all the members opposite, his views probably best represent the views of western Canadians. I was sorry to hear him contend that the federal government purposely did not want to reach an agreement with the government of the province of Alberta so that it might impose its own energy price policy unilaterally. I was sorry to hear him contend that the pricing regime was to be in place for ten years, regardless of provincial objections. I am especially surprised because, when he put the question to my colleague, the Minister of Energy, Mines and Resources (Mr. Lalonde), the response was very clear.

In reference to the government's decision to establish a long-term program the minister replied, and I quote from page 4967 of *Hansard:*

> It was to ensure a certain degree of certainty and clarification as to the government's policy that it was decided to put forward this long-term plan. We have indicated that this is a ten-year program.

Hon. members opposite missed what the minister said next. I quote:

> It would be naive or irresponsible to say that in a ten-year program not one iota can be changed, or that this is cast in stone, just like the Bible. So that is not our perception.

Is that not clear, Mr. Speaker? Further on in the same reply the minister went on to say this:

> —we will reach an agreement eventually—

The willingness of this government to sit down with the provinces and negotiate an agreement which will be fair for all Canadians is part of the public record. To say otherwise is simply not to state the facts.

I would also like to comment on the remarks of the hon. member for Vancouver-Kingsway (Mr. Waddell). Surely his perception of the world is not so blurred that he could possibly think that a revenue split of 45-45-10, with the 10 per cent share going to the companies, would be realistically acceptable. I have been involved in business for 27 years and I can tell the hon. member that his ideas, if put into practice in private business, would doubtlessly lead to bankruptcy. If put into practice by government it would lead to the bankruptcy of the nation. The people of this nation have had the wisdom not to pursue the policies of his party,—

Mr. Waddell: They would own the companies.

Mrs. Erola: —and I am thankful for that. We want to take control of our own economic destiny, as the hon. member does, but we must base our actions on realistic perceptions. Our ultimate goal of energy self-sufficiency within the decade is attainable. Our Canadianization—and I stress the word Canadianization—initiatives and our proposals, as they relate to the Crown equity involvement on Canada lands, are important elements of this package which will ensure the realization of this goal of energy security.

I would like to deal now with the mining industry for a moment. Members of the mining industry have expressed to me their concerns as to whether the taxation and ownership policies outlined in the national energy program will be extended to the mining sector. I acknowledge that the hon. member for Edmonton East asked me on April 24 whether I could assure this House and the mining industry that the government is planning no regressive taxation, regulatory or legislative initiatives which will inhibit the orderly growth of the mining industry. I stated at that time that there would be no moves, at present, to increase the tax base. This situation still prevails, as is evident from the recent budget speech.

Let me reiterate what has already been clearly stated in the national energy program. This government believes that the oil and gas sector is a unique sector and that special measures, not required in other sectors, are needed to ensure more Canadian control.

Despite the knee jerk reaction of the multinationals following the release of our budget-energy package, and despite the initial market vibrations, which were largely expected, the gloom and doom predictions have not materialized. Indeed, I understand that the multinationals are actively seeking to take advantage of the Canadianization elements of our package. They recognize the benefits. Canadian companies investing on Canada lands will pay just seven cents per investment dollar under the new program initiatives. Such investment opportunities must be applauded. Surely if one examines the program fully, the fact that the national government, the government of all Canadians, will have a 25 per cent share of all activity on Canada lands will be clear. This will be seen as an opportunity and not as a revenue grab, as one Canadian oil company asserts in a letter to its shareholders. Such a suggestion that the holdings of individual Canadians are being reduced by 25 per cent due to these measures is clearly a distortion.

With respect to another aspect of our energy program, hon. members will be interested to know that since the government announced the Canada oil substitution program, as a cornerstone of our national energy policy, more than 5,000 Canadians have asked if they qualify. These are requests which have come into our offices. There have been between 600 and 700 calls every day. In fact the load was so heavy on one day that the special telephone system just broke down completely for two hours. I might add that the rate of calls being made shows no sign of decline.

The Canada oil substitution program is designed to reduce oil consumption to less than 10 per cent of total energy used in residential, commercial and industrial sectors by 1990. Again, I must reiterate that that seems to be lost on many of the members in the House. Indeed, it has been lost, I think, to most Canadians. It is a major national program of incentives. I would ask the member opposite who preceded me to pay particular attention to this. It is a program of initiatives to help householders, businesses and, yes, farmers, to convert their heating systems and the types of energy they use from oil to other forms of energy.

Mr. Althouse: Gas!

Mrs. Erola: No, it is not just gas. Examine that program very carefully. The core of the program, which has a start-up target date of April 1, 1981, will consist of grants to consumers to help cover the costs of converting space heating and hot water systems from oil to other energy sources such as natural gas, electricity, and renewable resources such as wood, solar and wind. Consumers will be eligible for grants of up to 50 per cent of their conversion costs, up to a maximum of $800. In Newfoundland, Prince Edward Island, the Yukon and the Northwest Territories the program will provide grants to upgrade insulation and improve furnace efficiency rather than going toward conversions. There are also special programs in those areas in the northernmost part of this country.

As hon. members are aware, the Canada oil substitution program will be administered in co-operation with provincial and territorial governments or designated authorities such as provincial Crown corporations. Draft agreements are now being discussed with the provinces and the territories but it is obvious to all that in such a massive undertaking time will be required to develop the full details of the program. I would urge all hon. members and all Canadian consumers who decide to convert their heating systems, and who have done so after October 28, 1980, the date on which the program was announced, to keep all receipts so as to apply for grants once the federal-provincial agreements on eligibility have been established and program funds have been approved by Parliament. It is important that all these receipts be kept.

● (1450)

As agreements with the provinces and the territories are worked out, hon. members will be kept informed. Here, I would like to dwell for a moment on the word "informed". I urge hon. members in this House likewise to inform their constituents. When I was in western Canada recently, many people indicated that they wanted to know how the national energy program would impact on them and how they could benefit from what it contained. Hon. members are aware that copies of this program are available. I urge every hon. member in this House to make this program available.

Every householder must be made aware of the program if we are to reach the goal of energy security for our citizens. All Canadians have a right to examine this program for themselves and to make their own decisions as to its merits. Every member of this House owes every householder in his constituency at least that much. To deprive constituents of that option is wrong, and as responsible members of Parliament it is our duty to see that our constituents are made aware of the contents of this energy program so that we can work together to ensure its success and Canada's energy future.

In conclusion, I would simply ask for the consideration of the members of this House. I ask them to consider Canada's position as a nation. An hon. member opposite remarked that I was giving a lecture, and perhaps I am. It disturbs me when I visit other parts of this country and learn that people in these areas have not been made aware of a program which has been distributed to their member. I feel it is incumbent upon each member of this House to make sure that all this information is made available to their constituents.

I ask hon. members to consider Canada's position as a nation in an international system filled with crises. Also, I ask hon. members to place this debate and its implications in perspective. Canada is indeed a very fortunate nation and Canadians are among the most fortunate of all peoples on this globe. We have heard complaints that the national energy program is a financial grab at the expense of a provincial resource. Again, I ask, what have we done? In terms of revenue we have taken 2 per cent from the province and 12 per cent from the multinationals which are mostly foreign owned. And that was so that the national government could bring its share of revenues up to 24 per cent, a small change compared to other countries. That 24 per cent will help us become energy self-sufficient ten years down the road.

Members are aware, I am sure, of the budget recently announced by the present Conservative government in Great Britain. It included a 20 per cent tax on North Sea oil revenue, and this in addition to measures which increased health and social security payments and, I might add, the deindexing of pensions. Canadians are lucky indeed and, whether members opposite like it or not, this national government will continue to address the challenges which Canada must face and to act for all Canadians maximizing the benefits for the nation as a whole.

As in a good and healthy marriage, we will share the burdens and we will share the wealth. This government will not abdicate its national role, and I am confident that the initiatives included in the budget energy package will benefit all of Canada. Further, I am confident that we, as a national government, will reach an agreement with the producing provinces in the future which will be good for, fair to, and welcomed by, all Canadians.

Mr. John Thomson (Calgary South): Mr. Speaker, as the hon. Minister of State (Mines) (Mrs. Erola) was speaking about her recent visit to Calgary, I was reminded of the phrase, "There are none so blind as those who will not see". The minister suggested that hon. members should tell their constituents of the marvellous opportunities in the gas conversion program. The minister may be interested to know that 95 per cent of the homes in Alberta are presently heated by natural gas, so I do not think there is very much I can tell my constituents in that regard.

There are so many figures in this national energy program, and to say that they are confusing would be an understatement. But the minister stated that it would take only seven cents on the dollar to explore on Canadian lands. I wonder if the minister asked herself what is available for that 7 per cent, considering that Petro-Canada will have 25 per cent carried interest in the project, after a 40 per cent net profits tax, a 10 per cent basic royalty, and an 8 per cent production revenue tax have been paid. On a $40 barrel of oil what is left is a minus quantity.

If the minister thinks that everybody will be excited to get out and explore those Canadian lands, she has a surprise coming. While preparing my remarks for this afternoon I read over a number of speeches made by hon. members in this Petroleum Administration Act debate, and I wondered how many Canadians know what we are debating. It seems to me that Canadians must be truly bewildered to hear about fish, chickens, seals, muskrats, Sheik Yamani and Ronald Reagan. They must really wonder if we are at all seriously concerned about the energy issue in this country.

For those Canadians who have followed this debate, I wonder if their chief concerns might not be for their country, their jobs, and the future of their families. I wonder if they might be thinking, what is happening to my country, will I have a job and what is the future for my family? I wonder what the steelworker is thinking as the drilling rigs move south, and what the fishermen in Halifax thinks of paying an extra 14 cents per gallon for fuel to run his boat so that the government can buy up more oil companies. I wonder what the housebuilder in Calgary thinks as he watches the flood of oil field personnel and money leaving for the United States to Canadianize the American oil industry.

We have a national energy program. The reason we are debating oil and gas prices and the Petroleum Administration Act is because this government, in spite of what the minister just said, never negotiated in good faith with the producing provinces and never intended to do so. It never wanted to reach agreement; it wanted to impose its national energy program unilaterally. The national energy plan is not an energy plan at all. It is an assault on one province and one industry. It has nothing whatsoever to do with energy. This attack on one province and one industry is unprecedented in Canada's history.

This document is a disgrace to our system of government, to our way of life, and to this institution. This document is deceitful, ambiguous, full of half-truths, untruths and misfeasance. The national energy plan is not a plan to solve the energy problem Canada faces. It is founded on two concepts. The first concept is to strip control of the resources from the provinces, to emasculate an industry, and to turn that industry over to an Ottawa bureaucracy. The plan is founded on the ideology of a centrally planned economy, and the ideology that the state is paramount over individual freedom. It is a plan to implement a philosophy which the Prime Minister (Mr. Trudeau) has sought passionately for so long. Here is what the Prime Minister had to say about his philosophy: "Since neither individuals themselves nor the economic system itself can remedy Canada's economic problems, we are forced, whether we like it or not, to turn to the state. In the scheme of production, private initiative and property, collective initiative and co-operative property, public initiative and nationalization are the only means in the securing of human and economic objectives. Private initiative left to itself cannot guarantee common prosperity. That must be assured through planning. It seems evident to me that the regime of free enterprise has shown itself incapable of resolving problems posed in education, health, housing and employment."

● (1500)

I would like to ask my fellow Canadians the following: how was Canada built? How was our education system built? How were our health and housing systems built? Did the government build it or did individual Canadians build it?

Much has been said recently about western Canada separation. Coming from Calgary, I am acutely aware of the feelings of frustration, despair and hostility that exist. No one who goes to Calgary today can honestly come away without feeling that deep sense of frustration and hostility. I have received hundreds of letters from my constituents expressing their fears and angers. Let me read one such letter:

> Just want you to know that I cannot accept the concept of separation. Canada—from coast to coast—means too much to me.
>
> When the Springhill, N.S. miners were trapped in their mine, I felt it personally because they were our people—Canadians. While I can say that I feel sad about the great tragedy in Italy, it doesn't touch my heart in the same way. The French Canadians have always, to our way of thinking, complained about their inequitable treatment. We, as westerners, didn't and still don't understand them, but we responded to their anguish and their submerged desire to remain within Canada. We fought two world wars to defend Canada. I (thankfully) have only one cousin buried in the Bay of Fundy from that war. My father-in-law fought in both those wars. Our grandparents grew in this country, giving us our legacy to achieve, to build.
>
> Certainly, we've been upset by our indifferent treatment by central Canada but we've grown and prospered. I can't throw it all away because of perilous Trudeau and his despicable henchmen. I feel a kinship with my fellow Canadians in the maritimes (even though I have never taken the time or effort to visit that part of our land).
>
> I like my friends in Ontario despite their "blinker mentality". I feel strongly that our view, our emotions and feelings, will be heard and recognized. I know that if I fight—and I will fight—it will be to keep our country one nation. I can't accept separation as the solution.
>
> I've been so upset by the mood and feeling in Calgary, even tho' I understand it totally and believe in the grievances, that I keep bursting into tears—and I've thought about it and have come to the conclusion—I'm fighting for Canada.

Canadians, including those from the west, know that Canada is bigger than any prime minister. Canada will survive the national energy program and Canada will survive the Liberal party. Most Canadians from the west believe in their country, as I do.

My leader was accused the other day by two members of the New Democratic Party of fanning the flames of western separatism. I have attended three meetings in the last two weeks, in Winnipeg, Vancouver and Calgary, at which my leader spoke. He has steadfastly defended Canada against the interests of those who would choose to reject confederation. Those members of the New Democratic Party know full well that my leader would stand firm against any separatism option for Canada. They know the Leader of the Opposition (Mr. Clark) stands for Canadian unity above all else. Their accusations are the worst kind of political diarrhea. They are to gain headlines.

Mr. Waddell: We are not the only ones who are saying it.

Mr. Siddon: The quiet voice in the corner there. He is not the only one who is saying it.

Mr. Thomson: Why do you not listen to what my leader has had to say?

Mr. Waddell: Why does he not come and take part in this debate?

Mr. Thomson: I want to spend a few moments dealing with one aspect of Canada's energy policy which should be our central focus and our main concern, namely, security of supply.

The cornerstone of the national energy program is a reduction of 20 per cent in crude oil demand over the next ten years. This is to be achieved by conservation and substitution. There is no way this reduction can be achieved unless we are prepared to reduce economic activity or unless we all start to ride bicycles. There is not a single credible source in this country who would agree with the projections in the national energy program that we will reduce our crude oil consumption over the next ten years by 425,000 barrels a day. There is not one credible source. Not the National Energy Board, not the National Research Council of Canada and certainly no knowledgeable person in the oil industry.

Forty three per cent of our energy consumption is from crude oil. The government plan calls for us to reduce this consumption to 26 per cent by 1990. Most authorities believe that crude oil consumption will increase from 1,823,000 barrels per day, which it is at the present time, to something over two million barrels per day by 1990.

Now we come to conservation. Can anyone tell me why gasoline consumption in Canada has increased 6 per cent in each of the last two years? We are the only country in the industrialized world which is subsidizing a scarce commodity, such as crude oil.

Mr. Regan: What about Venezuela and Mexico?

Mr. Thomson: I can see that the hon. gentleman has been to neither of those two places. I would hardly call either of them industrialized.

The Energy Resources Conservation Board in its latest estimate of Alberta's future crude oil productive capacity said that production will have dipped to 139,000 barrels a day by 1999. In fact, Alberta's oil production capability, which was almost two million barrels daily at the beginning of the 1970s, will slip to the one-million-barrel-a-day mark in 1982. The Energy Resources Conservation Board report states that current capacity is 1,183,000 barrels per day. The report forecasts productive capability will decline to 1,074,000 barrels per day next year and to 966,000 barrels per day in 1982. The forecast says conventional crude productive capacity will have declined to 688,000 barrels daily in 1985, about one-third of what Canada needs to meet its demands. By 1990, western oil fields will be capable of producing only 377,000 barrels per day. Some time around 1995, we will not be able to supply enough crude oil to one refinery in Edmonton which presently processes 145,000 barrels of oil a day.

• (1510)

If we are to have energy security in Canada, we will need a new oil sands plant every two years for the next ten years for there to be any hope whatsoever of becoming self-sufficient in oil. Therefore, ten plants will be required. We should have had three more plants on-stream today. As it stands, the two plants presently planned cannot be on-stream for at least six or seven years.

With regard to offshore production from the Beaufort Sea and off the east coast, we will be fortunate if we see production from those fields before the end of the decade. There is no technology in place to make an underwater completion in over 250 feet of water, water which is known to be plagued with icebergs. More than one half our imports of 425,000 barrels per day presently come from Saudi Arabia and the government is talking about increasing this by another 100,000 barrels a day at a cost of somewhere around $40 a barrel.

It is madness to place the Canadian economy, Canadian jobs and our future in the hands of OPEC. There was a quotation by the Minister of Finance (Mr. MacEachen) on the night he presented the budget which really caught my attention. He said the worst of the dramatic surge in international inflation directly associated with the OPEC price increases is behind us. Does anybody believe we have seen the last of OPEC price increases? It is inconceivable that any knowledgeable person would make such a statement and it is inconceivable that a government would be willing to place the future of our country in the hands of OPEC. Yet that is what this national energy program is doing. Make no mistake about it.

In conclusion, I wonder who the government will blame for future energy shortages. Who will they blame for increased unemployment, a faltering economy and continuing high inflation? Maybe they will be able to blame OPEC instead of Premier Lougheed and the multinationals. The wounds which have been inflicted on our country in this debate on energy and in the debate on the constitution will never be healed in my lifetime.

Mr. David Weatherhead (Scarborough West): Mr. Speaker, I am happy to have this opportunity to speak on the motion of the hon. member for Vancouver-Kingsway (Mr. Waddell), for it allows me the opportunity to discuss an important point in today's political climate.

It goes without saying that Canada is a vast country. Many regions span more than three and one half million square miles. Each of these regions has distinct features which contribute to the make-up of Canada; differences in terrain, geography and natural resources have helped to shape the individuals who have lived in those regions. It has become common to exaggerate those differences and to ignore the common heritage we share as Canadians. We share some important characteristics that must be emphasized during this debate if we are not to lose sight of our purpose. Each and every Canadian must face long distances and the daunting climate which is our lot. We share institutions and a common history which have done more to make us Canadians than fish,

trees, grain, steel or oil will ever make us. We share a place in a difficult and uncertain world. We share a future which we owe to our children and to generations which will follow. We would be untrue to ourselves and to those who will follow if we were to fumble away the great opportunity we owe them.

A nation, then is more than an amalgam of soil, more than its natural resources, greater than a collection of rocks and trees. It is an abstract notion, it is the aspirations and dreams of the people who populate it. To reinforce and encourage those dreams, a country must be seen to have a future. In such a context, the responsibility of the national government is very important to Canada at this stage. The government must reconcile sometimes competing hopes with the realities which prevail. Canada's history has been one of sharing and helping the various regions, which, for one reason or another, do not have an equal share of the natural resources of this country. It is a difficult task, for our constitutional history dictates that natural resources are the property of the provinces in which they are found and no person on this side of the House would have any great argument with that principle. Nevertheless, all members on the government side share a common belief in the responsibility of the national government to see that no region of this country is left out of the wealth and opportunity which these resources bring. At one time or another, a different region has had its moment in the sun.

To make the idea of Canada work, however, it is important for us to recognize that equality of opportunity has not existed in equal measure throughout this land. On more than one occasion, I have stated that I entered politics and that I belong to the Liberal party because I honestly believe that sharing has been our history and will be our future.

In the past few years, many of the government's efforts in Canada have been directed toward bringing the economic promise of Canada to all of its people. No matter where a Canadian chooses to live, he or she must be guaranteed equal access to the wealth and opportunity which is his or her birthright. Without challenging provincial supremacy in the field of resource ownership and control, the bold and forward-looking national energy program announced October 28 is an example of the way in which the government has attempted to bring Canada to Canadians. Important aspects of the national energy program will see that Canada has a greater stake in the future of its energy supplies and that Canadians will have a greater role in participating in that future. The program has rejected an export tax on natural gas. That is a concession which the federal government need not have made; its right to tax resources for export is very clearly spelled out in the present law.

To ensure that Canadians will participate in their own energy future, the national energy program sets out a policy which will seek to increase the level of Canadian ownership in the vital oil and gas sector of our economy. To ensure the security of our energy future, the NEP will encourage the movement away from oil to more plentiful sources of energy. Finally, the government will seek to redistribute its share of the energy wealth to all Canadians in order that all may participate in our country's immeasurable good fortune.

I will seek to clarify some of these points in order that this debate may illustrate to Canadians just how fortunate we are. Sometimes it is said of Canada that Canadians do not understand one another, that we are not very good listeners. A. R. M. Lower, in an article published last September, made the point that because of our good fortune, we Canadians must resort to inventing problems in order to have something to fight about.

● (1520)

In many ways this fight over resources is an excellent case in point. The very real concern about Alberta's dwindling oil reserves has somehow broken down into an argument over regional grievances and has obscured the point that the national energy program suggests policies to account for this eventuality. Without fully understanding the facts on either side, people in the various regions of the country begin to eye each other suspiciously, so much so that some Canadians may genuinely feel uncomfortable in regions of the country other than those where they were born and raised.

Political differences have begun to take on human faces, and we have witnessed the sad sight of certain people from producing provinces accusing all easterners of being rapacious carpetbaggers and some people not living in the producing provinces regarding their Canadian cousins as greedy and not caring for the well-being of all Canadians. Proximity to natural resources has now become a measure of one's loyalty and degree of Canadianism.

On the sideline of this sorry spectacle are those who would wish to exploit this anxiety for their own savage political gain, and here I speak of the new western separatists. I will speak about their threat to our future at the conclusion of my remarks because I am genuinely concerned, as are all hon. members in this House, that differences over dollars might become the issue which divides this great country.

I rose today to speak, first of all, about some aspects of the energy policy which need to be reiterated in this House. I will begin with the national energy program's initiatives in the area of Canadianization. Speaking before a New York City audience recently, the Minister of Energy, Mines and Resources (Mr. Lalonde) told his audience that it has become a matter of great concern to Canadians that so much of our energy resources is under control of foreign interests. He spoke of the incongruity of a major industrialized nation yielding so much of its heritage and its future to people outside its borders. He spoke about the very great need for Canadians to take some control over their future. As the minister pointed out, no country of Canada's stature could tolerate the degree of outside control which prevails in Canada's oil and gas industry. Indeed, no nation does so. The vast sums of profit and capital presently shipped offshore must remain in Canada if we are to develop our own oil and gas resources for Canadians.

The Canadianization element of the national energy program is essential in order to guarantee Canada's energy future.

It is only by encouraging small and large Canadian-owned and controlled firms and by our greater use of Petro-Canada as an agent of energy policy that this can be done. The Canadian people asked the government to increase the role of Petro-Canada in the last election. Greater Canadian involvement in Canada's energy field will enhance the chances of attaining energy self-sufficiency in the decade ahead.

Responsible private and public Canadian firms will ensure that Canada gets the energy it needs. The goal of Canadianization will be attained in a number of ways. It is important to point out some of these because I feel this debate has served to underline the confusion in which members of the opposition find themselves. Members of the official opposition would characterize the Canadianization aspect of the national energy program as confiscatory, which it clearly is not.

Spokesmen for the government have stated quite clearly that the terms for acquisition of any oil company would be fair and equitable. Further, members of the Progressive Conservative Party have repeatedly stated that the national energy program would supplant private investment with massive public involvement and that the program is too interventionist. For his part, the Minister of Energy, Mines and Resources has indicated this government's preference for the bulk of the industry remaining in private hands. I strongly endorse this point of view, keeping in mind the importance of the Canadian oil and gas industry coming under Canadian control.

Members of the New Democratic Party see the Canadianization program as not going far enough. They would like to see the government nationalize at least three of the largest oil and gas companies in Canada. I ask them, why stop there? If we are going to come up with the billions necessary to do this, why not spend a few billion more and go after all the rest?

Opening this debate last Friday, the hon. member for Vancouver-Kingsway stated, as recorded at page 4955 of *Hansard*, that it would be sufficient for the major multinationals to sell off enough shares to bring the level of Canadian ownership to 50 per cent while keeping control of the company in Houston or London or some place else while at the same time taking advantage of some of the more generous incentives offered by the national energy program. I point out, however, that the essential elements of the petroleum incentive program are available to companies which are not just owned but are also controlled by Canadians.

On the one hand, hon. members opposite accuse us of confiscatory policies of nationalization and, on the other hand, some other opposition members accuse us of being soft on multinationals. This may go to prove one thing,—that the aim of this government is right on. To achieve that aim the government has taken a balanced and fair approach to solving the vexing and, indeed, embarrassing problem of foreign ownership in the resource sector.

The government wants to encourage private investment in the oil and gas industry. This is the objective of a number of incentives for individuals and corporations to invest in our energy future. But there is a role for public participation, and on this point I would like to raise a question with our colleagues in the New Democratic Party. Speaking to his own motion last Friday, the hon. member for Vancouver-Kingsway stated that his party would move to acquire control of the three largest foreign oil and gas firms in Canada. He spoke of a concrete commitment to do this. I ask, then, where the government would find the estimated $20 billion to $25 billion necessary to compensate these companies fairly for their assets. Is there a concrete commitment to wave a magic wave to find this money? Asked, by the Solicitor General (Mr. Kaplan) to clarify this point, the hon. member merely stated: "My policy would be to force Imperial Oil to give control to the federal government". This policy gives no room to private investors, as does our policy. It is the belief of this government that private industry, together with a reasonable degree of public involvement, can be a useful tool for the development of energy policy.

If hon. members want to see a concrete commitment, they need only look to the national energy policy to see that this government will ask Canadians to participate in the Canadianization of the oil and gas industry through a Canadian ownership account. This account will be self-financing to ensure that the money to acquire one or more of the multinationals will be found. Contrast this policy with that of the NDP, which seeks to apply a measure of force here together with a wave of a magic wand there in order to come up with a crippling sum of billions of dollars. This whole approach reminds me of an editorial cartoon drawn during the 1968 election campaign by Duncan MacPherson. In it the then leader of the New Democratic Party is pictured gazing into the sky at an object shaped curiously like a pie. The object is entitled "NDP policy". Now, 12 years later, if one looks into the sky, that pie in the sky is still there.

However, Canadianization does not mean merely the acquisition of one or more of the multinationals. It means encouraging investors to continue to seek new supplies of oil and gas for Canada's future energy needs. The petroleum incentives program will provide incentive payments to Canadian-owned and controlled companies. Over the next few years, companies with 50 per cent Canadian content and control will receive payments of 10 per cent of approved costs for exploration of oil and gas anywhere in Canada. For development of these resources an additional 10 per cent will be paid on approved costs. For companies with a 75 per cent Canadian interest this payment will be raised to 20 per cent.

Development of Canada lands will be facilitated through incentive payments to any company searching on these lands. This payment will be to 25 per cent of approved costs. Canadian companies will, of course, be favoured by additional payments. Further encouragement will come from the provision that companies working on Canada lands must have at least 50 per cent Canadian ownership. To ensure that Canada lands remain under Canadian control, the Crown will retain a 25 per cent interest in any development on these lands through the agency of Petro-Canada.

Canadian companies will be favoured in the granting of any new natural gas exporting licences. Any small natural gas

producers which may have problems selling their natural gas will be helped through the $400 million natural gas bank.

The Foreign Investment Review Agency and the petroleum monitoring agency will monitor the progress of Canadianization. Each will have the job to see that the private sector is co-operating in this endeavour.

In criticizing the policy of the government the Progressive Conservative Party has been no less unrealistic than the NDP. It trumpets loudly the effect on the consumer of the pricing policy set by this government while at the same time calling for yet higher energy prices.

● (1530)

Members of the official opposition are fond of circulating constituency reports with dire forecasts about the price of a litre of gasoline one, two or ten years down the line. Frightening graphs grace the pages of these householders, suggesting only half the picture to the consumer. Hon. members opposite do not point out that in contrast to the pricing regime set out in the December budget the budget of October 28 will be much more favourable to the consumer. In addition to pointing out to the consumer that a litre of gasoline will cost 30 cents in 1981, why do they not also point out that under the Crosbie proposals the cost would have been 34 cents a litre? Where does it state in the reports circulated by members of the Conservative party that had the House of Commons and the people of Canada not wisely defeated the Clark government, a litre of gasoline would have cost 58 cents in 1984 instead of the more moderate 43 cents proposed by the government? The answer to those questions is easy, Mr. Speaker. We on this side of the House are not ashamed to defend our proposals. As a government, we realize that the price of oil and gas must rise, but it must rise at a rate which will not rob the consumer. The Conservatives are content to illustrate only one-half of the picture, so indefensible was the price grab in their December budget.

The official opposition chooses to ignore the investment in jobs and technology which the energy program represents. They choose to ignore the benefits which accrue to all regions of the country through our policy.

Mr. Wilson: That is the whole point of the debate. Aren't you listening?

Mr. Weatherhead: The extension of the natural gas pipeline to the maritimes supported by this government in the national energy program will provide new markets for western natural gas in the east.

An hon. Member: You are reading a speech you do not understand.

Mr. Weatherhead: This is a plan which will benefit all regions of the country. The most immediate effect will be the jobs this plan will bring. Industrial activity will increase as a consequence of this extension. In the longer term, new markets will open both in the east and in the west.

Expenditures envisaged by the national energy plan will bring about $2.3 billion to Alberta over the next three or four years, in addition to the very substantial funds that the new pricing regime will bring. In New Brunswick, some $290 million will be spent under the program in support of research, industry incentives, conservation, and the like. Ontario will benefit from the plan to the tune of $925 million. These funds will provide jobs in the immediate term, in addition to the spin-offs which will result from such expenditures, and all provinces will benefit by direct spending. In the longer term, these expenditures will lay a base for industrial activity and start new industries to deal with the changing needs of Canada's energy future. It is interesting to note that the MacEachen budget does not alter the sums paid to the producing provinces versus those suggested in the budget last December, and those prices were set without an agreement.

It has become a favourite pastime of the opposition to suggest that they had an agreement with the producing provinces before bringing in their budget. As the Minister of Energy, Mines and Resources demonstrated last week, no such agreement was signed. The opposition has been repeatedly challenged to prove that such an agreement existed. I suppose that we on this side of the House, and indeed all Canadians, must watch while Tom Sindlinger, the newly independent, former Conservative member of the Alberta legislature, asks for just one shred of evidence to prove that such an agreement was ever reached. I suppose the philosophy of the official opposition is that if you repeat something often enough, people might just believe that it is true. The official opposition is attempting to prove that that myth is now legend.

Over the next four years, the producing provinces in western Canada will receive almost $40 billion for their oil and gas. It has been estimated that over ten years, or over the life of the national energy policy, the province of Alberta will receive $100 billion. That is a point for us to ponder, Mr. Speaker. I spoke earlier about regions having their moment in the sun. It is now the turn of the producing provinces, particularly Alberta. However, the people of Alberta are genuinely concerned that with the disappearance of conventional sources of oil prosperity will disappear. Nothing could be further from the truth. The national energy policy envisages a very different future for the province of Alberta. Encouragement of Alberta's coal reserves is an additional feature of the national energy policy. The pricing formula for heavy oil and oil recovered by tertiary recovery methods will encourage the development of plants and refineries in order to exploit these vast, and as yet largely untouched, resources. The pricing formula for natural gas, set at a rate less than that for oil, will encourage markets for Alberta's natural gas.

Mr. Lambert: So what's new?

Mr. Weatherhead: Alberta's share of oil and gas production revenues is greater than that received by any other state or province in the world. Compare the Alberta government's return of about 43 per cent of revenues from all of the oil and

gas production in Alberta under the national energy policy with that of the share of Texas or of Victoria state in Australia, each of them receiving less than 20 per cent of revenues.

The natural gas bank is of special concern to the province of Alberta. Many of the natural gas producers in that province are small Canadian firms supported by equally small investors. By providing a customer for their natural gas and by encouraging research for new markets, the natural gas bank will keep many producers in business who might otherwise give up for lack of markets.

An hon. Member: That is a great departmental speech.

Mr. Weatherhead: Some of us in the House can write our speeches without the help of departments. And that is the case with my speech this afternoon.

We are speaking here of dollars to governments. Who speaks for the consumers of Alberta? Ironically, it is we, the Liberal party, long painted as the bogeymen in this scenario. It is worth while for us on this side of the House to point out that higher oil and gas prices affect the people of Alberta quite as much as they affect people in all other regions of the country. Discounting the effect of provincial and local taxes, any increase in the price of oil and gas products would have an impact on the consumer in Alberta, in just the same way as they would affect a car driver in Toronto, Winnipeg or Halifax.

So it is important to point out that far from just benefiting consumers in the non-producing provinces, lower prices for gasoline and natural gas will benefit consumers in all provinces. Expenditures on conservation and the development of new sources of energy will be great in Alberta and in the other producing provinces. The Canadian home insulation program will require more money to be spent in addition to the $13.8 million spent since 1977 in Alberta.

British Columbia, another of the producing provinces, will receive its share of expenditures under the national energy policy. In addition to the estimated $3.6 billion in revenues from natural gas and oil production over the next four years, British Columbia will see $550 million spent on research, industrial incentives and conservation over the same period. Of particular interest to British Columbia will be the improvements to the forest industry renewable energy program. New industrial sectors will be allowed to take advantage of the program, and individual grants will be permitted to exceed $4 million, thus encouraging the development of new sources of renewable energy. Finding new markets for Alberta's natural gas will be one effect of the conversion grants, to a maximum of $800 per household. Another effect will be the resulting reduction in heating cost for the home owner. These conversion grants will also have the effect of stimulating the creation of jobs and industrial development in the search for better ways to use energy.

This weekend I listened with interest to a CBC radio program in which one of the principal owners of a furnace manufacturing company spoke of his firm's development of a more efficient gas furnace. While not a consequence of the national energy program, this gentleman also spoke of his company's effort to develop this even further. At present, the new furnace tests out at approximately 90 per cent to 95 per cent efficiency. The incentive to bring natural gas heating to more Canadians will undoubtedly spur more such entrepreneurship.

● (1540)

The national energy program seeks to make Canada's automobile industry more competitive by introducing more stringent mileage standards. At present, North American cars compare unfavourably with imports on the whole. Rather than allowing foreign manufacturers to fill this void, the government should give encouragement to Canadians to purchase domestically produced cars. Improving efficiency standards will ensure that this is done.

These are just a few highlights of the national energy program. In addition to Canadianization, fair prices, production incentives to discover new sources of oil and gas, incentives to convert from oil to more secure sources of energy, and encouragement to seek out renewable sources of energy, there are a number of other programs designed to ensure Canada's energy self-sufficiency. But all of this misses one thing, and the missing link is a price for oil and gas. What we are seeing, through the proclamation sections of the Petroleum Administration Act, is a government which recognizes that it must seize the political will if Canada is to attain energy self-sufficiency. Members opposite suggest that the pricing regime of the government will harm the future of oil and gas exploration. I say that this is not true, and to illustrate let me quote from the national energy program which indicates that the netback to the producer will increase between now and 1990 by a factor of four times; from the $6.29 a barrel received by the oil companies today, the netback before taxes will increase to $24.58 a barrel in 1990. That is hardly a massive grab of oil industry revenues. The immediate response of the oil and gas industry, much of it foreign owned, was predictable. However, if they were to stop and look, these companies would see that the incentives, plus the very generous share of revenues, make Canada a good place in which to make money in the oil and gas industry.

We have not seen a massive intervention of government. Rather, we have seen a move toward greater balance in the oil and gas sectors of the economy. In the past there were very few rules when it came to developing oil and gas in Canada. Now, before it is too late, there must be some rules which benefit consumers and Canadian people. While oil and gas revenues to the oil companies have gone up by ten times since 1970, production has not kept pace.

So, the impasse on pricing and revenue sharing must come to an end, without shutting the door to further negotiation. The government is only trying to bring home the urgency of Canada's energy future to Canadians. Admittedly, some would like to see their regions benefit even more greatly, but we must keep in mind that the government has a responsibility to see that Canada is not mired in eternal wrangling over ownership,

revenue sharing and the pricing of our natural resources. Balancing the constitutional ownership of the resources by the provinces against the federal government's moral and constitutional obligations in interprovincial and international trade, has not been easy.

In conclusion, we in this House express the political differences which democracy and the parliamentary system bring with them. However, outside we must remember that it is not just a voter to whom we are speaking; it is a Canadian, a cousin. Certainly I acknowledge the right of the opposition to criticize the program of the government. I will disagree with them, but it is their right and duty. As we on this side of the House go out and about this land, we will attempt to explain what the energy program means to the individual in dollars and cents. We will defend this policy and attempt to convert people to our cause. But, there is a greater cause. I ask opposition members to go out and, in their way, criticize the program if they must, but at all turns to defend Canada and not to allow the nation to be torn apart for a few resource points, for a few extra dollars. It will be a sad legacy of the House if we allow the country to be sold down the river for a few pieces of silver.

Some hon. Members: Hear, hear!

Mr. Thomas Siddon (Richmond-South Delta): Mr. Speaker, it is with some trepidation and sadness that I rise to address the House on this motion which protests the proclamation of section 36 of the Petroleum Administration Act. It is with a degree of sadness because the very fact of the implementation of this motion reflects a lack of trust and a lack of realism toward the petroleum industry, the producing provinces and the people from the part of Canada which I represent.

The freedoms we in this country enjoy are very precious and also very fragile. To my way of thinking, those freedoms are entrenched in the fact that individuals can advance and work in a society, not unduly encumbered by a central interventionalist government which would repeatedly impose tax upon tax, collecting massive amounts of money through Ottawa, taking them with one hand, and then in a very gratuitous manner, as the previous speaker and the Minister of State for Mines (Mrs. Erola) indicated, giving us back but a pitiful portion of those funds. This interventionalist philosophy is reflected in a document entitled "The Practice and Theory of Federalism" which was written some years ago by the Prime Minister (Mr. Trudeau). In introducing a section on strategy and tactics, the Prime Minister indicated that "revolution and revolutionary wars proceed from birth to development, from small to large, from lack of power to seizure of power". It was a quotation from Mao Tse-tung, and immediately thereafter the Prime Minister indicated that if the whole of the Canadian electorate could miraculously be converted to socialist ideals at one fell swoop, there would be no reason to discuss strategy in the present context; socialism would be achieved with or without federalism and socialist administrations would be installed at every level of government affairs, no matter the form of the constitution. That is the fright which faces me and which faces my children, including one of my sons who is here today in the gallery, whose future and freedom within our society is very much at stake in the matter of this debate.

The need for the implementation of the Petroleum Administration Act is predicated on Liberal myths and scare tactics directed against western premiers, petroleum industries, and, by inference, all the people of western Canada. I want to make it very clear at this point that Canadians who live in the western parts of this country are neither selfish nor separatists. We do not take lightly to being accused of either, but Canadians in the west rightly feel alienated from a mammoth centralist government some 1,500 to 3,000 miles away which does not try to understand their way of life. The nub of the problem is that the Trudeau Liberals and their good socialist friends to my left are distorting the real meaning of the word "sharing". I believe—and I think most western Canadians believe—that sharing is an act of giving and receiving in a spirit of mutual goodwill. It is a voluntary thing. Sharing is not legalized theft and undue and disproportionate taxation. That is how the communists share. Western Canadians already share generously with all their fellow Canadians through direct equalization payments and a number of other forms of economic concession to central and eastern Canada, for example, as reflected in the preferential purchasing policies of the Department of Supply and Services, the use of DREE grants, protective tariffs, subsidised freight rates, and even certain biases in the UIC system and welfare program. I and western Canadians believe we are entitled to know the cost of that sharing.

At a committee meeting two weeks ago, the Prime Minister refused to tell Canadians the costs the people who are doing the sharing have to bear because of the heavy hand of the central Liberal government. Our concept of sharing is a far cry from the definition of the Prime Minister. The concept of sharing expressed by his insensitive colleagues, particularly those on the front benches who are not in their places today, amounts to a unilateral confiscation of provincial resource revenues without even making a fair and serious attempt to negotiate.

● (1550)

Mr. Speaker, I want to give an illustration of the tragedy that I think faces our country and the reason I am saddened with respect to our future. After the vote on Wednesday night, when the government denied the opportunity to oppose the implementation of the Petroleum Administration Act under the previous motion, I rode an elevator in the West Block. In the elevator I was surrounded by a boisterous group of Liberal backbenchers. They may not have thought I understood what they were saying. They were very happy and jovial. They displayed a smug cockiness which alarmed me, Mr. Speaker. What they were so excited about was that they had stuck it to Peter Lougheed. They thought they had stuck it to to a few western Conservative members of Parliament. They were acting like alleycats that got the mouse. They were so proud of themselves, Mr. Speaker. I must tell the House today that that laughter was not directed just at a couple of premiers in western Canada, or a couple of Conservative members of

Parliament who may have happened to be in the elevator. They were not merely laughing at a few institutions which they like to distort and misrepresent from time to time. They were laughing at all western Canadians. Their behaviour offers a sad commentary on the Trudeau party—not the Liberal party. It is not the old time Liberal party of Mackenzie King or Sir Wilfrid Laurier, it is a party of Trudeau socialists. Let us not kid around about that.

Mr. Knowles: Who wants Mackenzie King back?

Mr. Siddon: He is not coming back. The hon. member likes Trudeau much better than Mackenzie King I am sure.

The Trudeau party fails to understand the regional realities and the aspirations of eight provinces where they are not well represented. They are making an appalling effort to try to understand them. It seems to me the gift of power is something entrusted to a government which should be used to advance the interests of all regions of Canada, not to hit one or two regions across the backside with a double-edged broad-axe as this party has done. They are misusing the power they gained in the last election, the power which was given to them for the purpose of benefiting those who gave it to them. They are snubbing the rest of the people, particularly those in the west.

Mr. Speaker, Canada is crying out for leadership, not divisive, devious and petulant leadership by a socialist Prime Minister, who is hellbent on changing our national fabric to suit his fanciful philosophy. Canadians do not appreciate the irresponsibility shown by this man who creates a furore at home in the constitutional and budgetary areas, who then goes cavorting off to Arabia to dance sheik to sheik in the desert. This is a man who has more time for international gladhanding than he has for solving the problems which he has created almost single handedly with the help of his energy minister. Canada does not need that kind of leadership.

Canada needs the kind of leadership which was given to it in the nine short months of the previous Clark administration. That was the government which restored national harmony. That was the government which put the nation at peace with Quebec, which distributed goodwill among the people and governments of Canada. That cannot be denied by any member in this House. The previous government was a government which restored financial responsibility. It was a government which began to set our national priorities straight. In spite of all the foofaraw on the other side an agreement on oil pricing was reached by the Clark government.

An hon. Member: Table it then!

Mr. Siddon: There was an energy policy which left some of the revenues in the pockets of individual, privately owned, free Canadian oil companies to advance in the national interests. There was a budget. Most Canadians I talk to nowadays regret having seen that budget defeated. There was freedom of information legislation along with a number of other progressive measures. All the statistical indicators show that Canada was going in a different direction. You may look at any of the figures to see that direction with respect to the level of employment in the public service, the level of unemployment, the rate of inflation, and any other statistics, that you care to look at. Finally, Mr. Speaker, that government restored a degree of honesty to the government benches which we do not see in the deceit, the misrepresentation and the charlatan trickery practised by the Minister of Energy, Mines and Resources (Mr. Lalonde) in the presentation of his energy program and the Minister of Finance (Mr. MacEachen) in the presentation of his budget.

Yes, the former prime minister provided the leadership which Canada desperately needs for the 1980s. Alas, the deceit and the political opportunism of the Trudeau flock snatched that new hope away and replaced it with a government which is, frankly, drunk with power. It has been replaced by a government which seems willing to stoop to any tactic with respect to constitutional matters, energy matters and the implementation of the Petroleum Administration Act. Its supporters seem willing to stoop to any tactic to play their political best, even to risk the destruction of my country and theirs.

This country has tremendous potential. It was well worth the building over 113 years. It is a country which was well worth fighting for in the three great wars. It is certainly well worth saving in the face of, and in spite of, the actions of a few petty-minded, idealistic politicians who have no understanding of the way the real world works. The secret of the success of our country is not more dependence on Ottawa, it is not independence of the various regions, which are now going in different directions. The secret of the success of our country and our future strength rests upon interdependence. That is how the wars were won in the past decades. That is how the energy crisis will be confronted and overcome in this decade. That interdependence will involve the funding and the provision of an economic climate for the building of some seven or eight oilsands plants, heavy oil projects, extraction and development, exploration for natural gas, all of which will involve billions of dollars of capital. That is capital which ought to be spent in Canada, not in Saudi Arabia. It is capital which should be recycled in our economy over the next 25 years to the extent that trillions of dollars—yes, indeed, trillions of dollars—will circulate through the Canadian economy. Those dollars will be spent in all regions of Canada. They will be very important to the industrial centre of our economy. If we are to become interdependent again and have more respect for one another we cannot go around setting premier against premier. We cannot have a petulant Prime Minister putting himself on a platform above all premiers and calling each of them names. We must learn to share by consent, not by decree. We must restore respect for the right of the individual to his freedom. We must restore freedom to businesses so that they will be able to enjoy corporate freedoms under the rule of law in this country. We must restore self-confidence to the regions, the businesses, the communities, which are the building blocks of our country. We must not shatter that confidence the way it has been shattered in recent months.

I am concerned, above all, about my children, as I think all members here are. It is important that we develop employment opportunities and educational facilities so that our children can enjoy the kind of prosperity which we have been fortunate enough to enjoy in this short span of time. This means we must stop borrowing and squandering the equity of western Canadian resources so that our children will not have to foot the bill later when the country is faced with economic collapse.

Mr. Speaker, the invocation of the Petroleum Administration Act by this government is divisive. It is discriminatory against the producing provinces, low-income Canadians, and particularly young Canadians who hope to find a career in the future of this country. The invocation of this act reflects an ignorance of western Canadian aspirations and feelings.

I do not think my time is up for another fifteen minutes.

[*Translation*]

Mr. Deputy Speaker: Order, please. It being 4 p.m., it is my duty to interrupt the proceedings and to put immediately any question necessary to dispose of the motion now before the House. Consequently, the question if as follows:

[*English*]

The question therefore is on the motion (Mr. Waddell).

Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Deputy Speaker: All those in favour of the motion please say yea?

Some hon. Members: Yea!

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

Some hon. Members: Nay!

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

And more than five members having risen:

Mr. Deputy Speaker: Pursuant to order made Friday, November 21, 1980, the division stands deferred until 9.45 o'clock p.m. Monday, December 1, 1980.

● (1600)

It being four o'clock, the house will now proceed to the consideration of private members' business as listed on today's order paper, namely, notices of motions, public bills and private bills.

PRIVATE MEMBERS' MOTIONS

[*English*]

Motions Nos. 12 and 14 allowed to stand by unanimous consent

BROADCASTING

DEBATE AND APPROVAL OF CRTC POLICY RECOMMENDATIONS

Mr. Jim Fulton (Skeena) moved:

That, in the opinion of this House, the government should consider the advisability of bringing before the House for debate, modification and approval, all of the CRTC policy recommendations regarding northern and remote television and radio broadcasting.

He said: Mr. Speaker, the Minister of Communications (Mr. Fox) has left the House, but I am sure a member from the government and a member of the Conservative party will be speaking, hopefully in support of this motion, this afternoon. The most serious problem at the present time in relation to the communications policy and CRTC policy is that it seems to be developed on an approach best described as "policy by press release".

The communications policy has simply been outstripped by technology and the desires of the Canadian public, particularly in the northern and remote areas of Canada. For example, in Skeena riding such areas as the Queen Charlotte Islands, the Hazeltons, Nass Valley, Telegraph Creek, Dease Lake and the Cassiar and Atlin areas have never had decent television reception. Through local entrepreneurial skills, volunteer labour and community effort, television programming ranging from canned rebroadcasting and local production to satellite dish reception, we have achieved the goal of televised entertainment and new service.

All that has been done with an absolute minimum of bureaucratic government intervention. Serious shock waves have been felt recently throughout the north every time the Minister of Communications puts out another press release, because of the sensitivity to the lack of the government's ability to deliver northern service. One can hardly accept the premise of "Canadian content" for northerners when Toronto, Vancouver, Winnipeg and Montreal and in fact over 90 per cent of the Canadian population has essentially the freedom of choice in television viewing.

The government's brand of Canadianism using northerners as media guinea pigs simply will not sell. We all understand the cultural aspects of good quality Canadian programming. However, there must be debate and agreement to continue northern access to diversified, even if pirated southern broadcasts. The concern of northerners is that cable companies in the south will get the government's ear to sell U.S. and other international programming and allow signal scrambling on the satellite broadcasts.

For example, at the present time in the community of Cassiar in my riding there is a satellite earth receiver which brings in and distributes American broadcasting throughout the community. In fact, it is the first and only ongoing and

relatively newsworthy and entertaining television service that has ever been available in that community. None of the other broadcast systems were ever brought into that remote northern mining community. That type of broadcast is extremely important to families in terms of keeping up to date about what is going on in the world. The problem though is that those individuals in the community who watch a lot of television tend to know more about politics in California or on the eastern seaboard than they do about politics in Canada. For that reason I am very sensitive to this situation and the need to promote increased Canadian content on the air waves.

But when there is no policy in place or no satellite communication in place to provide television to communities such as Cassiar or the Queen Charlottes, it is only good sense that an interim plan be followed, one which makes clear to northern, remotely-located Canadians that this type of satellite, although it means the pirating of signals, will be allowed to continue. The government should get on with the transmission of letters between Canada and the government of the United States to ensure that the scrambling of those signals will not occur.

The CRTC can hear at any time from southern Canadian cable companies and so on ad infinitum. However, unless Parliament debates this policy the interest of southern Canadians may end up being served by corporate cable systems and television stations to the exclusion of the viewing rights of northerners. I am concerned about this, and I trust that both Liberal and Conservative members will rise to participate in debate, support the motion and endorse a parliamentary debate on this serious issue.

Too often, policies are made in the majority interest to the serious detriment of a minority—in this case regionally and geographically and isolated minorities. We hear evidence from Liberal members and Conservative members that the constitution should protect various minority rights. My party certainly takes part in that debate and supports that view. In a country such as Canada, it is extremely important that the rights of minorities be entrenched and supported.

However, pay television, CRTC policy and the demands of the cable systems do not deal with our needs in the north. The minister espouses the extension of services to the north as a priority according to recent statements, but history speaks for itself. The October 28 budget makes it quite clear where the government stands in relation to the northern extension of service. In my view a burgeoning, bureaucratic miasma of red tape is not required in this situation.

If the government wishes to put good quality, Canadian television on the air waves in the north, that is good and I tip my hat. However, once again history speaks for itself. Northern communities have fought for what we have and the decisions and agreements which ought to have been made in our interests have simply not been made. The 19-month extension of ANIK B programming is good and so is Telesat.

For the record I will list some of the projects which are under way. Certainly, some of these projects are important, but as hon. members will see, there are none which relate directly to what I am speaking about today. The first program listed under the minister's program on the extension of existing pilot projects is an evaluation of a 90-megabits-per-second digital link, which hardly affects my riding. There is the Ontario government teleconferencing network project, the Knowledge Network of the West, an interactive video educational system for southern British Columbia educational institutions; the distance education project in Alberta, and an interactive video educational system for communities in Alberta, all of which would have little or no impact on the north.

Other projects are Northern Ontario Hybrid Direct Broadcast, Operational Trial sponsors a good project which brings TV Ontario directly into remote homes and communities via satellite, and the Program Delivery Pilot Project West, is an extension of CBC and BCTV programs into northern British Columbia which only impacts on one very small community in my riding.

There is the Memorial University of Newfoundland Pilot Project which is for health and education exchanges in the province. Then there is the Inukshuk Project sponsored by the Inuit Tapirisat of Canada which is very well known to the Eastern Arctic. The Time Division Multiple Access or Slim TDMA project deals with digital technology applicable to business services and does not affect the north. The next program is called Long Baseline Interferometer which involves the use of a satellite to link radio telescopes for geophysical studies. It is an important scientific program, but in terms of communications policy, it does nothing for northern Canada. Then there is the Naalakvik II program for the Inuit of northern Quebec which puts emphasis on Inuit broadcasting education and community educations. It is obviously a good project, but it does little to bring broad-based educational, entertainment or news service to all of northern Canada.

I will list now some of the new projects upon which the government stands. I believe it will bring home to hon. members precisely why this motion should be supported. The first project is the delivery of teleprinter, audio and Telidon news-information signals which involves the delivery of satellite news directly to radio and television stations and cable companies. It does nothing for the north. The second project involves electronic news gathering. It is there to provide on-the-spot news coverage essentially for southern Canada. Then there is the transportable telephony earth stations project which is for terrestrial and offshore oil industry operations. The fourth project listed is called Inter-Omnibus and is sponsored by the University of Quebec to provide educational services to remote campuses of the university.

Then there are three experiments and demonstrations. The first is called Trans-Canada Amateur Radio Packet Network. It does not deal at all with the educational, entertainment or news areas of television. The second such project is called Technical Evaluation of Digital Modulation Schemes—it is sponsored by the University of Ottawa. The third project is called the Support of Australian Domestic Satellite Programs. So rather than offering something for northern Canadians, the

government seems to think it is more important to get involved with the Australian domestic satellite program.

● (1610)

With respect to licensing, television is received only by earth terminals, namely TVRO. In a written statement, the minister indicated that rather than having to wait 18 months to get radio standards procedure 116, more commonly known as an RSP-116, northern Canadians who are interested in getting a licence for their earth receiver will have to wait only 90 days instead of 18 months. However, the minister is reviewing extension of licences to categories not now eligible. But, here is where the trick comes in. We have the problem with the CRTC and since this minister took office we have policy which has been handed down by press release. Whose interests will be upheld in a situation such as this where there are powerful southern cable systems and television companies in the southern part of the country and very powerful viewing audiences who know what they want to watch? No one goes into a home in Montreal, Toronto or Vancouver saying that you must watch CBC tonight if there happens to be a good movie on another television station. That person may never turn on Canadian television. However, the policy of the government right now is essentially to use Canadians living in the north and remote parts of Canada as guinea pigs for Canadianization policies.

I think this situation requires a parliamentary debate. The CRTC can hear evidence ad infinitum from many Canadians living in the southern part of Canada, but northern Canadians are only represented in a limited number of forums. The Parliament of Canada is certainly one place where we should debate and decide what we intend to do with respect to northern and remote television policy.

Under the review which is now going on, reported in *The Canada Gazette* for November 22 of this year, there is opportunity for formal notices to be given and I would urge all northern Canadians to make submissions before the end of February. I think that around the end of February would be a good time for a full parliamentary debate on the question of CRTC, northern and remote television policy.

There are 2.8 million Canadians who have access to two television channels or less. The overwhelming majority of people in my riding, until recently, had no television access whatever. Isn't it about time we let them have a voice?

Mr. Ron Bothwell owns a company selling satellite receiving stations near London, Ontario. As reported in *The Globe and Mail* for November 26, 1980, he had this to say about the Department of Communications—I quote from the report:

> Mr. Bothwell said the federal communications department was acting to protect certain cable television interests, since 'federal officials admit that they'll tolerate illegal satellite dishes only in those areas where cable is not available.' He said, for example, that the communications department told him it was willing to turn a blind eye to the operation of satellite dishes in Penetanguishene, but would not allow dishes in Waterloo. That kind of arbitrary action is both absurd and unconstitutional!

There are several vital quotations in the final Therrien report. When considering whether U.S. signals should be carried, at page 17 of the report, we read:

> In determining priorities for services to be carried on Canadian satellites, the carriage of U.S. stations or programming services should not be permitted, subject to a review of this policy should surplus capacity become available.

That recommendation from page 17 of the report applies directly to my riding. People have paid for these dishes, people have installed their own cables. A fantastic amount of community work has been done to bring this form of entertainment into communities. While that sort of recommendation is going forward, for the minister not to rise in this House and call for a parliamentary debate himself is the height of absurdity.

At page 19 of the Therrien report, we find the following:

> Several of the operators of unauthorized satellite reception and delivery facilities who appeared before the committee said they would gladly switch to a Canadian satellite if an attractive service were made available.

I appreciate that because I know that almost all, if not all, the satellite operators in my riding and probably throughout the north would start to use a Canadian satellite if there were full broadcast programming.

However, I think we all know that the broadcasts coming from Telesat and ANIK V are not around-the-clock. There are not many movies or regular local or regionalized news broadcasting, though these are extremely important.

An interim measure asked for by the government is for the CBC to have CTV programming on the present channel which distributes broadcasting of the House of Commons proceedings. I am not sure how many of the residents in the northern part of my riding would want to watch the House of Commons debates—I am sure there are many—but I think probably there are other programs they would appreciate being broadcast on Canadian satellites.

Mr. Knowles: They are watching right now.

Mr. Fulton: At page 20 of the Therrien report, we find the following:

> It is said that the CRTC and DOC have lost, or are rapidly losing, control of the Canadian broadcasting system, and firm action should be taken immediately to regain that control.

There is no question that the CRTC and DOC have lost complete control, not only of the technology, but of what is happening on a global scale in terms of what people are watching and how they are obtaining it. To simply move in now with some weird red tape and various licensing procedures and proposals to shut off, or to allow the American satellites to scramble their signals, is really a hodge-podge way of dealing with such a serious situation.

Recently the C.D. Howe Institute issued a report on federal-provincial aspects of communications policy. Generally, they have concluded the following:

> Neither a continuation of a centralized nationwide control—as originally proposed by the federal government—nor a massive turnover of authority to the provincial governments—as proposed by Quebec—is really acceptable.

I certainly concur with that view. I do not think that all communications policy can be unilaterally determined by the federal government, nor should it simply be disposed of unilaterally to the provinces because of the enormous amount of interjurisdictional communications, namely, transprovincial, transboundary and international.

Clearly, jurisdiction has to be mapped out. In my view that would be most comprehensively and competently done here in debate in this House of Commons. The report also stated that the CRTC should be brought under closer policy control by the cabinet, though the board also said the CRTC should continue to make rules "within the context of clearer political direction." That flows clearly from the motion I have before the House today; it is important there be some political direction for dealing with northern and remote satellite broadcasting. In fact, the question could be expanded to include satellite broadcasting in the whole of this country.

The Howe report also stated that regulatory and political proceedings related to communications policy should be opened up to allow consumers more input. Very clearly, that should include people in the north. The notice printed in the November 22, 1980, *Canada Gazette* gives some opportunity for northern Canadians to make their views known to the Department of Communications and to the minister, but I think we have to go much further than that. Members from northern and remote areas of Canada have a right to stand in this House and debate CRTC communications policy to ensure that the question of the dishes which are already in place, whether pirating signals or not is adequately discussed. I would urge all members of this House, certainly those who are to speak on this topic, to support the motion in order that we can get on with the debate, perhaps in February, and deal with the very important issues which affect northern Canadians and those who live in remote areas.

Mr. Peter Stollery (Parliamentary Secretary to Secretary of State and Minister of Communications): Mr. Speaker, first I want to thank the hon. member for providing us with an admittedly brief opportunity to discuss this very complex question of extension of services, direct broadcasting, pay TV and all the complicated technical issues which have been brought to the public's attention through the Therrien committee report.

I wish to remind the hon. member that the government, after recommendations made by the CRTC, has taken very important steps in trying to deal with this complex issue.

● (1620)

Recently we extended the test program to remote areas of Canada. I am sure this will be of interest to the hon. member who has just spoken. In October, 1975, the TVRO dishes were legalized. The hon. member has rather badly missed the point addressed by the Therrien committee. As a member of the New Democratic Party, I would expect him to be interested in the whole issue that has caused the problems with satellite communications, namely how do we protect the Canadian interests.

It would be very simple to allow people all over Canada to buy dishes to put on the top of their houses, use the 14/12 gigahertz band and receive direct broadcasting from U.S. satellites for which, of course, they would not be paying. As the hon. member pointed out in a similar private member's hour last week, they would not be paying copyrights to the artists who originated the material being received on their television sets. That would be one point.

Second, and most important, the Canadian cultural interest would be lost. I did not hear the hon. member refer to that in his remarks. He did refer to the question of limited access to television in his constituency of Skeena, which is a remote area and which we all agree is underserved, as are many remote areas in Ontario, Quebec, New Brunswick, Nova Scotia and the rest of Canada.

The problem facing the government and the CRTC is how to face that issue while protecting the Canadian cultural interest in a world in which borders and frontiers in terms of communication are becoming increasing fuzzy and vague.

If the hon. member had read the Therrien report, he would agree that it is an extremely complex report. The technical problems alone make one wonder whether it would be in the interests of Canadians to have it brought to this House, where their study would take a large amount of time, when we have other questions such as energy, the constitution and the economy to discuss. The hon. member would be the first to protest if the government, having set up the CRTC to look into the issue—

Mr. Waddell: Nonsense!

Mr. Stollery: The hon. member shouts "nonsense". He does not have the discipline to sit in his seat and keep quiet when another member is speaking. That is the least we can ask. The hon. member for Skeena (Mr. Fulton) conveniently forgets that we have these various commissions and independent bodies to look into these issues objectively to try and resolve them. This is done because we learned over the years that it is the functional way to operate.

I now wish to deal with the question of more adequately serving northern communities with radio and television. The hon. member ignored the very interesting section of the Therrien committee's report which addressed itself not only to those areas of Canada not served by television, but to areas of Canada without proper radio reception. Fortunately, this can be dealt with in a less complicated way than satellites and television. However, it is important.

I live in Ontario. Parts of my province do not have adequate radio service. There are small communities with 80, 90, or 100 people and mining camps throughout the enormous reaches of this country which do not receive adequate service. The CRTC is addressing itself to that question, trying to come up with a solution which will serve Canada better, giving people a larger choice of broadcasting, whether it be television or radio. On the other hand, it insists that the Canadian cultural interest, which I am sure the hon. member is as interested in as I am, is protected.

Right now it is looking at an area which is under the most severe attack as a result of foreign domination. The hon. member's party has consistently made this a plank in its platform for many years. We have a Canadian cultural industry, which is dependent on communications, under severe attack by the internationalization of geostationary satellites which anyone can use by buying an appropriate receiver to stick up on his roof. It is not very big, only a metre and a half across, and it can receive signals directly from abroad, for which the person does not pay, even though someone was responsible for the material directed to that satellite.

I wish to direct my following remarks to a number of the recommendations related to the availability of satellite and earth station facilities to provide for the extension of services reflected in the report. In my opinion, and in the opinion of most members of the committee, it is in this satellite technology that the future of northern broadcasting lies. At this stage it would be appropriate to outline what positive steps have been and are being taken by this government, especially with respect to satellites, which also must include the associated earth stations. Last weekend, the communications minister announced changes in the federal government's policy and procedures with regard to licensing satellite television receive-only, commonly called TVRO, earth stations for the reception of television and radio programming from Canadian satellites. This new policy and procedure will be of benefit in several ways.

First, it allows for simplified application procedures which will make it possible for broadcasters to obtain TVRO licences within 90 days. Second, it makes Canadian satellite-delivered programming more readily available to Canadians throughout broadcast undertakings. Third, it permits provincial agencies and authorities to own and operate earth stations to receive Canadian-originated educational television and other signals from Canadian satellites. The previous policy, in effect since February, 1979, had restricted licences to broadcasters, common carriers and cable television operators. Fourth, licensed TVRO earth terminals are now permitted to receive radio program signals transmitted over the same satellite channel as the television signal. This change will facilitate the wider distribution of radio programs to remote communities at minimum cost and follows upon recommendation No. 21 of the CRTC committee's report.

The minister also announced that he is opening a more general review of the satellite earth station policy, including the study of the possibility of extending TVRO licensing to certain categories of applicants not now eligible. Recommendation No. 11 of the report states, and I quote:

> A review should be undertaken, in consultation with all parties concerned, with a view to expanding the present policy governing the ownership and operation of earth stations for broadcasting purposes that would permit:
>
> General and special-purpose broadcasting undertakings to own and operate uplink earth station; The ownership and operation of radio receive-only earth stations by licensed broadcasting undertakings; and
>
> The ownership and operation of receive-only earth stations by educational and other non-commercial institutions for internal use; by community groups; and by private citizens for exclusive use by them and their households. I submit that this recommendation is covered in large part by this recently announced policy and the general review to be undertaken shortly.

● (1630)

Early last week the Minister of Communications (Mr. Fox) announced the extension of the experimental program on the Anik B satellite. This program is one of ongoing operational research conducted by the Department of Communications.

The technical expertise and operational experience gained from this extended experimental program in the 14/12 gigahertz band will reflect the concern of the committee, as expressed in recommendation No. 8, that broadcast system planning should be flexible to accommodate advances in technology.

For the information of hon. members I would like to explain that I am a layman reading this very technical material. What are known as geostationary satellites are satellites effectively going around the world at the same speed as the earth turns and staying in the same spot. I believe this technology was invented in Canada. Step two of this, of course, is the kind of satellite which is used. The original satellites were of such a nature, without becoming too technical, that they would beam down at a receiver which had to be in a rural area because it tended to interfere with other communications because of the band it was using. I think it was a 6/4 gigahertz band, but I am not certain. The new technology which is just being developed, also in Canada, uses the 14/12 gigahertz band, which again in layman's language means that instead of having to be beamed down into a rural area and then brought by a cable into an urban area or wherever it is to be received, the signal can be beamed much closer. I am not sure if it can actually be put on a person's roof, but it can be brought quite close to it because it does not interfere with other signals. All this is very new and rapidly advancing.

I think the hon. member made a point with regard to how difficult it is for the government and governmental organizations to keep up with the tremendous expansion in this technology. However, that does not mean we should stop trying. We should keep trying. I am sure we have always done that in Canada with respect to this type of development, and I believe the government will develop policies which will be able to handle this kind of technology and protect the Canadian interest, which is our purpose.

Recommendation No. 9 refers to the planning of future Canadian satellites and urges full consultation with the broadcasting industry to ensure that the broadcasting needs of all Canadians are fully taken into account. These ongoing experimental projects are exploring ways by which the latest technological advances can be used for new and improved communications services in general.

However, more specifically, CBC, OECA and the private broadcast industry have been consulted and, indeed, are active participants in the Anik B experimental program. Educational television signals, OECA, are being beamed to locations in northern Ontario. In addition, CBC and BCTV signals are being beamed to northern British Columbia communities.

There is a continuing government involvement in satellites for broadcast purposes. There are studies presently under way to determine the suitability of the Anik C satellite to provide an interim direct broadcast satellite service prior to the launch of a dedicated direct broadcast satellite system which will probably take place in the late 1980s if a decision to proceed with such a system is taken.

There are Department of Communications studies on various DBS scenarios covering social, economic, regulatory, institutional and policy aspects. Later on this afternoon I believe one of our members will address the other problem this raises which, of course, is that of pay television, also addressed in the Therrien report. I am not sure whether the hon. member opposite is in favour or opposed, but these things are so intimately connected that we cannot discuss remote broadcasting without also talking about direct broadcasting; and direct broadcasting is, in effect, different from pay television, an issue which is very controversial and complex.

Mr. Waddell: Did you say too complex to debate in this House?

Mr. Stollery: There is that hon. gentleman again. He does not have any discipline. His colleague had his 20 minutes, and I did not say a word, but the hon. member can always be relied upon, if anything even slightly provokes him, to get into the act. He just cannot sit in his chair and keep his trap shut. It would be nice if he would do so for just another three minutes.

Mr. Waddell: You should talk!

Mr. Stollery: The Department of Communications is continuing with preparations for the 1983 regional administrative radio conference at which orbital positions and operating frequencies for the broadcast satellites will be assigned. Much of this subject matter is certainly not in layman's language. We are dealing now with who gets what on the broadcast band, and that is not a subject which can be resolved within Canada. It involves international co-operation not only between the United States and Canada but also with all of the countries in the western hemisphere because anyone can put up a satellite and beam down at any of the countries in the western hemisphere if he is using a geostationary satellite.

The primary task of the 1983 regional administrative radio conference is to create an environment within which a large number of sovereign states can create domestic satellite broadcasting systems tailored to their own requirements and conditions.

The need for satellites for broadcast purposes has been recognized for some time. As early as 1974 a joint Department of Communications-CBC study was undertaken to ascertain the potential of DBS for CBC's extension of coverage needs, and much of the work covered in that report is still pertinent today. I also point out to the hon. member that I believe that in the past week the CBC has declared its intention to apply for a licence for CBC 2 which, I am sure, will be of interest to his constituency.

Appropriate regulation and policies governing a Canadian direct broadcasting system will depend on the ultimate goals of establishing for the service the technical and economic characteristics and the environment in which it will function. All these aspects are presently under review within the Department of Communications.

In closing I would just like to touch briefly on the availability of satellite channel capacity because concern has been expressed of late that the availability of satellite transponders for television distribution will shortly be insufficient to meet the demand until the Anik D is launched.

I see that my time is nearly up. I would not want to leave the hon. member waiting with bated breath for the other part of my argument which I cannot make. I would like to thank him again for bringing this subject to our attention because, as he knows—

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

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, I will be fairly brief so as to allow more time for my colleagues on my left to complete the discussion on this subject. It is not very often that I agree with the hon. member for Skeena (Mr. Fulton), but this is one of those few occasions.

I am pleased to support, at least in principle, the idea he puts before us today. It is a subject matter on which there is really not much difference between the various parties represented here.

• (1640)

The main difference, if there is one, is that members on this side of the House would like to see this matter debated by the elected representatives of the people of Canada either in this chamber or in committees of this House, whereas hon. members on the government side would prefer to have the matter dealt with by the Department of Communications, by the technical experts alone. My preference would be to have this matter dealt with, initially at any rate, not in this House, as suggested in the motion, but rather in a parliamentary committee because it is, as the Parliamentary Secretary to the Minister of Communications (Mr. Stollery) has outlined, a rather complicated technical matter. In fact, the technical nature of this matter and the advances in communications technology made in the last few years are the reason for the difficulties which we are facing today. What we see is technology outstripping legislation. In many respects it is good that the laws of Canada are not changing quickly and that it takes time, time needed for public discussion, for the laws of this country to undergo change. But in this case a way should be found of dealing with technological advances much faster than when, for instance, we make changes to the Criminal Code.

The motion refers to the special situation which exists in the northern remote areas. I submit that many of the objections raised by the parliamentary secretary apply much more to the south than to the north. In the remote northern areas of our country we do not have the choice of channels and radio

stations which the people in the south have, and because of the small number of people living there, very complicated and expensive cable systems and other systems used in southern Canada are not justified. In remote areas in the north the problem which exists in construction and exploration camps in this day and age is that it is very difficult to get people to work there unless you can promise them some of the amenities which they are used to here in the south. There is a growing awareness in these remote communities, mainly because originally the government provided the CBC service to them, that alternatives to the CBC are now available. I am sometimes surprised by the mail I get from very small, remote communities asking me what I can do to help in providing programming additional to that provided by the CBC. These people have also approached government departments, such as the Department of Indian Affairs and Northern Development. I understand that on several occasions that department has made money available for the establishment of satellite receiving stations which, in fact, may be operating illegally. However, I will not comment on that any further.

One of the reasons people want programming additional to that provided by the CBC is that the corporation puts forward a certain point of view, a certain philosophy, and people would like to hear the other side of the story. We have heard accusations in this House from the NDP that the CBC has been an instrument of the Liberal party, and vice versa. The other day someone suggested that perhaps it is controlled by the Rhinoceros party.

An hon. Member: The Conservative party.

Mr. Nickerson: Most people would agree that there is a CBC point of view and that if alternatives were available, other concepts of what is going on in the country could be made known to people.

Apart from that, what many people in smaller communities want is entertainment. Very often the CBC concentrates on lecturing people, telling them what to think rather than entertaining them. I have referred to this several times in this House in the question period and in motions under Standing Order 43. To a certain extent the government has been responsive, although progress has been very slow.

One of the difficulties faced by small isolated northern communities is that they know that satellite receiving stations are available and they would like to put them into operation, as very often they do. But there is always the threat of illegality hanging over them. What we are doing by failing to bring the laws of the country up to date as far as technology is concerned, is forcing people to act illegally. The hon. member for Prince George-Peace River (Mr. Oberle) tells a very interesting story. A few weeks ago he was part of an erection team constructing a receiving station. An agent of the Solicitor General happened upon the scene. Although he did not threaten to stop the crew, because, presumably, he would benefit from having that station, he inquired whether or not they were acting in accordance with the law, to which the hon. member for Prince George-Peace River replied "I do not really know, but I am certainly acting in accordance with the wishes of my constituents." The method of making this service available to communities in the north—aside from the camps to which I referred, where the services are operated by the company which owns the camp—is to form some communal organization usually through service clubs or sometimes by municipal organizations, the municipal council or some subsidiary organization set up by the municipality. If the Minister of Communications (Mr. Fox) or the Solicitor General (Mr. Kaplan) were to move in and try to tear down those satellite receiving stations or prosecute the people who provided this service, they might find themselves in the position of taking the mayor of the local community to court and perhaps dragging the entire municipal council to court with him. There would be a great public outcry because these stations are what the local people want and they are set up in accordance with the wishes of the people. I would not like to see the Minister of Communications acting with a heavy hand, as he has threatened to do on occasions, and then having to draw back afterwards.

One criticism of the way in which the department is operating is that it is creating a double standard. The department has moved in rather heavily against stations and receivers owned by private companies. It is always easy to take on a private company; it is a lot harder to take on a public organization. They have chosen the easy way and left out municipalities and publicly-owned receiving stations, thereby creating a double standard which I think is morally wrong.

I have been presenting the positive aspects of the case in favour of the satellite stations, but I have to admit that certain things which the parliamentary secretary said are quite valid. There is a negative side to the argument. The parliamentary secretary mentioned such things as copyright, Canadian content and rebroadcasting difficulties. If you have two stations rebroadcasting on a similar frequency, one picture might impinge upon the other. That is a matter which must be resolved. Also I have had complaints about material being received over the airwaves which is not in keeping with generally accepted Canadian moral standards. There again, I have heard from people who very much like to see shows which are not in keeping with normally accepted Canadian moral standards. So, there is a pro and a con argument to that as well.

● (1650)

I admit there are difficulties and that this matter should be looked at, not only from the strictly technical point of view within the Department of Communications, but as the hon. member suggested, in the House or in committees of the House where it can be debated and I look forward to that opportunity.

Some hon. Members: Hear, hear!

Mr. Ralph Ferguson (Parliamentary Secretary to Minister of State, Small Businesses): Mr. Speaker, I rise to address the motion of the hon. member for Skeena (Mr. Fulton) which relates to the report of the Therrien committee submitted to the CRTC on July 24, 1980. The report contains a number of

recommendations dealing with the extension of basic television service to northern and remote communities. In addition, it outlines specific recommendations for extending native programming. I wish to confine my remarks to these two aspects of the report.

Although I live in a far different environment than the hon. member for Western Arctic (Mr. Nickerson), it seems rather strange, living in the heartland of southwestern Ontario, within about 35 miles of three radio stations, that at six or 6.15 o'clock in the evening we can only receive one of them, though we can receive a multiplicity of United States stations which increase their power output after the dinner hour. I sympathize with him and his problems in the Western Arctic, as well as those of the hon. member for Skeena in this regard.

Although certain aspects of native programming impinge upon each other, it is important to make a distinction between the needs of native people and those of other Canadians in rural and remote parts of Canada. The native peoples of Canada have special programming needs, particularly in regard to the cultural impact of television. Native people themselves recognize the potential of the television medium for supporting their waning cultures in the face of strong influences exerted by the predominantly non-native society. It is for this reason I shall discuss native programming as an issue apart from the extension of basic television service.

I am quite familiar with satellite receiver stations. As a matter of fact, a particular company in my constituency is pushing hard to have these installed throughout southwestern Ontario at the present time, as an alternative to cable television, to bring in satellite television in the larger apartment complexes, hotels and various other institutions. I am not sure this was the use intended for those satellite stations when they were first launched. If we are to ensure Canadian content, I believe we should take a very hard look at what is happening in this regard. Certainly the minister should be commended for the stand he has taken.

In recent years there has been a growing public awareness of the technological possibilities for satellite-delivered television. The falling costs of television receiver-only earth stations has meant that northern and remote communities have been looking to satellites as a desirable mode for delivering a range of television viewing. However, the lack of an alternative Canadian service has led to the installation of a number of unlicensed television receiver-only earth stations in rural and remote parts of the country. These have been aimed at American communications satellites in violation of international agreements by which both Canada and the United States are bound.

Therefore, much of the emphasis of the Therrien report has been directed to determining how a variety of television service might be extended expeditiously to northern and remote parts of Canada. This emphasis was reinforced as the committee defined "northern" and "remote" as applying to all parts of Canada where essential needs have yet to be met. Therefore, such a definition includes many parts of Canada which could not be categorized in normal circumstances as either northern or remote.

There is a sizeable segment of our population with little or no choice of available television programming. In fact, there are 2.8 million Canadians, or 11 per cent of the total population, who only have access to two or fewer television stations. Moreover, these people are to be found in all parts of the country and include 31 per cent of the residents of Atlantic Canada and 22 per cent of the people living in the prairie provinces, as well as over 50 per cent of northern Canadians. The service afforded these 2.8 million Canadians is in stark contrast to what the majority of urban Canadians enjoy—on the average the latter have access to between ten to 15 television stations.

In recognition of this fact, the Therrien committee indicated the following on the first page of its report:

> Our first unanimous conclusion is that immediate action must be taken to meet the needs of the many Canadians who believe that, as regards broadcasting, they are being treated as second-class citizens.

The report goes on to make six recommendations bearing directly on the extension of television services. Its first recommendation is that the CRTC should immediately call for licence applications for the delivery, in remote and underserved areas, of a range of Canadian satellite television services which would be attractive to Canadian audiences. Its second recommendation is that the federal government, as a purely interim measure of an experimental nature, should arrange and pay for one composite public service of alternative entertainment programming to be delivered by satellite to remote and underserved areas as authorized by the CRTC. Its third recommendation is that immediate action should be taken to ensure that national radio services be made available in all parts of Canada as soon as possible.

Its fifth recommendation was that the extension of broadcasting services to northern and remote areas must not rely upon subsidies from pay TV. Its sixth recommendation was that it must be recognized residents in remote areas may have to contribute to the cost of receiving all but the national broadcasting services, and such contributions must be kept down to the lowest feasible amounts. Its seventh recommendation was that approval for the introduction of any new satelitte service must take into account the essential need to provide, maintain or expand facilities for community and regional services. Its eighth recommendation indicated that planning for the broadcasting system of the future must be flexible enough to accommodate technological, legislative and structural change.

Immediately upon the tabling of this report, the chairman of the CRTC gave the assurance that the commission would act quickly on the extension of television services to northern and remote parts of the country. And they did act quickly. On October 16, the CRTC issued a call for licence applications for the extension of services to remote and underserved communities, such services to include the provision of a variety of radio and television programming services from Canadian networks, Canadian stations and other Canadian sources which will be attractive to those living in rural and remote communities. Applications are being received until December 1. The com-

mission scheduled public hearings to consider the applications for February, 1981, and the chairman of the commission promised that they will render a speedy decision.

The Minister of Communications (Mr. Fox) is optimistic that later in 1981 a multichannel satellite service will be available on the Anik system. For the interim, in compliance with the second recommendation of the Therrien committee, the minister encouraged the CBC, the CTV and TVA to implement an interim satellite television package. They have agreed to pursue the matter and are currently in consultation with the CRC to finalize the details.

Mr. Deputy Speaker: Order, please.

Mr. Knowles: Mr. Speaker, I rise on a point of order. May I say that this is the third or fourth Friday afternoon in a row when I have been sorely tempted to draw attention to the lack of a quorum during private members' hour. I have not done so, because I did not want to be responsible for cutting off discussions on important private members' motions. I hope this temptation will be removed.

Mr. Deputy Speaker: The hon. member's point is very well taken.

• (1700)

[*Translation*]

The hour provided for the consideration of private members' business has now expired. It being five o'clock, this House stands adjourned until two o'clock Monday afternoon, pursuant to Standing Order 2(1).

At 5 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Monday, December 1, 1980

The House met at 2 p.m.

● (1405)

ROUTINE PROCEEDINGS

[*English*]

THE CONSTITUTION

CALL FOR WELCOME BY PRIME MINISTER OF NATIVE PEOPLES' DELEGATION—MOTION UNDER S.O. 43

Mr. Albert Cooper (Peace River): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. In light of the fact that the constitutional train has recently arrived in the nation's capital, bringing with it a large delegation representing our aboriginal Canadians, I move, seconded by the hon. member for Athabasca (Mr. Shields):

That the Prime Minister welcome these Canadians, thereby demonstrating his great statemanship from the hallowed halls of Parliament Hill equal to his demonstrations of statemanship recently exhibited from the humped side of a camel, and that the Prime Minister bring home the constitution, amended in Canada and not in Britain, to ensure that all Canadians will have an opportunity to be heard on this issue which so affects the future for all Canadians.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

NATIONAL UNITY

WESTERN ALIENATION—SUGGESTED VISIT BY PRIME MINISTER TO WESTERN CANADA—MOTION UNDER S.O. 43

Mr. Thomas Siddon (Richmond-South Delta): Madam Speaker, I rise under the provisions of Standing Order 43 to propose a motion of urgent and pressing necessity. In view of the fact that the Prime Minister of Canada (Mr. Trudeau) has failed to respond to the feelings of western frustration arising out of the discriminatory provisions of the federal so-called budget and his constitutional proposals, and whereas the Prime Minister has chosen to ignore this very real problem, choosing instead to accuse those who would express their dissatisfaction with his proposals of practising blackmail, being separatists or contributing to separatism, I therefore move, seconded by the hon. member for Calgary South (Mr. Thomson):

That the Prime Minister be directed to cease taking cheap shots at Canadians who live in the west and, instead, to undertake immediately a diplomatic mission to the cities of Winnipeg, Regina, Edmonton, Vancouver and Victoria for the purpose of meeting the premiers and people of western Canada, so that he might begin to develop some understanding of the true reasons for western alienation, which is both real and growing.

Madam Speaker: Presentation of such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: No.

* * *

PARLIAMENT HILL

VISIT OF NATIVE PEOPLES' DELEGATION—REMOVAL OF BARRICADES—MOTION UNDER S.O. 43

Mr. Edward Broadbent (Oshawa): Madam Speaker, more than a thousand men, women and children representing the native peoples of Canada have come to Ottawa in peace and good faith to discuss matters of vital concern to their future and to the future of Canada. Considering that the barriers that have been put up in front of the Parliament of our country in response to this act of concern are morally offensive to all those who believe in freedom of assembly, I move, seconded by the hon. member for Selkirk-Interlake (Mr. Sargeant):

That this House demonstrate its willingness to reciprocate the peace and good faith of our native brothers and sisters by taking steps to dismantle immediately the offensive barricades.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

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

Some hon. Members: Agreed.

Motion agreed to.

* * *

● (1410)

THE PRIME MINISTER

PROPOSED VISIT TO FOREIGN COUNTRIES—MOTION UNDER S.O. 43

Mr. Dave Nickerson (Western Arctic): Madam Speaker, under the provisions of Standing Order 43 I wish to introduce the following motion. Whereas the Prime Minister (Mr. Trudeau) is soon expected to leave Canada for many weeks'

extended holiday in Switzerland, Algeria, Senegal, Brazil and Mexico, all at the Canadian taxpayers' expense, I move, seconded by the hon. member for Burlington (Mr. Kempling):

That the Prime Minister be given leave without pay while he travels around the globe campaigning for the secretary-generalship of the United Nations, and that in the meantime he be replaced by the right hon. member for Yellowhead, who is not at all averse to staying in his own country to deal with Canadian issues on Canadian soil.

Some hon. Members: Hear, hear!

* * *

MUNICIPAL AFFAIRS

EFFECT OF DIRECT RESOURCE TAXATION ON SERVICES TO BRITISH COLUMBIANS—MOTION UNDER S.O. 43

Mr. Vince Dantzer (Okanagan North): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. In view of the fact that the city of Kelowna, the city of Armstrong, the regional district of North Okanagan and several other cities and regional councils in British Columbia have passed resolutions petitioning the Prime Minister (Mr. Trudeau) to put an end to his government's intrusion into the field of direct resource taxation, and because the imposition of these tax policies will severely inhibit the capacity of municipal governments in B.C. to fulfil their mandate, which is to provide services to their communities, I move, seconded by the hon. member for Cariboo-Chilcotin (Mr. Greenaway):

That this government recognize the vital importance of the essential services provided to the people of B.C. by their municipal governments and enable them to continue to provide essential services by immediately vacating the area of direct resource taxation.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

NATIONAL UNITY

SPEECH OF PRIME MINISTER IN MONTREAL—MOTION UNDER S.O 43

Mr. Robert Bockstael (St. Boniface): Madam Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43. In view of the outstanding speech given by the Prime Minister (Mr. Trudeau) last night in Montreal, I move, seconded by the hon. member for Kitchener (Mr. Lang):

That this House encourage all federalists in western Canada to speak out in defence of one strong, united country and, further, that this House condemn all those in positions of influence in the west who, by their strange silence, give tacit consent to those who are fuelling the fires of western separatism.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

INVITATION TO PRIME MINISTER TO ADDRESS WESTERN CANADIANS—MOTION UNDER S.O. 43

Mr. Lorne Nystrom (Yorkton-Melville): Madam Speaker, following on the heels of the last hon. member and in view of the fact that the Prime Minister of Canada (Mr. Trudeau) turned down an invitation to speak to a Canada West Foundation conference in Banff last weekend but chose instead to send his aide, Michael Kirby, I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That this House invite the Prime Minister to address western Canadians in western Canada rather than from a Liberal fund-raising gathering in Montreal, and that under Standing Order 5 this House grant the Prime Minister leave to go and speak to western Canadians in western Canada.

Mr. Trudeau: Okay.

Mr. Paproski: It gets pretty hot in the kitchen, so he has to leave.

An hon. Member: Shame!

Madam Speaker: For presentation, this motion requires unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Some hon. Members: Oh, oh!

* * *

THE CONSTITUTION

SPECIAL JOINT COMMITTEE—CALL FOR APPEARANCE OF NATIVE PEOPLES' DELEGATION—MOTION UNDER S.O. 43

Mr. Lorne Greenaway (Cariboo-Chilcotin): Madam Speaker, I too rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. In view of the fact that the Liberal members of the joint constitutional committee have voted against extending the deadline of the hearings, thus effectively preventing hundreds of Canadians from appearing before them, and in view of the fact that the native people from my province of British Columbia have, on their own initiative, travelled thousands of miles on the constitutional train to appear before the committee, I move, seconded by the hon. member for Prince George-Bulkley Valley (Mr. McCuish):

That the Liberal government reconsider this unreasonable and unjust act of closure perpetrated on the citizens of Canada and thus give such groups as the Union of British Columbia Indian Chiefs an opportunity to appear before the joint committee, as is their right.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

THE CONSTITUTION

PROPOSED RESOLUTION—SUGGESTED THREAT TO CANADIAN AND NATIVE RIGHTS

Hon. Jake Epp (Provencher): Madam Speaker, I was going to direct my question to the Right Hon. Prime Minister, but—

An hon. Member: He has gone west.

Mr. Munro (Hamilton East): You asked him to go, Jake.

Mr. Epp: Madam Speaker, he has just left, perhaps because of petulance, but if he does go west, we guarantee him a very warm reception.

● (1415)

Therefore, I should like to direct my question to the Minister of Indian Affairs and Northern Development. The Right Hon. Louis St. Laurent, on November 9, 1951, speaking at McGill University, stated that:

Canadians will believe that all their cherished rights are completely safe against the encroachment of any possible majority of their fellow citizens.

The late Right Hon. Lester Pearson, in debating the UN Declaration of Human Rights, expressed very similar views and made the point that the majority could not use its power to enact legislation or remove rights against the minority. In view of the fact that these former Liberal prime ministers have rejected unilateral action in the past, could the minister outline how the unilateral action of the government through amendments to the BNA Act in the proposed joint resolution does not threaten both Canadian rights and native Canadian rights?

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): Madam Speaker, the hon. member is probably well aware of section 24 which indicates that in no way can the joint resolution be interpreted to detract or deduct anything from the rights that the native people have. Second, he must be aware that the National Indian Brotherhood and other native organizations will be invited to come before the joint committee this week. I believe the Inuit are going to be there this evening—that is my information—and the Brotherhood perhaps tomorrow, or very soon. But so far as I am aware, there is no question that the joint committee and the steering committee wish to have the native organizations before them.

They will have ample opportunity to present their views at that time not only to government members of that committee but to opposition members. I believe the hon. member himself is on that committee. All members of the committee will have an opportunity to hear what the native organizations have to say and to take a position on what should be done with respect to the entrenchment of their rights in the constitution. So not only will government members have to take a position but certainly the hon. member and his party will have to take one too. That assures me, and it should assure the hon. member, that they will have full input into the constitution with respect to expressing their views and getting involvement from elected members of Parliament.

Mr. Epp: My supplementary question is directed to the same minister. The minister knows that that answer is not adequate. It is not adequate because the Indian leadership has said very clearly that they have not been consulted. In fact, in a speech on April 29 of this year, the Prime Minister, when he appeared before the Indian Chiefs and Elders in this city, said:

We want to work closely with you in reforming the Canadian Constitution in ways which will better secure the rights and the status of the original people of this land.

The minister knows that the apperance of the NIB and other Indian groups before the joint committee is done almost under duress because the government has been blocking every attempt for a proper hearing in that committee as well. So I should like to ask the minister whether he would outline very clearly, not what the constitutional committee is doing, but what specific steps the government has taken since last April 29 to involve the Indian people in constitutional change, and will he specify which ones were accepted by the Indian people as having been taken in close consultation?

Mr. Munro (Hamilton East): First, Madam Speaker, may I indicate to the hon. member that it is not correct and I do not accept—and I ask all hon. members not to accept—that the government is blocking the attempts of the NIB to have their views expressed before the joint committee. This is a matter for all members of the joint committee and of the steering committee to decide and I understand that the Indian groups will be heard.

So far as the substance of the hon. member's question is concerned, there has been a series of meetings since the Prime Minister's statement in April, referred to by the hon. member, showing his concern and his commitment to involve the Indian people in the constitutional discussions relative to questions that are of primary concern to them. There have been meetings between myself and the Indian leadership off and on for a protracted period of time for the last several months. The National Indian Brotherhood and other native organizations have met with my colleague, the Minister of Justice, leading to the first ministers' conference on the constitution. They had a meeting then to discuss their concerns. There have been other meetings at the offical level with federal-provincial officials, several of them with native organizations. If the hon. member does not consider all those meetings—and I think they were a worth-while exchange of views—a real attempt to indulge in consultation, I do not know what the hon. member would consider a real attempt.

• (1420)

Mr. Epp: Madam Speaker, my supplementary question is directed to the same minister. It is not a matter of what I consider is adequate consultation. The point which must be made is that the Indian leadership feels there has not been adequate consultation, and that is why they are here.

Some hon. Members: Hear, hear!

Mr. Epp: In view of the testimony of the Minister of Justice that Indian rights flow from the Royal Proclamation of 1763 and that in fact it is protected in section 24 of the proposed resolution, can the minister give a full guarantee to the Indian people that in fact under section 24 their present rights are guaranteed, a position which we do not accept? More importantly, is it not possible that courts in the future, if section 24 remains as it is, in fact could abrogate, reduce or remove Indian rights now in place?

Mr. Munro (Hamilton East): Madam Speaker, I have already answered that question. It is my view based on the legal advice which I have received—

An hon. Member: Table it.

Mr. Munro (Hamilton East): —that section 24 does protect all the rights of the Indian people as at the present time, in the sense that the joint resolution in no way detracts from any and all rights of the native people. That is precisely why I anticipate the native people are being invited to appear before the joint committee, so that people like the hon. member can listen to them and make recommendations which could be embodied in a report that would go to Parliament. If the hon. member feels that way, certainly he will have ample opportunity to express those views when the native people appear before the joint committee.

ESTABLISHMENT OF RIGHTS OF NATIVE PEOPLE

Mr. Stan Schellenberger (Wetaskiwin): Madam Speaker, my question is also directed to the Minister of Indian Affairs and Northern Development. As many native people do not believe that the present section 24 establishes their rights, is the minister not concerned that their rights will have to be established, given the amending formula in the resolution, at the hands of the majority in the provinces? That is why there is so much concern in the native community which is here at the present time that this section is not adequately protecting them; that they are at the mercy of the majority to get any of their rights put in the constitution.

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): Madam Speaker, it seems to me that their rights remain the same because the Royal Proclamation is still there; but as I have indicated, certainly it would be very useful to see some of the provinces taking a position with respect to protecting the rights of native people. On many of their aboriginal claims hunting rights are affected; they fall within provincial jurisdiction. For that reason if for no other, it would be useful to have the backing of some of the provinces. Today I saw some indication that at least the Premier of Saskatchewan is prepared to take some of these matters into consideration. So perhaps it is not too late to have that type of support from some of the provinces.

Mr. Schellenberger: Madam Speaker, given that answer, it is no wonder the native people are concerned about what will or will not be in the constitution. I cannot understand why the minister has not recommended that the Royal Proclamation be in the schedule. But because native people have no way other than that process to renew their language and culture rights, can the minister outline if he has any other proposals which will assure them that this will be done after the patriation process has gone through?

Mr. Munro (Hamilton East): Madam Speaker, there was already an assurance in a letter from the Prime Minister to the leadership of the three principal native national organizations that, in the second phase after patriation, one of the very first items on the agenda of the first ministers' conference would be the primary concerns of the native people. That assurance was not only given in a letter, but it was repeated orally on several occasions. Again I reiterate that it would be useful, since the joint committee is set up for that very purpose, if the hon. member and other hon. members would give consideration to suggestions of the kind he has made at that committee; that is what the committee is there for.

• (1425)

SUGGESTED MEETING BETWEEN PRIME MINISTER AND NATIVE PEOPLE'S DELEGATION

Mr. Edward Broadbent (Oshawa): Madam Speaker, in the absence of the Prime Minister my question is for the Minister of Indian and Northern Affairs Development. It deals with the same subject which was just raised. Considering that the Prime Minister was well received by the Indian people when he spoke to them last April, as strange as that may seem under the present circumstances, when he pointed out he agreed that they have a unique position among all the peoples of Canada, and considering that there are more than a thousand men, women and children representing the Indian, Inuit and Metis communities across Canada who are here now, is it the minister's view that the Prime Minister should take some time this week to sit down and listen to these people about their expressed concerns with regard to the constitutional resolution?

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): Madam Speaker, the Prime Minister indicated orally in the House last Friday and by letter that he would be prepared to meet the Indian leadership at some appropriate time. If he studies the Prime Minister's remarks of last Friday closely, the hon. member will understand that the joint committee is sitting right now to consider many matters, including the requests and concerns of the native people. He indicated that to the House previously. Those concerns expressed there will give us a chance to find out exactly what

the essence of their submissions will be to the joint committee, which is made up of members of Parliament both from the government side and the opposition side. The committee's purpose is to consider that very matter and to make recommendations, at which time the House of Commons, and Parliament itself, will consider the report resulting from that committee.

I think it is clear that the Prime Minister would prefer to see that process take place prior to the meeting in question. I would like to reiterate that there is an assurance that he would be prepared to meet with the Indian leadership at some appropriate time.

Mr. Broadbent: Madam Speaker, the Prime Minister has acknowledged that the native people of this country are not like any other group. They preceded the French and the English. They preceded all our ethnic minorities. The Prime Minister said in the House on Friday that he would meet "again at some appropriate time in the coming months". With respect, it is not adequate to meet with them in the coming months. The request of the leaders of our native people has been to have a meeting with the Prime Minister prior to the report coming back from the committee. That is the crucial time, since that is when the crucial decision will be made. Therefore I repeat my question to the minister responsible for Indian affairs: Does he not think it advisable in this constitutional change process that the Prime Minister sit down this week with this group of unique people, as he has described them?

Some hon. Members: Hear, hear!

Mr. Munro (Hamilton East): Madam Speaker, I can only repeat what the Prime Minister said here last Friday in answer to questions by a member of the New Democratic Party. The hon. member is fully aware what those questions were. He is fully aware what the answers of the Prime Minister were. The Prime Minister's decision was relayed to the House of Commons last Friday and the Leader of the NDP has had ample opportunity to study those responses.

I reiterate that I think there is some real benefit to be had in terms of the Indian organizations having the right to appear before that committee. I am glad the committee has indicated they are prepared to hear them and listen to their views which will be aired before that particular committee. It might be helpful, not only to the Prime Minister of Canada but to many of us here in this House, to find a position which can be taken by all members of that committee, which include members of the opposition, with respect to some of the concerns expressed by the native people. The committee is the place to hear the positions which will be enunciated. It will be of extreme benefit to many of us to know what course should be taken which would be of benefit to the native people.

Mr. Broadbent: A final supplementary question, Madam Speaker. I am completely at a loss to understand the minister's reply.

Some hon. Members: Hear, hear!

Mr. Broadbent: I read with care the Prime Minister's answers given in the House last week. There are literally thousands of the original people of this land here in Ottawa. There are members of the opposition and members on the government side who are saying, "Yes, work through the committee." At some levels and for some groups, that is appropriate. Our native peoples are unique. They feel strongly about this matter. Could the minister explain to the House why it is impossible for the Prime Minister, who can find time to travel abroad—and I do not object to that if it is on business—to find time to sit down this week for an hour to discuss this fundamental question with the original peoples of this land?

• (1430)

Mr. Munro (Hamilton East): Madam Speaker, it is becoming obvious to me that the Leader of the New Democratic Party seems to be primarily preoccupied with making political hay.

Some hon. Members: Oh, oh!

Mr. Hees: You guys never do that.

Mr. Munro (Hamilton East): He is personalizing for political purposes the concerns of the native people and directing antipathy towards the Prime Minister of Canada. I do not think that is a particularly meritorious posture for the Leader of the New Democratic Party, judging by his past history of deep concern for the interests of native people. That is precisely what the hon. member is doing; he is exploiting the situation in order to direct antipathy towards the Prime Minister.

The Prime Minister's position was clearly stated last Friday and can be found in *Hansard*. The Prime Minister was present at the last all chiefs' conference in April and he indicated his commitment. He has delegated other ministers to meet with Indian leaders, and they have done so. Also the Prime Minister did not preclude in his answer last Friday the possibility of meeting with the Indian leaders again. At that time he made the reasonable suggestion that the joint committee on the constitution hear out the native peoples, and I understand that it is prepared to do so.

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CANADA MORTGAGE AND HOUSING CORPORATION

INCREASE IN MORTGAGE INTEREST RATES

Mr. Stan Darling (Parry Sound-Muskoka): Madam Speaker, my question arises out of the government's announcement to increase mortgage interest rates on five-year closed mortgages to 15.75 per cent from 15.25 per cent, and it is addressed to the minister responsible for Canada Mortgage and Housing Corporation. On a $50,000 loan with an interest rate of 15.75 per cent, the house buyer will pay a total of $195,117, or $145,117 in interest during the life of the mortgage. How can the minister justify this increase in light of the fact that at

15.25 per cent Canadians were already paying in excess of 30 per cent of their income on housing?

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, as the hon. member and all hon. members are aware, the increase by Canada Mortgage and Housing Corporation is in direct response to market conditions at the present time. For example, when the interest rate went down in the summer months and in September, CMHC rates were also reduced; when the rates go up, the CMHC rate increases. If there is a gap between the market rate and the rate which the corporation must meet, it becomes a direct expenditure of the government. I notice in the newspapers today that there are experts who say the interest rate is temporary and that it is expected to drop off in the next couple of months.

Mr. Darling: Madam Speaker, I would point out to the minister that there will be a change in the opposite direction because the Canadian dollar is down today to 83.8 cents. This increase will affect very seriously those persons who are purchasing new homes and those who are in the process of negotiating their present mortgages. Will the minister tell the House if it is the intention of this government to introduce any contingency plans to assist home owners to grapple with this impossible burden? The average family income, according to Statistics Canada, is $22,000 per year or $1,833 a month, and 30 per cent of that wage is $550 a month. Yet, a $50,000 mortgage at 15.25 per cent costs $627 a month and even that payment will probably increase. What does the minister have to say on this matter?

Mr. Cosgrove: Madam Speaker, there are a considerable number of Canadians in the third quarter who, for example, are entering the market for the first time as a result of an upturn in building in the residential market. As the hon. member will know, new starts number 185,000 up to the month of October. I am waiting with interest to see what the starts were for last month. It is obvious that there is a segment of the Canadian population which finds that it can enter the market at those particular prices. I have also indicated that we believe the rate is too high and we are hopeful that it has reached its high point and will be reduced by market forces.

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VETERANS AFFAIRS

DEER LODGE HOSPITAL—INQUIRY WHETHER RESPONSIBILITY TRANSFERRED TO GOVERNMENT OF MANITOBA

Mr. Dan McKenzie (Winnipeg-Assiniboine): Madam Speaker, my question is for the Acting Minister of Veterans Affairs. On Friday the minister sent me a letter with regard to Deer Lodge Hospital. In the letter the minister stated that space for 32 chronic or long-term patients at Deer Lodge Hospital has been granted the Manitoba Health Services Commission for a period of one year. Would the minister indicate whether this is the start of the transfer of the Deer Lodge Hospital from the Department of Veterans Affairs to the government of Manitoba?

[*Translation*]

Hon. J. Gilles Lamontagne (Minister of National Defence and Acting Minister of Veterans Affairs): Madam Speaker, in my letter to the hon. member I clearly explained, I think, the procedure that would be followed to ensure that veterans in that area would be provided with the proper care. There may eventually be a transfer, but whatever policy the Department of Veterans Affairs follows, veterans will certainly be given priority consideration and they will receive the care they can rightfully expect.

[*English*]

Mr. McKenzie: Madam Speaker, we on this side support the action of the federal government to provide additional hospital space to the government of Manitoba. But what action will the minister take now to reduce the long waiting list of veterans who are waiting to get into the Deer Lodge Hospital for chronic and domiciliary care? Many of these patients will be long term. What does the minister intend to do about this list?

[*Translation*]

Mr. Lamontagne: Madam Speaker, according to my information, there is no long waiting list of patients for that hospital. Nevertheless my officials advise me that they will give the matter priority consideration in order to solve the problem and, as I have said, so that veterans can receive the care they can rightfully expect.

* * *

[*English*]

ENVIRONMENTAL AFFAIRS

POLLUTION OF WATER SUPPLY ON INDIAN RESERVES—SEWAGE TREATMENT TRAINING PROGRAMS

Mr. David Orlikow (Winnipeg North): Madam Speaker, I direct my question to the Minister of Indian Affairs and Northern Development. A recent study by Environment Canada of northern Manitoba Indian settlements blames inadequate sewage disposal for contamination of the drinking water. The study also indicated that on many of these reserves the bacterial count in the water supply is at least three times the acceptable level. This has led to a substantial number of cases of hepatitis and dysentery. The minister's department is responsible for training the people who work on sewage disposal systems, and the report says that the training of these people has been inadequate. Would the minister tell the House whether or not he has yet given instructions to his department to see that adequate training programs are provided for these people who are responsible for sewage treatment so that these intolerable health threats will not continue?

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): Madam Speaker, I am well aware of the whole situation in northern Manitoba as the hon. member has described it. My department is also aware of the concerns of the hon. member on this matter. We have looked into the situation and asked for a complete report. I can assure the hon. member that the entire question of more adequate training will receive our immediate attention.

Mr. Orlikow: Madam Speaker, according to the same report, 75 per cent of the above-ground petroleum storage sites are improperly designed and are a major factor in the pollution which has taken place. Among the companies responsible for this deplorable situation are the Hudson's Bay Company, the CNR, the federal Department of Transport as well as many of the multinational oil corporations located there. Will the minister give directions to his department to ensure that these corporate offenders are instructed very quickly to take care of this situation and to eliminate the pollution which they have created?

Mr. Munro (Hamilton East): Madam Speaker, subject to receiving more details in a report later this week—the contents of which I will be pleased to relay to the hon. member—if what he has suggested seems to be an appropriate course of action, then I would have no hesitation in taking that course of action.

* * *

● (1440)

NATIONAL REVENUE

INCOME TAX DEDUCTIONS FROM WAGES OF SPOUSES IN UNINCORPORATED BUSINESSES

Mr. Maurice Foster (Algoma): Madam Speaker, my question is for the Minister of National Revenue. In view of the announcement by the Minister of Finance last spring that wages of a spouse working in an unincorporated small business would be deductible for income tax purposes, can the minister assure the House that this commitment made by the Minister of Finance will be honoured for the 1980 taxation year, because the department is refusing to accept income tax contributions deducted for spouses working in unincorporated small businesses?

Hon. William Rompkey (Minister of National Revenue): Madam Speaker, the policy of the government is as expressed by my colleague, the Minister of Finance, in his April statement. We have had some difficulty with legislation because the heavy legislative schedule the government has had, but I can assure the hon. member we will be taking all the necessary steps to ensure that that policy is put in place. People so affected should govern themselves as though all of the necessary steps have been taken which will allow them that claim before the 1980 taxation year.

PETRO-CANADA

INQUIRY WHETHER EMPLOYEE PARTICIPATED IN PREPARATION OF NATIONAL ENERGY PROGRAM

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, my question is for the Minister of Energy, Mines and Resources. The minister will understand the distinction between being consulted on the content of a policy decision and the actual preparation of a position. In that context, can the Minister of Energy, Mines and Resources tell the House whether any official or employee of Petro-Canada participated in the preparation of the energy policy published as part of the budget?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Would the right hon. member repeat the last part of his question? There was some noise and I did not hear him, Madam Speaker.

Mr. Clark: There is a distinction, which I believe the hon. minister understands, between being consulted and participating in the preparation of something. My question is whether any official or employee of Petro-Canada participated in the preparation of the energy policy which was tabled as part of the budget.

Mr. Lalonde: Madam Speaker, there was one employee of Petro-Canada who was on leave and was attached to the department during the preparation of the energy program. I know of no other employees of Petro-Canada who participated in the program. As I said, the employee in question was on leave from Petro-Canada during the time he worked for the department.

Some hon. Members: Shame!

Mr. Clark: Madam Speaker, can the Minister of Energy, Mines and Resources tell us whether this individual—and I would appreciate having the individual identified—was drawing salary from Petro-Canada at the time he was on leave from that company? In addition, was there any arrangement with Petro-Canada which would speak either to pension rights or to the rights of re-employment, and is that person now back with Petro-Canada?

Mr. Lalonde: Madam Speaker, the individual is Mr. Joel Bell whose name has been public knowledge for the past few months.

I will make some inquiries about his exact contractual arrangements. I was aware of them, but I cannot recall all of the aspects to which the right hon. gentleman has referred. It was made quite clear that the particular individual was to be considered as working for the Department of Energy, Mines and Resources and, as such, was bound by the rules which apply to federal public servants for the entire period he worked for the Department of Energy, Mines and Resources.

Mr. Clark: Madam Speaker, we want to know all of the details, including any then existing, recommenced or continu-

ing arrangement between Mr. Bell and Petro-Canada, whose Crown corporation was so well served by the budget he helped to prepare.

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THE BUDGET

INQUIRY WHETHER ANY EMPLOYEE OF CROWN CORPORATION PARTICIPATED IN PREPARATION

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, I have a supplementary question for the Minister of Finance. Can he tell the House whether any official or employee of any other Crown corporation participated in the preparation of any aspect of the budget? If so, what Crown corporations, other than Petro-Canada, were involved?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Not to my knowledge, Madam Speaker.

Mr. Clark: Madam Speaker, would the Minister of Finance confirm that fact? Could he inform himself and provide that information to the House of Commons?

Mr. MacEachen: Yes, Madam Speaker.

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SHIPBUILDING

PROPOSED MEETING WITH CANADIAN SHIPBUILDING AND SHIP REPAIR ASSOCIATION

Hon. Elmer M. MacKay (Central Nova): Madam Speaker, my question is either for the Minister of Industry, Trade and Commerce or the Minister of Fisheries and Oceans. It concerns a long awaited meeting between the Canadian Shipbuilding and Ship Repair Association pursuant to its brief submitted about six months ago. Could either of these hon. gentlemen tell us at what departmental level this meeting will take place? Will the ministers be participating personally in view of the very serious concerns which the industry has raised concerning, for example, the Jones act, which prohibits Canadian vessels being sold in the United States, and in view of the other conditions which are eroding the Canadian shipbuilding industry?

Hon. Roméo LeBlanc (Minister of Fisheries and Oceans): Madam Speaker, perhaps my colleague will answer the question because I believe it comes under his jurisdiction.

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, I met personally with the executive of the Canadian Shipbuilding and Ship Repair Association some weeks ago. I believe the association will be having its annual meeting in Ottawa over the next few days. There will be discussions at that time at the senior officials level.

Mr. MacKay: Madam Speaker, the minister will know that Canadian fishing companies are looking toward building replacement vessels in the United States because these vessels can be moved there if and when Canadian companies find it expedient to move their operations to the United States. Is the minister planning to move quickly to remove some of these conditions which are eroding the future prospects of the Canadian shipbuilding industry?

Mr. Gray: Madam Speaker, we are looking very actively into these things and I will be working on them in consultation with my colleagues, the Minister of Fisheries and Oceans and the Minister of Transport.

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NORTHERN PIPELINES

NORMAN WELLS PROJECT—ALLEGED CONFLICT OF INTEREST

Mr. Jim Manly (Cowichan-Malahat-The Islands): Madam Speaker, my question is for the Minister of Indian Affairs and Northern Development. The National Energy Board recommendations on the proposed Norman Wells pipeline project in the Northwest Territories will be soon handed down to cabinet for a decision. The Department of Indian Affairs and Northern Development, while acting in its role as trustee for the interests of native people, also stands to benefit from one-third ownership of oil produced in the area if the project is approved. The government is also in charge of both the federal environmental assessment review panel and the national energy hearings. This constitutes an obvious conflict of interest.

Given this conflict of interest, how can the department, as trustee for native people, possibly represent the interest of the Dene Nation in a fair and reasonable manner? To ensure that the interests of the Dene Nation are given just and unbiased representation, I ask the minister if he will insist that this matter be brought before the House for a full debate prior to any cabinet decision on the Norman Wells project.

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): Madam Speaker, may I just tell the hon. member that there are many native leaders to whom I have spoken who are very glad that the department has some say with respect to the rate of development north of 60, vis-à-vis our power to consider environmental hearings, issue permits and so on, and to more adequately stage that type of development in the interests of the native people. Within the native population itself, there are some who do not see this type of conflict in quite the same light as the hon. member does.

As for the question of bringing the matter before the House, I cannot answer that question right now but I can assure the hon. member that when the National Energy Board does make its decision, the matter will be thoroughly considered by cabinet and the concerns of the Dene with respect to the Norman Wells development will be made known in a full and objective fashion. I have already given that assurance to George Erasmus, head of the Dene Nation. In fact, the

concerns of the Dene have already been relayed to my colleagues in the cabinet.

Mr. Manly: Madam Speaker, when speaking to some of the Dene people this morning, they assured me it is very important that this matter be brought before the House for debate to ensure that their trust is being handled properly. Three years ago the Dene people understood the government had accepted the Berger recommendation for a ten-year moratorium so that their land claims could be settled fairly. Will the minister responsible for a fair settlement of Indian land claims assure this House that, on the basis of the outstanding claims with the Dene people, claims that will be violated if the Norman Wells project goes ahead he will seek a moratorium on the Norman Wells project until such time as the Dene claims have been settled to the satisfaction of the Dene people?

● (1450)

Mr. Munro (Hamilton East): Madam Speaker, surely it is a little premature to be reacting in the fashion the hon. member seems to be. The National Energy Board have not yet made their recommendation. That is a board duly constituted by Parliament to go into questions of this kind. It is rather inappropriate to prejudge what the National Energy Board might say. It is quite possible that the National Energy Board may recommend that there be a delay or that the application not be approved at this time.

I understand the Dene feel they have not had an adequate opportunity to present their views. Nevertheless, they did go before the board and the board was aware of their very real concerns. I can only indicate to the hon. member that his questions will be more appropriate once the National Energy Board makes its report and he and I and the entire House find out what they have to say about it.

In the meantime, in terms of allowing the House of Commons to have a full input into the implications of the matter, it is open to the hon. member's party and the other opposition party to raise this subject on their allotted days, because I agree it is a very serious one indeed.

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ROYAL CANADIAN MOUNTED POLICE

EXECUTION OF SEARCH WARRANT—APOLOGY EXTENDED

Mr. Chris Speyer (Cambridge): Madam Speaker, my question is for the Solicitor General. Does the minister agree that the action taken by the RCMP and immigration officials in executing a search warrant on the home of Mr. and Mrs. Fauja Bains in Toronto at 4 a.m., in circumstances where a gun was pointed at Mr. Bains' head, the home was ransacked and the Sikh holy book was torn, was outrageous; and is the minister willing to tender an apology on behalf of the RCMP and the government?

Hon. Bob Kaplan (Solicitor General): Before I answer that, Madam Speaker, I would like to indicate to the House I have directed that pursuant to the resolution passed unanimously by this House at two o'clock the RCMP remove the fence erected in front of the House.

In reply to the question, I would indicate that the RCMP and the Solicitor General are prepared to apologize to the family concerned for that incident. The warrant was issued properly. It was executed in a lawful manner. However, it is obvious that some attention will have to be paid to the religious sensibilities of minority groups in Canada. I intend to consider this fully at the next possible opportunity with the RCMP to ensure adequate sensitivity for the domestic religious practices of members of minority groups in Canada.

Mr. Speyer: My supplementary is directed to the minister of immigration. What policy governs the use of firearms in searching for illegal immigrants when immigration officials and RCMP officials conduct such a search? Is there a policy with regard to carrying and pointing firearms in the circumstances in which I asked my previous question?

Mr. Kaplan: Madam Speaker, I will be glad to look into that and give the hon. member information about that. I do not have full details about everything that took place at the residence, but I have asked to be fully briefed about it. I will then be able to indicate to the hon. member the policy of the police on occasions like that.

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FISHERIES

PROPOSED REDUCTION IN QUOTAS OF NEWFOUNDLAND AND NOVA SCOTIA FLEETS

Mr. Lloyd R. Crouse (South Shore): Madam Speaker, I wish to direct my question to the Minister of Fisheries and Oceans. In fisheries circles in recent days there have been claims that the new Atlantic groundfish management plan could result in lay-offs for trawlermen and plant workers, with suggestions of losses as a result of this plan reaching the $200 million mark. I therefore ask the minister why quotas which could reduce the year round fishing fleet's operations in Newfoundland and Nova Scotia to nine months a year have been proposed, and on what scientific data these new quotas are based.

Hon. Roméo LeBlanc (Minister of Fisheries and Oceans): Madam Speaker, the type of headlines the hon. member refers to are misleading. The reality is that the large trawler fleet has enjoyed an increase in its catch from roughly 200,000 tonnes to over 300,000 tonnes for the last two or three years. Obviously, if the catch rate has increased dramatically and the fleet can take its quota in nine months, then surely that fleet is not entitled to ask me if it can take fish from other fishing enterprises which have a three, four or five-month season in order to ensure it can have a 12-month operation. That is the problem which must be dealt with, a dramatic catch rate increase and a biological increase which has to be kept within reasonable terms.

Mr. Crouse: Madam Speaker, it was my understanding that when the 200-mile limit was established, it was to be of benefit to the Canadian fishing industry. This, of course, is what has happened. When the 200-mile exclusive economic zone was established, quotas to other nations fishing within our zone were to be allocated only on fish surplus to our needs. In view of the fact that the new proposals can only be harmful to Canadians who wish to work not nine months a year but 12 months a year, has the minister decreased the quotas in 1981 for foreign fishermen operating within our 200-mile zone? If so, by how many tonnes and on what species?

Mr. LeBlanc: Madam Speaker, the quota that is of interest to Canadians and which was allocated in 1980 to foreign nations was in the order of 25,000 tonnes. The fishing plan for 1981 does not yet dispose of this quota. There are very important negotiations under way or which have just been concluded with the Common Market. I have not yet been briefed as to the conclusions of those discussions. It may be that Canada will want some part of that 25,000 tonnes as negotiating currency for access to the European Common Market. I think it is wise to keep this opening available to us.

I might say to the hon. member that the fishing fleet he defends, and which I suspect he has become the voice of, has enjoyed a very substantial increase in its rate of catch since the declaration of the 200-mile limit. That has not been the case for at least three provinces, Quebec, New Brunswick and Prince Edward Island, which inside the Gulf of St. Lawrence have not seen a substantial increase at all. It is to these fisheries that the large trawlers which the hon. member defends want to have access. I must tell him that the fish have to be shared, and those who had more cannot always expect to have an unlimited amount.

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EXTERNAL AID

ITALIAN EARTHQUAKE—TRANSMISSION OF FUNDS TO VICTIMS

Mr. Al MacBain (Niagara Falls): Madam Speaker, my question is addressed to the Secretary of State for External Affairs. There have been reports that financial assistance from the Canadian-Italian community to help Italy's earthquake victims is still in Canada. Can the Canadian government facilitate the sending of these moneys to either the Italian government or to international agencies?

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, I presume the funds to which my hon. friend refers are those collected by the Italian community in Canada. What they decide to do with those funds in the first instance is obviously their own concern. My understanding is that those funds were collected primarily for reconstruction. I suppose they may be used for emergency rehabilitation and relief, if necessary. I can quite understand why they would not have acted at the moment when the full extent of the problem is not known.

With respect to our government assistance, we are now committed to $300,000 in emergency relief and another $1.5 million in longer-term rehabilitation. I understand my colleague the Minister of National Defence, is also making clothing and shelter materials available from our base at Lahr.

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IMMIGRATION

REFUGEE PROGRAM FOR ITALIAN EARTHQUAKE VICTIMS

Hon. Stanley Knowles (Winnipeg North Centre): Madam Speaker, my question is for the Minister of Employment and Immigration. In view of the deep concern felt by all Canadians for the suffering still being endured by the people of Italy, will the government consider a special refugee program so that homeless persons in Italy who have no relatives in Canada to sponsor them, or homeless persons who have relatives who cannot afford to sponsor them, might be permitted to come to this country as refugees rather than having to go through all of the immigration red tape?

Some hon. Members: Hear, hear!

● (1500)

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, as I indicated in the House last week, there is already a provision whereby Italians from the affected earthquake area could immediately come to Canada under the visa regulations of the act, and we have instructed our officials to give them total access at the port of entry and waive some of the normal requirements that a person would normally have to meet. Under those circumstances they would not be landed immediately but would be able to get relief here in Canada, and we would be prepared even under extreme emergency circumstances to provide ministerial permits to allow them to take up residence.

Whether they can be incorporated under the refugee category of the act is something that my colleague the Minister of State for Multiculturalism and I and the Secretary of State for External Affairs will want to have discussed with the Italian government beforehand, because it really is, in part, a decision that they would have to make. Being a very independent country, we would first want to make sure that they are in agreement with that kind of action.

Mr. Knowles: Madam Speaker, may I ask the minister a supplementary question? In dealing with this matter, will the government also consider the possibility of providing transportation costs and care for a year, as Canada so generously did for the boat people?

Mr. Axworthy: Madam Speaker, as I indicated last week, the provisions of the transportation loan fund will be available to people coming from the earthquake areas of Italy; they will have exactly the same provisions available to them. It is also my understanding, again from talking to my colleague and having met with representatives of several Italian organiza-

tions over the weekend, that so far as any care or cost that would be encountered once the families or individuals have arrived here is concerned, many of the Italian community themselves are prepared to supply that assistance immediately. We are working with them to make sure that there would be no hardship.

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PRIVILEGE

MR. WADDELL—STATEMENTS MADE BY MR. ANDRE

Mr. Ian Waddell (Vancouver-Kingsway): Madam Speaker, my question of privilege was raised on Friday, and I raised it on Thursday night right after the remarks of the hon. member for Calgary Centre (Mr. Andre) as reported at page 5121 of *Hansard*. At that page of *Hansard* and in that speech, the member for Calgary Centre had this to say:

The New Democratic Party energy critic, the hon. member for Vancouver-Kingsway (Mr. Waddell), was bordering on McCarthyism in some of his remarks which were directed at the hon. member for Capilano (Mr. Huntington).

And then he went on to say:

That cheap McCarthyism—

And finally he said, and I quote:

Character and integrity are not words one would use to describe the current New Democratic Party caucus.

The words that I object to and raise the question of privilege on is the charge of "cheap McCarthyism". I want to say that one has to look at the context of the debate in which the remarks were raised.

On November 21 I opened the debate on the Petroleum Administration Act and said that as a Canadian living in western Canada I was concerned about the growing danger of separatism in the west, and I spoke of the importance of Canada to me and of the fact that western members of Parliament can be effective in this House, in this Parliament of Canada, can be effective in winning things for their constituents and for their region, and that western Canada was not monolithic in its outlook, that there were many groups there and perhaps the wrong groups were being heard from.

I said also that I was generally concerned with the fact that the Leader of the Opposition (Mr. Clark), like the Premier of Alberta, had not forcefully condemned separatists in western Canada, and specifically I said that I was concerned with the remarks made by the member for Capilano (Mr. Huntington) in which he spoke of separatism and the establishment of a western parliament.

I quoted from an article that was in the Vancouver *Sun* on October 25, 1980, with the headline "MP Urges Western Parliament". I passed out copies of the article to my Conservative colleagues.

I am not alone in raising these concerns. On October 11, 1980, in the Ottawa *Citizen*, George Oake, in the column: "Dateline Vancouver", said the following:

Conservative Leader Joe Clark appears to be denouncing western separatism these days in almost the same breath he condones the reasons for its existence.

And further on:

A few members of Clark's B.C. caucus have come dangerously close to endorsing separatism. In a recent interview with the Vancouver *Sun*, Capilano MP Ron Huntington called for a western parliament to ensure more bargaining power with central Canada. Vancouver Centre MP Pat Carney has expressed similar sentiments in the House of Commons, despite pleas from some Tories that she hold her tongue.

And finally he quotes at the end of the article John Fraser, the member for Vancouver South who said, and I applaud this, Madam Speaker—

The day they (provinces) want to separate, I will go to the hills with a rifle and fight—that's how strongly I feel about this country—

This was said by the staunch federalist, John Fraser.

I raised those matters in the context of my speech. The Leader of the Opposition was in the House—at least he was in the back of the House—during part of my speech and he chose not to take part in the debate. The member from Capilano was not here for the debate. It was a six-day debate, and these matters were being debated. I point this out to show the context in which my remarks were raised.

At the end of the debate of November 27, instead of the member from Capilano speaking in the debate, as is right, or the Leader of the Opposition speaking, and replying to my criticisms and, indeed replying to general press criticisms which were similar, they did not take that opportunity. Instead, the member from Calgary Centre called my remarks "cheap McCarthyism".

My point of privilege is this, Madam Speaker, first, that the remarks were legitimate criticisms which my friends may not agree with, and that is their right, but I have a right to make them. They come at a time when the polls in western Canada are showing a majority of Canadians from western Canada—

An hon. Member: Cheap McCarthyism.

Mr. Waddell: —well, they don't want to leave Canada and don't think they are getting a fair deal in Canada. They come at a very, very touchy time. In my speech I suggested ways to the Prime Minister (Mr. Trudeau) and to the government whereby westerners could get a better deal in Canada. In the debate we talked about the western development fund having provincial input, having a special committee of the House of Commons chaired by an opposition member, probably a Conservative member, on western development, western alienation, and there were a number of positive suggestions. I urge the leaders of both the Liberal and Conservative parties to turn their thoughts and their actions to healing wounds, not to call us hysterical in western Canada, as the Prime Minister did, and not to say, as the Leader of the Opposition did, that he understands the separatists, but does not condemn them.

Madam Speaker: Order, please. Could the hon. member restrain himself to pointing out to the Chair where his question of privilege arises? I do not think it is important or necessary to repeat his speech, which apparently he is referring to quite extensively.

Mr. Waddell: Madam Speaker, I am just coming to that, and I appreciate your comments. The point is simply this: the word McCarthyism has a certain connotation. It can be objectively defined as defined in the dictionaries, and I ask Your Honour to look at "The American Political Dictionary", fourth edition, by Mr. J. C. Plano, which defines McCarthyism, and I will pass this up to the Chair. It talks about it in terms of unsubstantiated accusations imputing disloyalty, threats and so on, and to being undemocratic. Also in William Safire's "Political Dictionary" of 1978 there is a definition of "McCarthyism" which talks about investigations which flout the rights of individuals in the pursuit of their ends. Again there is the notion of being undemocratic, and this indeed is the question of privilege.

● (1510)

The fact is that McCarthyism is not listed in the words which are listed at pages 108 and 109 of Beauchesne, with which I am sure Your Honour is familiar, but my point is that the word McCarthyism does mean something. It means deceitful and undemocratic, and when an hon. member says that about my remarks, he is imputing to me the notion that somehow I am being deceitful, undemocratic, disloyal, and so forth. That is why I set the context in which the remarks were made.

I ask Your Honour to look at page 136 of Erskine May's nineteenth edition which talks about breaches of privilege and contempt, and about "a tendency, directly or indirectly, to produce such results", in speeches, that may be treated as contempt. It speaks about contempt as reflecting on the character, good faith and motives of a member. I ask Your Honour to look at page 152 of Erskine May which talks about libels in common law and also says the following:

—but to constitute a breach of privilege a libel upon a member must concern the character or conduct of the member in that capacity.

To summarize briefly, my point is that the charge made by the hon. member is serious. He is in fact reflecting on my character and saying that I am carrying out something which is deceitful and badly motivated. In the context of my remarks, as I pointed out, I was simply making a legitimate criticism, as I am supposed to do in this House.

I was inviting hon. members to take part in the debate and to answer very serious concerns. After all, what is a western parliament when we already have a Parliament in Canada? That is what I was asking, and I was inviting hon. members to take part in the debate. They chose not to. They chose to duck the debate. The hon. member for Calgary Centre chose to make false and slanderous accusations. I ask Your Honour to look at the matter and to ask the hon. member to withdraw them.

I want to raise one other point before I sit down, and that is the nature of a word like McCarthyism. I apologize in advance if I am wrong, but in a debate I thought I heard the Leader of the Opposition, or perhaps someone else, refer to the Chair the other day by saying "Beaudoin". Taken in that particular context that was an unfortunate reflection that the Chair was acting unfairly. If that remark was made, it seems to me that would be a breach of privilege and that it should be withdrawn because the word Beaudoin has a certain connotation.

The word McCarthyism clearly has certain objective connotations which can be defined, and I have already gone over them. I will not repeat myself, but if Your Honour accepts that the word does have those connotations and can be defined that way, and if Your Honour accepts what I have said—I invite you to look at my remarks in *Hansard*—as legitimate criticisms, then the hon. member for Calgary Centre is in breach of my privileges as a member of this House by alleging that I am making McCarthyism remarks.

Mr. Harvie Andre (Calgary Centre): Madam Speaker, the word McCarthyism is derived from the activities of the late Senator Joseph McCarthy of the United States who, under the guise of pursuing evil communism, besmirched many reputations of outstanding Americans by making the accusation either directly that they were communists or, more indirectly, by saying, "Will you now stand here and state categorically that you are not, never have been nor have any sympathies for the communist party?" Knowing full well that if a person had, for example, some socialist leanings, the mere asking of the question "Were you communist" was enough to hurt that person's reputation. Since then the word has come into increasing usage, to the point where it is defined in numerous political dictionaries.

The hon. member for Vancouver-Kingsway (Mr. Waddell) quoted from "The American Political Dictionary" by J. C. Plano. According to that dictionary McCarthyism means:

Unsubstantiated accusations of disloyalty and abuse of legislative investigatory power that engender fear over real or imagined threats to the security of the nation.

Another definition in "The Young Voter's Manual", a topical dictionary of American government and politics by Leon W. Blevins, defines McCarthyism as follows:

The indiscriminate use of loose accusations by those seeking to cast doubts on the loyalty of selected public officials—

Those are two definitions. I bring to the attention of the Chair the remarks of the hon. member for Vancouver-Kingsway on November 21, as reported at page 4952 of *Hansard*, and I quote:

I will go further and say that the Leader of the Conservative party (Mr. Clark), who should know better, is aiding and abetting the new forces of separatism in western Canada.

Some hon. Members: Shame!

Mr. Munro (Esquimalt-Saanich): False!

Mr. Hnatyshyn: Withdraw!

Mr. Andre: I would define that as a loose accusation by one seeking to cast doubts on the loyalty of a selected public official, in this case the Leader of the Opposition (Mr. Clark).

Then there was an interjection by the hon. member for Richmond-South Delta (Mr. Siddon), after which the hon. member for Vancouver-Kingsway said:

The party to my right is aiding and abetting separatism in western Canada.

He accused the whole party. If the hon. member had said "The party to my right is aiding and abetting communism", that would be a precise example of McCarthyism as defined and accepted common usage. Then the hon. member said, after another interjection by the hon. member for Richmond-South Delta:

If the hon. member will give me a chance, let me ask why the former prime minister, who is the Leader of the Conservative party, has not stood up and repudiated the remarks—or denied them—which are reported in the Vancouver *Sun* of Saturday, October 25. The hon. member for Capilano (Mr. Huntington) was reported to have said—

And so forth. In the heat of debate members sometimes make remarks. There were interjections, perhaps, from this side. One might say that the hon. member simply misspoke, became overly excited or said something he really did not mean. Well, five days later, on November 26, as reported at page 5107 of *Hansard*, the hon. member said, and I quote:

I stood up in this House and asked the hon. member from Richmond, who is chattering away here, why the Leader of the Opposition does not deny the remarks made about a western parliament by the hon. member for Capilano (Mr. Huntington). Incidentally, the Leader of the Opposition heard this.

The hon. member reaffirmed that his remarks on November 21 were not an accident. He meant to use McCarthyism. He was reaffirming it on this particular date. The reason I accused the hon. member of McCarthyism in his remarks—and it is McCarthyism—stems from another definition of McCarthyism which I think is the real tragedy in what the hon. member is doing. That definition is in "Safire's Political Dictionary", an enlarged, up-to-date edition, in which Douglass Cater, apparently in a book entitled "The Fourth Branch of Government", is quoted as follows:

McCarthyism's greatest threat was not to individual liberty or even to the orderly conduct of government. It corrupted the power to communicate, which is indispensable to men living in a civilized society.

Mr. Nielsen: Waddellism.

Mr. Andre: Waddellism, perhaps, and that is the reason this had to be raised. Ironically—and he did not intend to—the hon. member for Vancouver-Kingsway is doing a service to this House by raising this issue so that it can be aired, because that is precisely what he is attempting to do. He is attempting to corrupt the power to communicate, which is indispensable. By accusing members of this party of fostering separatism and by talking about it, the hon. member is denying or attempting to prevent us from talking about what is a very real problem in western Canada. It has to be talked about.

Madam Speaker: Order, please. The hon. member has just said that he is grateful that the hon. member for Vancouver-Kingsway (Mr. Waddell) has raised issues. I feel that the hon. member himself is raising issues. I ask him, as I asked the hon. member before him, to limit himself to discussing the question of privilege. I know he wants to offer definitions of McCarthyism, and I am grateful that he has done that. However, because I will need to ascertain whether the word was unparliamentary, I would like him to limit himself to telling me whether or not, in his view, there was a breach of privilege.

● (1520)

Mr. Andre: I thought I was in the process of doing that, Madam Speaker. I think this is a very important question which needs a full airing. Probably the accusation should be reversed. The point of privilege should come from this party because, if this type of behaviour is permitted and we are not allowed at least to counter it by way of debate and call it what it is, that is, McCarthyism, then we are certainly interfering with the privileges of members who feel it to be their responsibility to express the feelings which exist among their constituents, the growing sense of alienation which is harming the country and causing immense disunity in the country.

Perhaps the hon. member does not like to be identified as doing what he is doing, but I think, quite clearly—and this bears repeating—as Douglass Cater said, the greatest threat is not to the individual liberty, to me as a member of Parliament or to my colleague, the hon. member for Capilano (Mr. Huntington), as a member of Parliament, but rather the corruption of the power to communicate. In fact the accusation was deliberately made in the debate, as reported at page 5121 of *Hansard* of November 27. The hon. member for Vancouver-Kingsway is only identified as "An hon. Member", and he said "Not with the Tory separatists". I was here and I know it was the hon. member for Vancouver-Kingsway who made the remark. Other hon. members can substantiate this. If a member is allowed to make that remark, which is McCarthyism as defined, and we are not allowed to identify it as such, then that means that western alienation, and the feelings of frustration in the west will never be discussed because those of us who might raise this will be branded as aiding and abetting something which we all detest. When the hon. member for Capilano suggests a possible way in which westerners might give expresssion to the feelings of alienation that are not separatist, namely, ideas on a western parliament or a grouping of the four western provinces—

An hon. Member: What?

Mr. Andre: —to enhance the negotiating strength, if that is identified as separatism by a member who, unlike the Prime Minister (Mr. Trudeau) whom this hon. member supports, served this country during the last war as an airman in the North Atlantic Squadron, under enemy fire—

An hon. Member: That is imputing motives.

Mr. Andre: I hear the Leader of the NDP (Mr. Broadbent) speaking up because he too is guilty of McCarthyism in its more blatant form.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Andre: According to a *Globe and Mail* article here he "repudiates separatists". What separatists? The NDP members are feeling somewhat embarrassed these days because of their chicanery and because they are hopping into bed with the Liberals—

Madam Speaker: Order, please. I will have to ask the hon. member to please conclude his comments. He is entering into a debate and not discussing the question of privilege.

Mr. Andre: Madam Speaker, I will conclude by saying that this is certainly not a question of privilege. If anyone has a question of privilege it is members on this side who have been charged with disloyalty to Canada in the form of supporting separatism, and indeed of being separatists. We are accused of being separatists. If anybody has a point of privilege it is the members of this party, not members of the party to my left. It was quite significant that the hon. member who raised the question of privilege has not quoted from a citation in Beauchesne because the point he raised today cannot be considered a question of privilege.

Some hon. Members: Hear, hear!

Hon. Ron Huntington (Capilano): Madam Speaker, as you probably know, I have been absent from the House since it reconvened for the second part of its first session. I have been away for several reasons. First, there was the death of the president of my company, which meant I had duties to some 100 employees to keep the economic unit intact and to keep it sound. The second reason is that I have been involved for the past three years in litigation which arose out of a Standing Committee on Miscellaneous Estimates dealing with the Post Office. The hon. member for Vancouver-Kingsway (Mr. Waddell), who is so good at reading out about character, good faith and motives, knew very well that in the last week of October and in the last week of November I had been involved with that court case before the Supreme Court of British Columbia. So, while I have been attempting to defend the rights of individual members of a union, he has been accepting dictates from union bosses to malign my name.

Some hon. Members: Hear, hear!

Mr. Huntington: My reputation as a Canadian, while I have been involved in these legal processes, has been maligned. I have been insulted as an individual, and my family has been insulted. I have been called a non-Canadian on a national television show by a member of the other place, and I resent that deeply. I resent being called a separatist and a non-Canadian at any time, because I can hold up my record, and my service to this country as being equal to that of any other Canadian.

Some hon. Members: Hear, hear!

Mr. Huntington: My brother, my sister and myself served this country in the last war and have worn the Canada badge on our shoulders. I was not running around in a leather jacket with a swastika on the back, on a motorcycle.

Some hon. Members: Hear, hear!

Mr. Huntington: When I came down with my family to the centennial world fair in 1967, you cannot imagine the pride and the emotion which my family and I felt for this country during that trip to Quebec, and when coming to see the Peace Tower, walking through these halls and seeing this chamber, on a tour. The emotion went up the back and into the spine. That is the kind of love I have for this country, and to be denigrated and accused of avoiding my duties in this House when there are other matters which occasionally take priority, is something which I do not have to stand for.

Some hon. Members: Hear, hear!

Mr. Huntington: Madam Speaker, I should like to say a few words on the alleged charge of being a separatist. Since the middle of 1978 I have been writing to my constituents through the riding mailer which is the privilege of a member of Parliament. Ever since Bill C-60 of the Thirtieth Parliament came down, I have felt a deep concern about the changes that were taking place in the style and form of government in this country. I have written to my constituents at length, and practically all of these riding mailers have been published in the newspapers and even read over the radio out west. I have expressed these concerns and I have tried to educate my constituents. I have met with a great deal of appreciation and support, and I think the polls have shown that. They understand what kind of a Canadian I am.

Madam Speaker, I ask you to bear with me because the time and the hour are important in this day, and the emotions are high. I have been critical of this Parliament. I have spoken in this House and have had agreement nodded from my colleagues across the floor about the fact that I think this Parliament is not working, that the locked in caucus system does not allow the voice of the regions to be heard. The cry of the regions is not allowed to get out and be heard and understood through the cameras and the newspapers of the land.

As you so well know, Madam Speaker, the great excitement of Parliament takes place in caucus and that is where the regional disputes take place, and to me that is a tragedy. Not all members on this side agree with me on that. But, if we and the people out there understood the debate that went on, if the House opened up its processes so that we could let go the emotion and understand each other, so that the people of Ontario and Quebec understand the deep rock-bound frustration in the west, this would be a healthier country, and this form of government would be working to serve the people and the land.

● (1530)

Some hon. Members: Hear, hear!

Mr. Huntington: My frustration as a Canadian and as a western Canadian—it is part of the whole; it has always been that way—is that I did not see from the last election a mandate to change the constitution unilaterally, to escalate the

powers of the central provinces and emasculate the powers of the western ones and put them into a second-class status forever.

An hon. Member: Some of them third class.

Mr. Huntington: I never saw in the last election the power or mandate to expropriate and nationalize the energy industry.

Some hon. Members: Hear, hear!

Mr. Huntington: We are not addressing energy supply any longer in this country. We are addressing some kind of a unilateral form of government which is being imposed upon us.

An hon. Member: Right on.

Madam Speaker: Order. I think the hon. member will recognize that he is making a very impassioned speech but this is not the time to make such a speech. I would like him to address himself to the question of privilege which has been raised. It is a narrow matter, and although some of the arguments of the hon. member might be remotely relevant, in these matters of procedure one must be kept much closer to procedure. I ask him to relate solely to the question of privilege.

Mr. Huntington: I thank you, Madam Speaker, and accept your admonition but, after all, my character was impugned and I was called a non-Canadian. The hon. member for Vancouver-Kingsway has insulted me on several occasions in the House, but I will accept Your Honour's admonition.

In closing I should like to read from a riding mailer which was directly on this issue. It was sent out in August, 1980, and reads in part as follows:

As your member of Parliament, it is my duty to do everything possible to keep this once great and proud country intact.

Some hon. Members: Hear, hear!

Mr. Huntington: It continues:

However, the constitutional crisis has been created and if Mr. Trudeau's concept of federalism is nothing more than a brilliantly contrived vehicle to socialize Canada then I personally would rather see western Canada out than be a part of this Trudeau revolution.

Some hon. Members: Hear, hear!

Mr. Huntington: That is what it is; it is an overnight socialization of the country.

Some hon. Members: Right on.

Mr. Huntington: We, and many of us in western Canada, are alarmed at this intrusion because there was no mandate for it.

An hon. Member: That is the way the west feels.

Mr. Huntington: I am speaking on behalf of my part of this great country, just as my hon. friend across the aisle speaks about his. I understand his emotion and his feelings. I am appealing so that the emotions of western Canada will be heard and understood. Do not rend this country apart with unilateral imposition on it.

Some hon. Members: Hear, hear!

Mr. Edward Broadbent (Oshawa): Madam Speaker, I had not intended to join with the hon. member for Vancouver-Kingsway (Mr. Waddell) in this important question of privilege which, in one sense, goes to the heart of the debate about the future of our country, but the hon. member for Calgary Centre (Mr. Andre), in the course of his comments just a few minutes ago, made reference to myself as indulging in a kind of McCarthyism as well.

In a dispassionate but honest attempt I will deal with the accusations which have been made. In a similar fashion I want to defend the statements made by the hon. member for Vancouver-Kingsway. We have just heard the hon. member for Capilano (Mr. Huntington) say that he was called a separatist, and say that he was called a non-Canadian, if I heard him correctly. I have checked this with the hon. member for Vancouver-Kingsway, and I want to say that at no time was it suggested that the hon. member for Capilano was a separatist or a non-Canadian. He does not have to wave his patriotic flag—a number of us in all parties could do that if we were interested—because, if I may say so, I think it is entirely beside the point in this argument.

What is at stake in the accusation of the hon. member for Calgary Centre the other day about my colleague is the imputation of motives, and I refer to Beauchesne's fifth edition, citation 316, subsection (e) which deals with the imputation of motives. To say that the motives of the hon. member for Vancouver-Kingsway were something other than what he said they were, that is, to pass a judgment and to state the truth as he was quoting it, in my view is a question of privilege. I do not think that is what the member was doing.

As he has done for a period of a week or so in the House, with justification, the member was saying that when the hon. member for Capilano called for a western Parliament—and he did not deny it today—it meant one thing and one thing only. We have legislative assemblies and parliamentary bodies outside the Parliament of Canada and, in my judgment, a member can rise here and express legitimate grievances whether he is from western Canada, Ontario, Quebec or Atlantic Canada.

There are legitimate grievances about the west with which my party has sought to deal positively, by proposing, for example, resource amendments that are central to western Canada.

Some hon. Members: Oh, oh!

Mr. Hnatyshyn: That is a joke.

Mr. Broadbent: I have hit a sensitive chord, but we can watch the Tories and see how they vote when those amendments are presented in committee.

When a member rises and seeks to talk about legitimate grievances, whether they are about the west, the central part of the country or the east, and then calls for a Parliament for that region, what does it mean if it is not, as the hon. member for Vancouver-Kingsway described it, aiding and abetting—

Mr. Waddell: The forces.

Mr. Broadbent: —aiding and abetting the forces of separatism? If anyone has any sense of impartial judgment, that is precisely what is involved. If I were a western Canadian and I had grievances, as indeed the west has, and I heard someone rise in the Parliament of Canada and say, "If we do not get our improvements, we need a Parliament of western Canada", then surely that is the same kind of tactic which supported René Lévesque in the province of Quebec, an independence movement in the province of Quebec.

Some hon. Members: Hear, hear!

Mr. Nielsen: What did you do about it?

Some hon. Members: Where were you?

Mr. Huntington: Oui.

Mr. Broadbent: I listened with interest, I listened in silence. I will reply to the obvious, little emotional concern in the Conservative party. During the debate on the referendum in the province of Quebec, we made it—

Mr. Nielsen: Where were you?

Mr. Broadbent: If the member listens, he will hear the answer right now. The New Democratic Party was on the record in the province of Quebec, and with its leader it went into the province of Quebec, as aptly as the Leader of the Conservative party (Mr. Clark), and spoke clearly for the federal side in that debate. There is no question about it; it is part of the public record.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Broadbent: But I want to return to the essence of the problem. If, during the great debate about the future of the province of Quebec, members of the Liberal party, the New Democratic Party or the Conservative party said, "Oh, well, Quebeckers have legitimate grievances, I guess we should form a Parliament of Quebec", the Tories would have been the first in the House of Commons to rise and say, "You are aiding and abetting separatism", and they would have been correct!

● (1540)

If they had gotten up and said what is really needed, because of their grievances, is an entirely different representative system—that is precisely what the member for Capilano has done, in my judgment—I would agree with proposals which ought to be implemented in the House of Commons to deal with the legitimate concerns of western Canada. However, rather than speaking about that he raises—and to use the words of the member for Vancouver-Kingsway, he aids and abets—the separatist option. He talks about a western Parliament. Surely that is what is being done.

There are forces now in western Canada calling for independence. In those meetings they will be able to quote Conservative members of the House of Commons who say that what we need, perhaps, is a parliament of western Canada. If aiding and abetting the forces of separatism means anything, it seems to me that is what it means. Therefore, when the member for Vancouver-Kingsway made the accusation I think he made it with intellectual and moral honesty.

Some hon. Members: Oh!

Mr. Broadbent: Members to my right may differ, but I think he was dead on. If we had members in the House of Commons at the time of the Quebec referendum, or prior to it, who went around saying that what we need is a separate parliamentary system, entirely different from the one we now have in the province of Quebec, the Tory party would have been calling that, I repeat, "aiding and abetting the forces of separatism."

So, Madam Speaker, I say that our member has a legitimate question of privilege. When the member for Calgary Centre gets up and says that he was indulging in McCarthyism, which means he was distorting beyond the level of evidence, beyond the point which evidence would support—in blunter terms, that he was lying or was imputing bad motives—then I think the member for Vancouver-Kingsway has a legitimate question of privilege. It is inappropriate for one member of this House to describe another member's remarks or speeches in the way the member for Calgary Centre has done.

I conclude by saying that the Conservative party does this country no good by repeating the kind of statements that the member for Capilano has made. I support them 100 per cent in this House when they state western grievances, or grievances from any part of Canada. I for one in this party will take a very definite stand for a united Canada. I will not aid and abet, by the use of exaggerated statements such as the ones which have been made by members of the Tory party.

Some hon. Members: Hear, hear!

Madam Speaker: I take it the Right Hon. Leader of the Opposition (Mr. Clark) wishes to speak on this question of privilege. The Chair is becoming quite informed through the arguments which have been made on this question of privilege. Some of these arguments have been repeated several times. I have allowed the three hon. members concerned to speak on this question of privilege. I have allowed the Leader of the New Democratic Party (Mr. Broadbent) to intervene as well, since he is the leader, and also because in his intervention the hon. member for Calgary Centre (Mr. Andre) referred to him. Therefore I have allowed the hon. member for Oshawa to reply. I will also allow the Right Hon. Leader of the Opposition to speak, but I will cut the debate off after that. I appeal

to the Right Hon. Leader of the Opposition to make his remarks brief.

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, naturally I will be brief. I would like to begin by congratulating the Liberal party for once again arranging to have the New Democratic Party do its work for them by levying accusations at my colleagues and myself.

Some hon. Members: Oh!

Mr. Clark: I would like to begin, Madam Speaker, by correcting what I am prepared to believe was—

Mr. Rae: You are a disgrace.

Mr. Clark: The silver spoon socialist is speaking again, Madam Speaker.

I will be as brief as the NDP interjections will allow me to be. If they will sit calmly in their seats while I put the facts on the record then I will do that with dispatch. Let me begin by correcting what I believe to have been an innocent error made by the hon. member for Vancouver-Kingsway (Mr. Waddell) when he said, as reported at page 4957 of *Hansard,* in relation to my presence:

> —the Leader of the Opposition (Mr. Clark) was here this morning. He was in the lobby, he heard my remarks when they were made—

That is not correct. I was in the House toward the end of his remarks, after he had made remarks relative to me. I did not have his remarks relative to me drawn to my attention until after that occasion, so he was wrong on that matter. I am sure he will accept my word that that was the case.

Second, I could not help but note that the hon. member for Vancouver-Kingsway, in characterizing his remarks about me today, said that he had criticized me for not speaking forcefully against separatism. Indeed, as has been read into the record, that is not what he said about me on that day, November 21. What he said was: "The leader of the Conservative party is aiding and abetting the new forces of separatism in western Canada." That is an accusation markedly different from an accusation that I am not speaking forcefully against separatism in western Canada or elsewhere.

I think the hon. member for Vancouver-Kingsway will agree that in his statements today he has misrepresented what he himself said in his statements on November 21. He has distorted those statements. Today he said I have been making statements that I understand separatism, understand the sources of separatism in western Canada, but have not been condemning that phenomenon. Madam Speaker, I have condemned that phenomenon on public platforms in Winnipeg, Vancouver, Regina, Calgary, Edmonton, Barrhead and Drumheller to date. I will continue to speak out for Canada and against separatism, and to try to divert the energies of western Canada into the counsel of a Canadian channel.

Some hon. Members: Hear, hear!

Mr. Clark: I would like to turn to the rather absurd position put forward by the Leader of the New Democratic Party (Mr. Broadbent). He has suggested that the member for Capilano (Mr. Huntington) is a separatist because he proposes a new way—

Mr. Broadbent: I did not say that.

Mr. Clark: —in which members from one part of Canada can have their influence felt within Canada. Let me remind the Leader of the New Democratic Party that for years there have been recommendations that there should be a parliament of Atlantic Canada to allow the people of that region to make their cause known within the context of a united Canada.

Mr. Broadbent: Who said that?

Mr. Clark: No one accused those people, those advocates in royal commissions, or other advocates of maritime union, of being separatists, although by the logic of the New Democratic Party they are separatists, by the definition of their leader.

Ever since the concerns have arisen and developed in this country about the adequacy of our institutions to develop and reflect the regions of the country there have been a number of proposals put forward with respect to changes in Canadian institutions which could better reflect the nature of the country. There have been proposals for a House of the provinces. There has been a proposal by the Leader of the New Democratic Party himself to change our system to a system of proportional representation. He did that only after election results were in, not having had the foresight to do that beforehand.

Mr. Broadbent: Another distortion.

Mr. Clark: There have been a number of proposals to change the institutions of this country within the context of Canada, to ensure that the institutions of this country could better reflect the regional realities of this country and to stop the kind of temptation toward separatism, the kind of frustration which has so alarmed and caught attention and provoked the remarks and suggestion of the hon. member for Capilano. Indeed, if the New Democratic Party and their allies in the Liberal party are interested, the full quote of the hon. member for Capilano was:

> Let's organize ourselves in the west to give us enough political clout and bargaining power at the table.

Well, Madam Speaker, at what table? Obviously, at the Canadian table.

Some hon. Members: Hear, hear!

Mr. Clark: What the member of Parliament for Capilano was proposing was not some device to take the people of his region out of Canada but, instead, some device to make the people of his region feel effective within Canada. That should be a preoccupation of all of us in this House of Commons.

Some hon. Members: Hear, hear!

Mr. Clark: I know now why the New Democratic Party are raising these accusations, not simply in the House of Commons but in speeches the hon. member for Oshawa made in Winnipeg recently, in speeches he made across the country, and in Vancouver. This occurs at a time when the government has introduced an energy policy and a constitutional policy both of which can deeply divide the country, and at a time when there are also very serious economic problems which are causing hardship across the country. But the Leader of the New Democratic Party does not attack the constitutional provisions, the economic situation of the country or the energy policy of the government. Instead, he attacks the Leader of the Progressive Conservative Party of Canada.

● (1550)

Some hon. Members: Oh, oh!

Mr. Clark: He applauds that now. His party attacks us, not on the basis of the policies which we have put forward, but by imputing motives to members of my party, by suggesting that they are less than loyal to Canada than members of the New Democratic Party. The NDP members do not attack us on the merits of what we have proposed or on the merits of our appeal to the people of western Canada to find their future within this larger country, but as separatists.

That party has attacked us as separatists, not because there is something in the record of the performance of the Progressive Conservative Party, but to draw attention away from the behaviour of the New Democratic Party and the way in which the members of that party have betrayed the electors who sent them here to stand against the Liberal party. Many of their constituents have become alarmed to find the members of the New Democratic Party hopping into league, hopping into liaison or hopping into bed with the Liberals they were elected to oppose.

The Leader of the New Democratic Party talked about his campaign in the province of Quebec against the forces of separatism. I give him the fact that he was there, but his was the only national party which refused to join the No campaign against separatism. His was the only party in Canada which turned its back on Claude Ryan because—

Mr. Broadbent: Who was in bed with the Liberals then, Joe?

Mr. Nielsen: We were in bed with Canada.

Mr. Clark: They were afraid to take the unequivocal kind of stand for Canada and for federalism which was taken at that time by the Liberal party and the Progressive Conservative Party. Now that party is doing everything it can, in every public forum it can find, to try to turn attention away from the fact that it joined in support of the Liberal constitution, a position which is driving western Canadians to consider leaving this country, and which is described as civilized by the Leader of the New Democratic Party.

I do not consider a measure which drives people of my country to consider leaving my country a civilized measure, and I do not wonder at all at the fact that members of the New Democratic Party are so embarrassed about their own behaviour that they are trying to create false issues by calling into question the dedication to Canada of other members of this House of Commons.

Let me say one thing, Madam Speaker, about the sources and the cause of separatism, and the anger and frustration of those in western Canada. I would hope that members of Parliament, instead of accusing others of separatism because they report reality which is disturbing in one region of our country, before the word separatism leaps to their lips would do themselves and the country the favour of getting out of a part of the country where perhaps separatism is not a dynamic and growing force and of visiting western Canada to determine for themselves the level of anger and frustration which is growing there and which is being provoked there by the positions taken by the government on the constitution, energy, and other areas, and which are supported in such a Pavlovian way by the New Democratic Party.

I have fought separatism in Quebec and in western Canada, and I am fighting it now because it is a very dangerous and real problem. We do not solve the sources of separatism by making false accusations in this House of Commons about members of this House. We solve the danger and the prospect of separatism by recognizing how real that danger is in western Canada today and by paying heed, not casting scorn, on those members of Parliament who have the courage, honesty and dedication to their country to stand up in whatever forum to describe the real nature of the problem which is growing there.

If separatism is allowed to go unaddressed, it will grow into dimensions which will be very dangerous to this country. This is not a time to slander people who fight separatism in western Canada by offering alternatives to those Canadians in that region who are frustrated. It is not a time to slander members of this House or citizens in western Canada who are offering alternatives to the frustrated citizenry of that region who are now allowing their emotions to find outlet in movements which would take them outside this country. The hon. member for Vancouver-Kingsway has reason to worry about the reputation of his party, but he has no reason at all to cast that kind of slander upon myself or upon my colleagues in this House of Commons.

Madam Speaker: I have heard all the arguments and the definitions of McCarthyism and of the aspersions that might have derived from the whole discussion on separatism in western Canada. I will cut off the debate now, look into the interventions, and rule on the question of privilege later.

* * *

POINT OF ORDER

MR. NIELSEN—PROCEDURE GOVERNING S.O. 43 MOTIONS

Hon. Erik Nielsen (Yukon): Madam Speaker, my point of order relates to the Parliamentary Secretary to the Minister of

Transport (Mr. Bockstael), who today during the period assigned for motions under Standing Order 43 moved such a motion. I believe you will recall, Madam Speaker, that your predecessor, almost immediately after assuming office, took the position, upon which he expounded at some length in the House, that he would not entertain the previous questionable practice which had given rise to considerable objection prior to his assuming the Chair, of parliamentary secretaries participating in the question period.

Mr. Speaker Jerome gave at least three reasons for taking this action. One reason was that the parliamentary secretaries were in receipt of emoluments over and above those ordinarily received by members of Parliament. Another reason was that a parliamentary secretary takes an oath somewhat similar to the oath taken by cabinet members. Perhaps the most important reason was that parliamentary secretaries were privy to matters that were the responsibility of the individual departments and, beyond that, privy to matters which were the subject of general cabinet discussions. Mr. Speaker Jerome took the position that for these and other reasons he would not entertain any further participation by parliamentary secretaries in the question period. As far as I am aware, this has not happened thus far in this session.

Mr. Evans: It was not during question period.

Mr. Nielsen: If the hon. member for Ottawa Centre (Mr. Evans) will be patient for a moment, he will hear my argument with respect to the participation of parliamentary secretaries in the period reserved for motions under Standing Order 43. There is no distinction, in my submission. I do not recollect, nor have I had the time since the matter arose today to look at the precedents, whether Mr. Speaker Jerome dealt with the period reserved for motions under Standing Order 43. He may not have done so, but I am making the submission now that there is no difference between parliamentary secretaries participating in the period reserved for motions under Standing Order 43 and participating in question period.

I make my submission on the same basis and the same arguments which have been outlined. For example, it is quite conceivable that a parliamentary secretary may, by virtue of his position, have information which would be unavailable to any other member of Parliament, and as a result be placed in the favoured position with respect to moving a motion under Standing Order 43, in which he would not otherwise find himself. For that reason I submit that you should take the matter under advisement and obtain the counsel of your advisers, Madam Speaker. Hopefully, you can come back to advise us that your position will be along the same lines as that of your predecessor, in other words, that it would not be mete for parliamentary secretaries to engage in the period reserved for motions under Standing Order 43 which, by and large is a period reserved for members of the opposition, any more than it would be proper for them to engage in the question period itself.

• (1600)

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, I am glad the hon. member for Yukon (Mr. Nielsen) has raised this question, and I join with him in asking you to review this practice.

I was here in the Thirtieth Parliament when Speaker Jerome made his ruling, both on the participation of parliamentary secretaries in question period and in the time reserved for motions under Standing Order 43. At the time I think it caused a lot of concern and reservation on the part of parliamentary secretaries, not so much on the ruling directed toward participation in question period because I believe Speaker Jerome was entirely correct that a parliamentary secretary cannot be expected both to answer questions and pose questions at the same time, but because motions under the provisions of Standing Order 43 come under a different section of the routine proceedings of the House. As I understand it, this section was designed to allow every hon. member to rise on a matter of urgent and pressing necessity, especially as it affected a member's constituency.

As hon. members know, the hon. member for St. Boniface (Mr. Bockstael) is one of two Liberal members elected from western Canada. He has deep feelings on the whole question of the debate now under way affecting western Canada. I believe he has every right to express his emotions and feelings, as do members opposite who engaged in the question of privilege raised earlier. Of course, the hon. member for St. Boniface is a parliamentary secretary and he does not have the means in the House to bring those emotions to bear on a regular basis.

To my recollection, during the Thirtieth Parliament Speaker Jerome permitted parliamentary secretaries two or three times to move motions under the provisions of Standing Order 43. At one point he actually broke his own rule, and I believe allowed a parliamentary secretary, who is now the hon. member for Etobicoke-Lakeshore (Mr. Robinson), to ask a question during question period, although it was not directed toward the ministry he was then serving.

Therefore, I would ask you, Madam Speaker, to look into this matter so that we can have a clear ruling. I believe that today was the third occasion on which you have allowed a parliamentary secretary to move a motion under the provisions of Standing Order 43 since this Thirty-second Parliament opened. You allowed the hon. member for Thunder Bay-Nipigon (Mr. Masters) to move a motion under Standing Order 43 the other week.

On behalf of members on this side of the House, I urge that you view the matter concerning the rule under which parliamentary secretaries can participate in the period reserved for motions under Standing Order 43 as a flexible one.

Respecting the question period, I believe the precedents are clear.

Madam Speaker: My decision to allow the hon. member for St. Boniface (Mr. Bockstael) to propose a motion under the provisions of Standing Order 43 was based on the Standing Orders and on several precedents. Standing Order 15(2) per-

mits members, other than ministers of the Crown, to move motions. That is the limitation placed on Standing Order 43. Even so, there are examples of ministers having moved such motions and of ministers having seconded such motions.

I am not sure whether it was three other occasions when I allowed—although I will take the hon. member's word for it—parliamentary secretaries to move motions under Standing Order 43. However, there are several precedents where parliamentary secretaries have moved motions under Standing Order 43. I have a record of one moved by the hon. member for Fundy-Royal (Mr. Corbett) seconded by the hon. member for Nepean-Carleton (Mr. Baker) on November 6, 1979. I have one moved by the Right Hon. Leader of the Opposition (Mr. Clark) at the time he was prime minister. I have one moved by the hon. member for Montmorency (Mr. Duclos), seconded by the hon. member for Edmonton North (Mr. Paproski) on March 21, 1979. The precedent is there. The reasons for that precedent are, I think, quite different from those which would preclude parliamentary secretaries from asking questions, as was ruled by my predecessor. However, my predecessor has not ruled on the matter of motions under Standing Order 43. He has allowed them. It is also my feeling that they should be allowed.

Mr. Nielsen: Madam Speaker, I seem to be surrounded by questionable precedents. Of course I respect the ruling of the Chair, but there is one area which I intend to raise, if it occurs to me proper to do so, where the provisions of Standing Order 43 might be used on the basis of information in the hands of a parliamentary secretary by virtue of his position. I think that would be totally improper.

Madam Speaker: If I may reply to the hon. member, and I do it now because I want to be enlightened on this question, it seems to me that the Speaker could disallow a motion in one case or the other. The Speaker could say that it is not in order or that it is not proper to be put to the House during the period reserved for motions under Standing Order 43. In a sense, I suppose I am a depository of that kind of judgment. Sometimes I may not be able to make judgments because these things happen so quickly, but it does seem to me that this judgment is in the hands of the Chair. However, I am willing to discuss the topic with the hon. member at some future time. The hon. member for South Shore (Mr. Crouse).

I am sorry, I have notice of a question of privilege from another hon. member and I do have to take them in the order in which they come. The hon. member for Kindersley-Lloydminster (Mr. McKnight) has given me notice of a question of privilege. I will hear him first, and then the hon. member for South Shore.

Mr. McKnight: Madam Speaker, I submitted my question of privilege in the hope that the hon. member whom it concerns would be in the House at this time. The hon. member is not in the House and I would like my question of privilege deferred until such time as both he and I are in the chamber together.

PRIVILEGE

MR. CROUSE—STATEMENT MADE BY MR. LeBLANC DURING QUESTION PERIOD

Mr. Lloyd R. Crouse (South Shore): Madam Speaker, I rise on a question of privilege. It concerns the Minister of Fisheries and Oceans (Mr. LeBlanc) and, in particular, the response he gave today to questions I raised in the House. I regret that he is not present at the moment, but I feel it is important that I put my remarks on the record. He implied that I am speaking for my own interests in the fishing industry and not for the fishing industry as a whole. This allegation has been made on previous occasions by the same minister.

I wish to state for the record that I have sold all of my interests in the deep sea fishing fleet which, through my own initiative, I brought into being. I established the fleet in 1948 and sold all of my interest in 1968. At that same time I sold all of my financial interests in the Canadian fish processing industry. I no longer have any capital invested in this particular industry.

Therefore, when I rise in my place and raise questions relating to the fishing industry, I do so because more than one-third of the people in my constituency, whom I have represented for more than 24 years, are involved in the fishing industry, either inshore, mid-water, offshore or through ancillary industries. The minister's reply indicates not only an insensitivity to the interests of Nova Scotia and Newfoundland fishermen, but an insensitivity as well to the interests of the shore workers in the plants of both provinces.

● (1610)

On November 22, Mr. Lawrence Wilneff, president of the Canadian Seafood and Allied Workers said, as reported in the Halifax *Chronicle-Herald*:

> —the management plan will likely lead to plant closure during the last three months of next year unless there are massive changes made in the scheme.
>
> He said plant closures would force workers to go on UIC benefits for part of the year, resulting in some 40 per cent reduction in their pay.

Obviously my questions were related to the hard-working people I have been elected to serve, not only the fishermen of that area but the plant workers in my constituency and throughout all of Nova Scotia and Newfoundland. I wonder why the Newfoundland members have not been actively pursuing this matter as well, because the people they have been elected to serve are also affected.

In closing, I demand a retraction of the minister's allegations. I submit to this House that he has no right to impute motives to me when I am carrying out my duties in this House.

Madam Speaker: The minister is not present in the chamber. I presume he will want to reply to the hon. member. Therefore I will leave the matter open until the minister is again in the House, to give him the opportunity, if he wishes, to reply. The matter will be left open for the time being.

POINT OF ORDER

MR. MACKAY—BARRICADES ERECTED OUTSIDE PARLIAMENT BUILDINGS

Hon. Elmer M. MacKay (Central Nova): Madam Speaker, I rise on a point of order, or a point of information. As Your Honour is well aware, the matter of barricades was dealt with today in motions under Standing Order 43, and again in the question period. I think this is a matter of some disquiet to members.

Having looked very briefly through the fifth edition of Beauchesne, I wonder whether the Chair would take under advisement as a point of information the circumstances under which barriers or barricades are placed around the House of Commons, and clarify for the benefit of myself and others whether our security people should have the exclusive jurisdiction. I understand that, pursuant to rule 105, so far as the Centre Block is concerned there is no question whatsoever that the protective staff of both the Senate and the House of Commons, who are parliamentary employees, have sole and exclusive jurisdiction. Once outside this building, however, security and control of access are more directly under the control of the executive branch of the government.

I am curious, and other members are as well, about the extent of the jurisdiction of the executive branch of the government on a matter as sensitive as this, as has been demonstrated today. I wonder whether the Solicitor General (Mr. Kaplan) has the proper jurisdiction to arrange on short notice to have these barricades taken down, or put up in the first instance, and to what extent Your Honour has the right to be consulted or not to be consulted in matters of this kind.

Madam Speaker: I think I can reply to the hon. member. There may be other questions to which I may not be able to give answers. Protection and security inside the House of Commons are, of course, the responsibility of the Speaker of the House. Outside the premises the responsibility is that of the Solicitor General. I have to assume it was under his responsibility that the barricades were erected outside the Parliament Buildings and under his responsibility that they have been removed, if they have been removed. I have not been out there to see.

There is a clear division of responsibility. I assume it must flow from the kind of competence that is required to ensure protection and security inside the building as to what might be required outside the building. I do not know at what point this clear division of responsibility has been established. I can look into that. However, it is quite clear that the responsibility is so divided.

Order Paper Questions

ROUTINE PROCEEDINGS

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 1,584, 1,585, 1,631 and 1,640.

I ask that the remaining questions be allowed to stand.

[*Text*]

DORCHESTER PENITENTIARY, N.B.—TWENTY-FOUR HOUR FAST

Question No. 1,584—**Mr. Howie:**

1. Did more than 200 prisoners at the Dorchester Penitentiary, New Brunswick, in the month of August 1980, take part in a 24-hour fast?

2. Was there a major disturbance by sixty prisoners?

3. Did two convicted murderers escape from the penitentiary?

Hon. Bob Kaplan (Solicitor General): In so far as the Correctional Service of Canada is concerned: 1. Yes, on August 10, 1980, 265 inmates refused to eat lunch and 28 refused their supper in observance of the National Prison Justice Day.

2. There were no major disturbances involving 60 inmates. However, there was a sit-in in the exercise yard involving 157 inmates. This incident occurred August 20, 1980.

3. Yes, the escape took place on August 24, 1980, while a disturbance involving 25 inmates in one range was taking place.

DORCHESTER PENITENTIARY, N.B.—CONVICTED MURDERERS' ESCAPE

Question No. 1,585—**Mr. Howie:**

1. Did two convicted murderers escape from Dorchester Penitentiary, New Brunswick, in the month of July, 1980?

2. In the same month, was there a hostage-taking incident at the penitentiary?

Hon. Bob Kaplan (Solicitor General): In so far as the Correctional Service of Canada is concerned: 1. Yes, both inmates escaped on July 11, 1980.

2. Yes, on July 28, 1980, one inmate took a shop instructor hostage.

EMBASSIES—CONSULAR OFFICES—STAFF MEMBERS

Question No. 1,631—**Mr. Herbert:**

1. How many embassies and consular offices have staff members from the Department of (a) Industry, Trade and Commerce (b) Agriculture?

2. How many public servants in the offices are not covered by the budget of the Department of External Affairs?

Judges Act

Hon. Mark MacGuigan (Secretary of State for External Affairs):

1. (a) There are 90 posts which have staff members from Industry, Trade and Commerce.

(b) There are four posts which have staff members from Agriculture.

2. In these posts, 235 of the public servants are not covered by the budget of the Department of External Affairs.

NATIONAL HARBOURS BOARD—SAINT JOHN, N.B.

Question No. 1,640—**Mr. Knowles:**

1. What was the cost of the steel fence built by the National Harbours Board around its property at Saint John, New Brunswick, during the summer of 1980, when Local 1925 of the Canadian Union of Public Employees was engaged in a legal strike?

2. What was the cost of hiring guards, including the cost of overtime, during the time of the legal strike?

3. How many supervisors were brought to Saint John during the time of the legal strike and (a) where did they come from (b) what was the cost, including salaries, overtime, room and board?

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): The National Harbours Board advises as follows: 1. $2,509.41.

2. $6,800.

3. Eleven supervisors.

(a) St. John's, Halifax, Quebec, Montreal, Ottawa and Vancouver.

(b) $65,706.35.

[*Translation*]

Madam Speaker: The questions enumerated by the parliamentary secretary have been answered. Are the remaining questions allowed to stand?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*Translation*]

JUDGES ACT

MEASURE TO INCREASE SALARIES OF JUDGES

Hon. Jean Chrétien (Minister of Justice) moved that Bill C-34, to amend the Judges Act and certain other acts in consequence thereof, be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

[*English*]

He said: Madam Speaker, we have had in this country in the last few years a judiciary whose morale has progressively deteriorated with the passage of time, the increase in inflation, and an apparent lack of concern by governments with their economic condition. In August, 1978, a committee of the Canadian Bar Association recommended substantial modification of the compensation package of the federally appointed judges. In November, 1978, the Advisory Committee on Judicial Compensation and Related Matters—the Dorfman committee—which was appointed by the then minister of justice to advise him on these issues, presented its recommendations. In the summer of 1979, the executive committee of the Conference of Chief Justices of Canada, followed in April of this year by the Canadian Judges Conference, made a number of suggestions on this subject.

All of these views took as their point of departure the fact that since 1975 federally appointed Superior Court judges had received salary increases which totalled 7.5 per cent.

In the same period the industrial composite, which reflects the average wages and salaries in occupational groups across the country, registered an increase of some 60 per cent. A significant erosion of the economic position of these judges is demonstrated by this simple recital of figures; their salary increases have clearly fallen far behind the rate of inflation and the consequences to the judges have been serious.

We can all think of reasons for the delay in coming to grips with the problem of judges' compensation. We know about the competition for parliamentary time, and we know about differences in priority that may be attached to the various legislative proposals presented to the Parliament of Canada for its consideration.

But there comes a time when inaction on the salaries of judges in an inflationary period begins to have profound effects, not only on the morale of those sitting on the bench but also on the attractiveness of judicial appointment to the more highly qualified lawyers whom we would like to see appointed to the bench. At some stage, subtly and slowly, no doubt, a failure to maintain judicial compensation in line to some degree with inflationary tendencies must come to affect the quality of our judiciary. I have no doubt about the correctness of that proposition, and I venture to suggest that there is a real concern about judicial compensation that underlies section 100 of the British North America Act.

That section, which deals with the provision of salaries, allowances and pensions of the federally appointed judiciary, is unique. It is the sole section of the BNA Act which casts an affirmative obligation on Parliament to enact legislation. In recent economic circumstances, this obligation serves to secure not only the independence of the judiciary, but also requires Parliament to take action to mitigate the debilitating effects on the judiciary that flow from undue delay or default in securing legislation on judicial compensation. Bill C-34 seeks to fulfil that constitutional responsibility and to improve the structure of compensation for the federally appointed judiciary. It does so in a way that is responsive to the present concerns for judicial morale and recruitment. It also makes provision for future remuneration which should avoid further difficulties flowing from the dependence of the judges on salary adjustments by statute, in a manner consistent with the principles of ministerial responsibility for financial management under our system of government.

● (1620)

[*Translation*]

And so, Mr. Speaker, this bill is meant to grant, for each of the fiscal years 1979-80 and 1980-81, a $6,500 increase to the puisne judges of the superior courts and a $7,500 increase to the county and district judges, the difference in the increase reflecting, as recommended in the Dorfman report, the relative importance of the specific responsibilities of each of those two levels of jurisdiction. Those increases respond to the effects of inflation since 1975 and raise the salaries to a level which henceforth will serve as an adequate base for automatic adjustments in the future.

Under the bill, the salaries of the judges appointed by the federal government will be adjusted automatically from April 1, 1981, on the basis of the annual increase in the composite index of economic activities, up to a maximum of 7 per cent. This indexation is the same as the one that applies to MPs. Naturally, should the indexation factor be considered inadequate, the whole mechanism of automatic adjustment will become unsatisfactory, and once again a bill will have to be introduced later on to remedy the situation. In addition to salary indexation starting at an adequate level, the bill provides for the appointment of a commission made up of no more than five members which will be asked to examine every three years the adequacy of judicial compensation.

Since 1975, the pension plan has been another source of malaise in the federal judiciary since only the judges appointed after February 6, 1975, must contribute to their basic annuities under the provisions of the Judges Act. All judges contribute to the supplementary retirement benefits, or indexing. The date of appointment can therefore mean a substantial difference in the salary of judges sitting at the same level in the same court and hearing the same cases. Experience has shown that the system is not necessarily good. Financially, the retirement pension account of judges is not self-supportive because of the relatively short career of the contributors, and it is certainly not beneficial in terms of morale once it has been productive of real grievance on the part of a significant group of judges.

To rectify the situation, Bill C-34 provides that all judges will contribute to the pension plan at the normal rate prescribed by the Supplementary Retirement Benefits Act. This provision will be retroactive to the date of introduction, therefore re-establishing the salary equality of judges. The bill will also readjust the pensions granted several years ago to the surviving spouses of judges. These very modest pensions will be readjusted on the basis of the average of all pensions paid to the surviving spouses of judges.

The bill also aims at readjusting for the first time the allowances granted to judges appointed by the federal government and creating a new allowance to reimburse major representational expenses, such as the price of purchase of judicial robes and the like that our necessarily incidental to the proper performance of the office of a judge.

Finally, it provides for the creation of several new judiciary positions in certain provinces and both territories to respond to the need.

I am certain that the new salary structure provided in this bill will allay the real concerns of judges that the federal government is not interested in their well-being. Some members may individually or collectively question this feeling or not share the opinion of the government concerning the economic situation of judges. Nevertheless this piece of legislation must ensure a just compensation for judges in order to reinforce the expertise and independence of this essential component of our system of government. By passing this bill we will be doing this unique duty of ours as parliamentarians. As I said, it is in this area only that the Canadian Constitution places on members of Parliament any direct obligation as far as salary and compensation are concerned.

[*English*]

Hon. Ray Hnatyshyn (Saskatoon West): Mr. Speaker, I appreciate the opportunity at long last to participate in this debate with respect to Bill C-34 which relates to the renumeration and the benefits to be paid to judges. As the Minister of Justice (Mr. Chrétien) has pointed out, the matter has been under discussion for some considerable period of time. He rightly points out that the question of the agenda of the House of Commons is one which is in the exclusive control of the government. In other words, they are the ones who decide when matters of importance must be brought forward and the order of priority.

I will not make any further comment with respect to the timing of the delay that has taken place with this legislation, except to point out that it is a government's prerogative to call the business on orders of the day, as we have seen on so many occasions in the past when that right has been challenged.

I want to join with the minister, as he so rightly points out, in underlining the importance of an independent judiciary in our country. An independent judiciary involves a number of considerations, one of which happens to be independence from concerns with respect to the level of renumeration. I should like to quote a statement by Sir William Holdsworth, who is known to jurists and lawyers alike, with respect to the role of judiciary and parliamentary system that we adhere to in Canada. Sir William Holdsworth said:

> The judges hold an office to which is annexed the function of guarding the supremacy of the law. It is because they are holders of an office to which the guardianship of this fundamental constitutional principle is entrusted, that the judiciary forms one of the three great divisions into which the power of the state is divided. The judiciary has separate and autonomous powers just as truly as the King or Parliament.

The principle of the independence of the judiciary has been established in common law since the Act of Settlement of 1700 whereby, as opposed to the situation prior to that time, judges held tenure at the King's pleasure, to the point where they could only be removed for serious misbehaviour or conviction

of a serious offence and only upon an address of the Parliament with respect to the removal of those judges.

There is no question that we are very much involved in an era of increased litigation, increased access to the courts with respect to matters of serious concern in our country. I need only point to the fact that we in Canada are involved in a very serious constitutional debate. One of the proposals involves the entrenchment of a charter of rights by which there will be a departure from what the situation has been up to now with respect to a matter of basic and fundamental human rights. It is going to mean that the courts will be taking on an even more important role in terms of the interpretation of the fundamental rights of Canadians.

Not only the highest court of the land, the Supreme Court of Canada, but indeed every level of court federally appointed will be involved if the government's intention to proceed with this entrenched bill of rights takes place and will be involved with serious considerations of a constitutional nature. So it becomes absolutely essential that we attract to the bench members of the Bar of the highest competence and the highest capacity. As a result I think there will be sympathy with the desire on the part of the government, as stated by the Minister of Justice, to make sure that there is adequate and reasonable compensation so that there will not be a significant deterrent to people of competence coming forward and offering themselves—after the appropriate solicitation, of course, by the Minister of Justice or his amanuensis—and serving on the bench.

• (1630)

It seems to me that we will be entering into a very different kind of judicial activity with respect to an entrenched charter of rights. I do not want to be drawn into that debate. I was previously denied the opportunity to participate in the debate on the constitution on the floor of the House, but let me just smuggle in an observation. There will be a greater responsibility placed upon the judiciary with respect to these questions, and the final charter of rights we bring about and entrench in our constitution will call for a significantly more important role for the judiciary generally.

As an aside, I read with interest recently a book published in the United States, written by Messrs. Woodward and Armstrong, entitled "The Brethren", which is an interesting treatise on the activities of the Supreme Court of the United States. We in politics are sometimes known by the press to have a tendency to exaggerate or occasionally to make a mistake of fact, but if one-fifteenth of what is written in that book is accurate, we can see that the whole question of the interpretation of constitutional matters by the judiciary is not clearcut or a matter of precise and distinct judicial interpretation. There are other considerations which enter into these deliberations.

If I may be permitted to say so, there is a certain amount of politicking in the courts. There is a very important consideration as to the backgrounds of judges with respect to appointments. It becomes important, when we deal with constitutional matters, to know what is the philosophic outlook of judges. That in itself is a very important aspect with regard to the appointment of judges.

However, that is not the purpose of my intervention today. My purpose is not to discuss an entrenched bill of rights or the way we appoint judges, but I think it is relevant for us to consider that we are not going into a period when the judiciary will be any less important in terms of our country and the interpretation and supremacy of law. Indeed, from what we can see of the government's package, we might well expect a greater role to be played by the judiciary.

Amongst other things, this bill deals with an increase in the number of judges who are to be appointed to the courts of Canada and who are to be available. If I may be permitted to make a statement to the minister by way of representation, it has been my observation in the course of my conduct in private life as a lawyer and teaching at a law school that we are now faced with a higher and higher proportion of women at the Bar who are available for judicial appointments. There have been statements from the government side on a number of occasions. The actions of the government in a sense do not live up to the statement of intention made by the minister and other spokesmen on behalf of the government.

Women comprise 51 per cent of the population. We are also approaching that ratio with respect to women attending law schools and becoming members of the bar. These are women of some considerable competence. I think it is appropriate for me to say that it is time for the government to settle, in very precise manner and without the application of any quota system—which I think would be inappropriate—and to demonstrate and indicate very clearly its intention to proceed with the appointment of more women to the bench. It is my experience that the bench is woefully lacking in this regard.

Mr. Robinson (Burnaby): Mr. Speaker, I wonder if the hon. member would entertain a very brief question on the subject he has just raised.

Mr. Hnatyshyn: At the end of my remarks, if that is all right. I have to admit a bit of conflict. I have to leave the chamber, and I want to make sure I get my remarks on the record. After I have, if time permits, I will be glad to receive a question from the hon. member.

I want to get down to the details of the bill and to canvass some of its aspects which I think require consideration by this House, and certainly by the committee.

There are some 650-plus judges in the federal judiciary. The cost of their salaries at the present time totals some $35 million. Because of the increases proposed in this bill we can anticipate an increase in the expenditure for judges' salaries of some $4.5 million, which would bring the total expenditure up to some $39.5 million on an annual basis.

The cost of implementing the proposals brought forward by the Minister of Justice will mean that, in addition to that expenditure of an additional $4.5 million, there will be a one-shot repayment with respect to annuities, to which I want to come back

because I think that is one area of serious concern which must be expressed in this House and in committee as well. There will be a one-shot repayment under the provisions of this bill of some $3.5 million. The increase will involve $800,000 annually for this increase in judges' allowances.

The bill provides for the increases outlined by the Minister of Justice, and I think it is important for us to note that the amount being proposed by the government exceeds the amount proposed by three committees or commissions which were established to review judges' salaries. I refer to the Casgrain committee which reported to the Canadian Bar Association, the Dorfman report which was referred to by the minister and, most recently, the statements made by the judges themselves in their committee in which recommendations were made by them with respect to the amount of increase which would be appropriate.

I think it is important for us to have full, adequate, and reasonable compensation for our judges. I do not take exception to that, but I must draw to the attention of the House, and express my concern about, the provision relating to pensions.

I might give some background of what has transpired over the course of the last few years. What is being proposed here is the abolition of any contributory element with respect to judges' pensions and benefits. We are being asked by this bill to change a situation which was brought about in 1975. At that time federally-appointed judges received, at the will of the governor in council, upon retirement pensions to which they did not contribute. Under the minister of justice at that time the government brought in amendments to the Judges Act, to supplementary benefits provisions, to ancillary provisions and to ancillary legislation whereby judges appointed after 1975 would contribute toward pensions or annuities which they would receive on retirement.

As a result, we have two classes of judges. One class is composed of those appointed before 1975, and the other is composed of those appointed since that time. Quite frankly, the expedient the government is now undertaking is that rather than having everyone on one course of action which involves a contributory pension, the government is suggesting that we revert back to the situation which obtained in 1975 by which there will be no contribution to pensions by judges except for a 1 per cent levy which will go toward the payment of the indexation provision.

● (1640)

I think it is important, therefore, that we consider this part of the bill, because what the bill purports to do for the judges and for those other officers who are affected by the Judges Act, is to put them into a unique position. I think it would be important for us to compare this with what is happening in other executive positions, whether it be in the public service, the armed forces, the RCMP or the House of Commons and the Senate. I just want to emphasize that in the circumstances in which we are now required to address this bill, judges will be in a somewhat different position from practically everyone else who is paid out of public funds.

In terms of public servants, pension benefits are accrued at the rate of 2 per cent per year of service, multiplied by the average salary in the best six consecutive years. The maximum rate of a pension is 70 per cent, which would be earned after 35 years of service. The result is that a public servant who has reached the age of 55, may retire with a 60 per cent pension if he or she has served 30 years. A public servant who has reached the age of 60, may receive a partial pension if he or she has served at least five years, with the pension rate equal to 2 per cent for each full year. That is to say, ten years equals 20 per cent of the average salary in the best six consecutive years.

Turning to the armed forces, the period of service required to retire with an immediate annuity or pension varies with rank, with less service required for enlisted men. A general, for example, may retire with a 60 per cent pension at age 55 if he has 30 years of service. An enlisted man may receive a 40 per cent pension at age 40 if he has served 20 years. Pension benefits are accrued at the rate of 2 per cent per year and are based on the average of the best six consecutive years.

In the RCMP, lower ranks may receive an unreduced pension after 25 years of service. Officers with 35 years' service may receive a pension at the age 55. Pension credits earned at the rate of 2 per cent for each year of service are based on the average of the best six consecutive years of service.

With regard to members of Parliament and senators, members earn pension benefits related to their best six consecutive years' average indemnity at the rate of 3.5 per cent in each of their first ten years. I do not know what the best six years are, whether it is in terms of their production or in terms of salary, but I assume the latter is the case. Members of Parliaments' benefits are related to 3 per cent in each of the next ten years and 2 per cent in each of the next five years. An MP serving the minimum six years would thus be entitled to a future pension of 21 per cent of his or her average indemnity. An MP serving two terms, that is eight years, would be entitled to a pension equal to 28 per cent of the average of his or her best six years.

I simply read these statistics to point out that what we are doing is putting the judges—I am not sure the judges themselves are necessarily anxious to be put in a unique and different position—in a situation which is quite different from that of anyone else in the country who is paid from public funds. I understand the argument that judges are, generally speaking, appointed at the height of their income earning ability, and that they tend to be usually appointed later on in their careers and therefore it is difficult for them to get into a properly funded pension plan which can be demonstrated to be actuarially sound, although I should say that judges now seem to be appointed at a younger and younger age. I am not saying that the government has been in power for too long, but perhaps nowadays the older Liberals are getting their reward and the younger ones are now being called upon to be judges.

Having taught at law school for a few years, I often run into former students whom I ask whether they are in their third

year or are articling, and more likely than not the man or woman will say to me, "No, I am a Queen's Bench judge." I want to point out that they are getting somewhat younger, or perhaps I am getting older. It must be a sign of aging in me as well. I hear the chief government whip asking me if I am looking for a job. I say to him, yes, I am looking for his job.

Some hon. Members: Oh, oh!

Mr. Hnatyshyn: I want to get back to the government side and fill that most important position, of course, only after the hon. member for Burlington (Mr. Kempling).

Mr. Kempling: You can have it!

Mr. Hnatyshyn: The fact is that I understand those arguments, but it seems to me that in terms of considering this bill and its operation, we should give serious consideration to the implications of the proposals it brings forward. A serious concern has to be expressed for the non-contributory pension scheme. Whether or not the scheme will be actuarially sound is another matter we can address. It seems that in the course of deliberations in committee we should take a look at this, and already we have received an indication from the minister, on occasions when he has appeared before the Standing Committee on Justice and Legal Affairs, that he is prepared to discuss this aspect of the matter. I say to him that this is a matter which will be brought up by us at committee stage, and one to which we want to pay serious attention. We want to consider the implications of the proposals brought forward by the government.

Also dealing with the pension matter, I hope that the minister will be able to answer questions at some point in this debate or in committee on a rather curious operation of the pension provisions in this bill. I refer to the fact, under the provisions of this bill, if a judge dies, the widow's annuity is suspended upon remarriage. By definition that includes a widower. I simply raise this as a matter of interest. I have never understood why this provision exists in our pension legislation. It seems to me that if people are entitled to benefits under the provisions of any pension legislation, then their pension benefits should not be suspended on remarriage. There may be quite legitimate reasons for a widow or a widower remarrying, and this whole provision of availability of a pension seems to be a curious anomaly in the law.

What I want to say about this bill in general terms is that we have a certain difficulty with respect to matters of legislation. I know that under section 100 of the BNA Act, Parliament, to distinguish it from the cabinet and the executive, has the responsibility of dealing with the salaries, benefits, annuities or pensions of the judiciary. I understand that responsibility, and I am not suggesting for a moment that we should do anything which would tend to diminish that very important role which Parliament must play. However, it seems to me—and I want to extend a compliment to the minister in this respect—that perhaps we should look at a better system with respect to executive compensation for public service. The hon. member for Edmonton West (Mr. Lambert) has commented on this in the course of the years. We should not have to operate on an ad hoc basis in dealing with salary increases, as we do it seems. I was very pleased to see that there is at least a start in the bill before us in the provisions which allow for a compensation review committee to be established after 1983, and every three years thereafter, to make recommendations to Parliament on compensation to be paid to our judges. I think that is a good start on action which has been long overdue.

It seems that we have been dealing in a rather casual way with compensation for a segment of our society which has rendered a public service of some importance. I think my colleague, the hon. member for Edmonton West, will address himself, as he has in the past, to this important topic. This is possibly an opportunity for us to canvass the potential of having some mechanism by which this committee would make its recommendations directly to Parliament. There is a certain amount of support for the idea of allowing Parliament to control this entire process. The recommendations would be brought forward and enacted, unless we had something in the nature of a negative resolution brought forward in a petition by a certain nominal number of members of the House of Commons.

● (1650)

We want to ensure that when people are appointed to the bench they will understand and expect, without concerning themselves with the vagaries of elections and parliamentary agenda, that a reasonable and rational salary range will be considered on their behalf before Parliament. In that event they would have financial security in the performance of their very important functions. I hope we will have the opportunity to deal with that particular aspect with the minister. I hope he will be prepared to discuss some of the advice he will receive from his departmental officials, and I am sure we will have recommendations and suggestions of our own.

In conjunction with that, I want to raise another matter. Under the provisions of the Judges Act—and it is affected by this legislation—certain public servants are tied cheek by jowl to the increases proposed and the salary ranges suggested for judges. Of course I am referring to the Auditor General, the Commissioner of Official Languages, the Chief Electoral Officer, and members of the tax review board by way of example. Their salaries are related to the amount awarded or passed by Parliament with respect to judges. If we will be pursuing the entire question of executive compensation, I wonder aloud whether or not that whole range of public servants should necessarily be tied to the compensations paid to judges.

When we consider the salary of a particular vocation, profession or pursuit, it is rather too simplistic to suggest that it should apply to a whole range of other positions. If there is to be a review by way of a commission, it should concentrate on what in fact judges require, or what would be fair and appropriate for the judiciary. If we look at the salary of the Chief Electoral Officer, he may require more money than the judiciary, because of the stress of that position. It may be appropriate to decide whether he requires more or less,

depending on the prevailing salary rate being paid to judges. But simply willy-nilly tying the salaries of these public servants who perform important functions to the salaries of the judiciary is rather an inappropriate way for us to do justice with respect to their salaries, or indeed with respect to the questions of the role and the compensation of the judiciary in the country.

I simply wanted to point out these particular observations and to express my sincere concern respecting the pension provisions of this bill. I recall an article which was written some time ago by an English humorist, Geoffrey Lincoln. He pointed out that Her Majesty's judges, as everyone knows, are a race completely apart. He referred to the fact that their salaries were in the order of $70,000 and that their pensions after retirement amounted to some two-thirds of that. To the uninformed layman, they might seem to occupy somewhat enviable positions, but as he humorously pointed out the judges are the first to point out that they are required to be at work at ten o'clock and to work through until four o'clock in the afternoon; that they have occupational hazards such as occasionally riding on public transportation, and cannot be found in enclosed places after dark. This was really said in jest, because it is an oversimplification of the great dedication of and duty performed by the judiciary, of which we can be justly proud.

Notwithstanding the fact that we have gone through periods of great crisis and serious political debate about divisions in our country, by and large the judiciary has been exemplary in its contribution to society, in its protection of the supremacy of law, and in its independent interpretation of law.

I say that judges must be independent. It is a principle in common law with which I find no dispute. Often it interests me, and sometimes quite frankly mystifies me, that in the course of discussions respecting constitutional matters some people feel very strongly that somehow it would be the prerogative of one level of government or another to have judicial appointments, that somehow the mere fact a federal court judge is appointed by a provincial government ensures that there will be a string attached to the judge in the course of his deliberations, and that somehow for time immemorial, or for the judge's time on the bench, his decisions will be influenced by who appointed him. I think history has demonstrated that nothing could be further from the truth. Once persons are appointed to the bench, because of their independence and their respect for common law traditions they have in fact operated in a completely independent fashion, one which is not affected by the government that appointed them. I compliment the judiciary from that point of view.

Having made these few remarks, I want to thank my colleagues and the minister for their attention. I hope we will have an opportunity to consider some of the points I have raised which are of serious concern to my party and me. I look forward to pursuing this matter on the floor of the House and to hearing the government response both here and in committee.

Business of the House

Mr. Robinson (Burnaby): Mr. Speaker, I wonder if the hon. member would permit a brief question. Understandably, the hon. member referred to the importance of increasing the number of women who are appointed to the federal judiciary. In light of this, I wonder if the hon. member could explain why, since confederation, no Conservative government in this country ever appointed a single woman to the federal judiciary, including the government of which he was a member?

Mr. Hnatyshyn: Mr. Speaker, I might say that I am glad to respond to that question. Of course the hon. member forgets that for the few fleeting hours we were in government it was difficult to accomplish all goals. But I can understand the hon. member's sense of sanctimony; he has now been a member of the NDP caucus for a while and the holier-than-thou attitude has been bred into him. As far as my party is concerned, we stand second to none with respect to our determination to ensure that the women of Canada, not only in appointments to the judiciary but in every respect, receive proper attention. I must say I appreciate the subtlety of the particular question, because it comes from a member of a party which has been known to spend more time, in the course of deliberations, on rhetoric rather than action.

* * *

• (1700)

BUSINESS OF THE HOUSE

Mr. Collenette: Mr. Speaker, before you move to the private members' hour, there have been discussions among the parties concerning the progress of two private members' private bills sponsored by my colleague, the Parliamentary Secretary to the Minister of State for Trade. I believe there is a disposition with respect to Senate Bills Nos. 13 and 14, which were reported last week, to proceed with the report stage and third reading with no debate, with the caveat that my colleague, the parliamentary secretary, will be tabling some documents which have been requested by the hon. member for York-Peel (Mr. Stevens) in the context of the committee deliberations.

Mr. Baker (Nepean-Carleton): That was our understanding as well. I have spoken personally to the hon. member and also to the hon. member for York-Peel. I understand that when these bills are introduced, with respect to each of these private members' bills the member will be making a statement to the House with respect to the tabling of certain documents. He may need consent to table those documents. He could have that consent today.

Mr. Knowles: Mr. Speaker, there have been such discussions. We have agreed that a few minutes be taken for this purpose. I remind the parliamentary secretary that the assurance was that the whole operation would not take more than two or three minutes. My friend, the hon. member for Prince Albert, whose private member's motion is to follow, is willing to surrender those two or three minutes and no more, I trust.

Private Bills

The Acting Speaker (Mr. Blaker): Order, please. The House has heard the proposal made by the Parliamentary Secretary to the President of the Privy Council and the comments in pursuance of that made by hon. members representing their parties. Is it the agreement of the House that we can proceed with Bills S-13 and S-14 on all stages?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Blaker): Agreed and so ordered.

PRIVATE BILLS

[*Translation*]

MONTILAC LTD. AND SOCAM LTD.

Mr. Claude-André Lachance (Parliamentary Secretary to Minister of State (Trade)) moved that Bill S-13, to revive Montilac Ltd. and Socam Ltd., as reported (without amendment) from the Standing Committee on Miscellaneous Private Bills and Standing Orders, be concurred in.

Motion agreed to.

Mr. Lachance moved that Bill S-13, to revive Montilac Ltd. and Socam Ltd., be read the third time and do pass.

He said: Mr. Speaker, first of all I should like to thank the hon. member for Prince Albert (Mr. Hovdebo) for his kindness in allowing me some time so that we can concur in the report and give third reading to those two bills.

The hon. member for York-Peel (Mr. Stevens) asked for some information when the bill was before our Standing Committee on Miscellaneous Private Bills and Standing Orders. For technical reasons, I was unable to get them and do not have them with me today. But I shall be getting them sometime this week. With the consent of the House, I shall table them so that everyone in the House can acquaint themselves with them. More specifically, these are letters signed by the shareholders and by the public curator of the province of Quebec agreeing with the procedure we are following today.

I therefore promise the House, Mr. Speaker, that the information concerned will be conveyed to the House as soon as I have received it. I shall personally inform the hon. member for York-Peel who asked me for them in committee.

I thank the House for having agreed to proceed today without real notice, and I move this motion be passed.

[*English*]

The Acting Speaker (Mr. Blaker): The House has heard the proposals made by the parliamentary secretary that certain documents related to Bill S-13 be tabled. Is there unanimous consent to the proposal?

Mr. Stevens: Mr. Speaker, the hon. member and myself have had discussions and what he has said to the House is substantially what my understanding was. I would like to see this bill proceed.

The Acting Speaker (Mr. Blaker): I must apologize to the hon. member for York-Peel, as I was otherwise occupied.

Mr. Baker (Nepean-Carleton): He said he wants to have it proceed.

The Acting Speaker (Mr. Blaker): Do I understand that we have unanimous consent to proceed? I assume that documents will be tabled in the course of the next few minutes.

Mr. Knowles: In the next day or two.

The Acting Speaker (Mr. Blaker): Those documents will be tabled in the next day or two.

Motion agreed to, bill read the third time and passed.

The Acting Speaker (Mr. Blaker): We will deal in the same manner with Bill S-14. I understand from the remarks made by the parliamentary secretary that there is also a request to delay the tabling of certain documents respecting Bill S-14, and that is so indicated.

TREMUS INDUSTRIES LIMITED

Mr. Claude-André Lachance (Parliamentary Secretary to Minister of State (Trade)) moved that Bill S-14, an act to revive Tremus Industries Limited, as reported (without amendment) from the Standing Committee on Miscellaneous Private Bills and Standing Orders, be concurred in.

Motion agreed to.

The Acting Speaker (Mr. Blaker): When shall the said bill be read the third time? By leave now?

Some hon. Members: By leave, now.

Mr. Stevens: Mr. Speaker, I rise on a point of order. I think the hon. member was trying to catch your eye in order to put a similar statement on the record with respect to this bill.

[*Translation*]

Mr. Lachance: Yes, Mr. Speaker, I rose and said that it was the same thing. I simply want to repeat what I said to the hon. member who asked for similar information regarding Tremus Industries Limited. As far as that company is concerned, we have all the information. But it is now on its way from Montreal to Ottawa, and I intend to table it just as for Bill S-13. The hon. member will then have the information he

wants, and I will speak with him personally on the matter so that he may judge himself.

[*English*]

The Acting Speaker (Mr. Blaker): Given the exchange of comments, we will proceed to third reading.

Some hon. Members: Agreed.

Mr. Lachance moved that the bill be read the third time and do pass.

Motion agreed to, bill read the third time and passed.

The Acting Speaker (Mr. Blaker): Order, please. It being five o'clock the House will now proceed to the consideration of private members' business as listed on today's order paper, namely, notices of motions and public bills.

PRIVATE MEMBERS' MOTIONS

[*English*]

CANADIAN WHEAT BOARD

SUGGESTED EXPANSION OF RESPONSIBILITIES

Mr. Stan J. Hovdebo (Prince Albert) moved:

That, in the opinion of this House, the government should consider the advisability of expanding the Canadian Wheat Board into a Canadian Grains Board, placing the major grains, wheat, oats, barley, rye, rapeseed, corn and soybeans under the jurisdiction of the Canadian Grains Board and under the quota system including full responsibility for the marketing of all feed grains delivered to primary elevators in Canada.

He said: Mr. Speaker, it is with a great deal of pleasure that I introduce this motion to the House today—perhaps I should say reintroduce this motion to the House today, since a similar motion has been put before this House on a number of occasions, once by my colleague, the hon. member for Regina West (Mr. Benjamin), and by other members of my party.

All parts of Canada are faced with the solving of problems which have been created by the technological age in which we live. Not the least of these problems is the marketing and distribution of grain, with which this motion deals. In the larger world picture we are faced with forecasts which indicate a doubling of the world population before the end of the century. We are faced with the growth of population where even today millions of people live in hunger.

Our capacity for food production in Canada is not functioning to the maximum. Even in Canada malnutrition and poverty continue to exist. Canada is blessed with the ability to produce much more food than is necessary for our own requirements. We have committed ourselves to the world as a net exporter of food, particularly grains. We have built out farm economy in the west on providing these grains to the rest of the world. We know the rest of the world needs them and it therefore should be providing and developing a distribution system which can offset the growing threat of world hunger.

In the last year we have seen food, particularly grain, used as a political weapon. Both the official opposition, when they were in power, and the present government, bowed to the political might of the United States and agreed to an embargo on grain shipped to the Soviet Union. It is my contention, and that of many in my party, that food should never be used as a political weapon against another country. This policy was adopted by our party in a motion put forward by Alf Gleave, the former member from Saskatoon-Biggar. I am proud to support that motion. I condemn the government for waiting eight months before realizing that this embargo was hurting Canada's reputation as a grain exporter. In a food embargo, only the poor and the hungry suffer and animosity between the countries increases.

• (1710)

Food should be used as an instrument of peace. Canada, as a net food producer, should recognize its moral obligation to assist in feeding the world within the limits of good land husbandry. The provision of an effective marketing and distribution system will help us to fulfil that obligation.

Today's motion deals with an area of food distribution known as grain marketing. While I was growing up on a farm in northern Saskatchewan during the 1920s and the 1930s, the scourge of the farmers, particularly the small farmer, was the fact that wheat and other grains were subject to a great deal of speculation by members of the Winnipeg Grain Exchange. The effect of that speculation, pure and simple, was to rob the farmer.

I can remember my father selling wheat for $1 per bushel in the fall, a time when he needed money and therefore had to sell, and it sold for $2 per bushel in the spring, when my father had no grain left to sell. This meant that my father received only $1 per bushel for his investment which was the use of his land and all his hard work. Whether or not this was enough money, the fact is my father had no alternative but to sell in the fall. Consequently, his grain went into the system at $1 per bushel. This was at a time when very little was needed for transportation and handling. Therefore, someone who provided no work, no investment, no land or any productivity of any kind took the rest of the money. In many cases these people did not even risk the loss of their own money, because they would buy on margin and would not be required to own the grain on which they made their money.

This speculation was one of the reasons for the establishment of the original Canadian Wheat Board. However, the motion before us today is not aimed particularly at speculation, but is intended to point out the need for a stable and orderly marketing system. The Minister of Agriculture (Mr. Whelan) and the Minister of State for the Canadian Wheat Board, Senator Argue, have come out often and loudly in support of orderly marketing. Most farmers and the New Democratic Party wholeheartedly agree with the ministers on this position. Our main concern is that it seems to be all talk and no action. There seems to be a great deal of equivocation on the part of the Minister of Agriculture. For example, the

Minister of Agriculture stated specifically that he supports orderly grain marketing, but seems very hesistant to support the proposition that all feeds grains be placed back under the Canadian Wheat Board.

This motion suggests that the Canadian Wheat Board be expanded and renamed the Canadian Grains Board in order to put all grains under its jurisdiction, including oil seeds such as rapeseed and soya beans. In simple terms, this motion suggests extending the orderly marketing to all the products listed, and treating those products in the same way in which wheat, barley and oats are handled on the prairies now. At present, the Canadian Wheat Board is the sole marketing agent for prairie wheat, oats and barley sold for export or for domestic industrial use. This motion would extend the power of the Wheat Board to allow for orderly marketing of all the grains listed and for the return of domestic feed to the Wheat Board.

The Canadian Wheat Board grew from the history of prairie grain marketing. The men who developed the idea of a central marketing system were pioneers of this country. They came to the prairies from all parts of Europe, eastern Canada and the United States, to own land and to achieve their dreams. The prairies are a harsh teacher. The farmers watched their crops being ruined by grasshoppers, drought, disease or hail. After washing off the dust of the drought of the 1930s, they took what little grain they had to market and sold it for a price of 25 cents a bushel.

Being strong and determined people these farmers were provoked into action. The first agrarian movement had the goal of greater regulation and supervision of the grain companies and the major railways. When this failed, the agrarian movement turned to a central marketing system as the answer. Farmers had experienced the board of grain supervisors in 1917 and 1918 as a wartime measure. They had also experienced the effect of the first Canadian Wheat Board in the years 1919 and 1920. So it was that during the early 1930s, the depression, when the grain industry was tottering, farmers pressed the government for a central marketing system. The administration of the Conservative Prime Minister, R. B. Bennett, from 1930 to 1935 saw the depression worsen, the provincial wheat pool stumble, and their central selling agencies collapse before they were finally convinced of the need for a Canadian Wheat Board.

The establishment of the Canadian Wheat Board in 1935, just prior to Bennett's defeat at the polls, was a surprising legacy left to the grain industry by this Prime Minister, since he spent most of his term in office proclaiming that the open market system would solve all the problems. Mr. Bennett's proposals which received first reading in June, 1935, provided for a compulsory marketing agency, which would take delivery of all grains. During the committee meeting chaired by Mr. Bennett, the legislation was changed to become a voluntary agency, and, surprisingly—or perhaps it is not so surprising—the Liberal opposition under William Lyon Mackenzie King took most of the credit for the bill.

The compulsory factors of the board did not come into being until 1933 for wheat and 1949 for barley and oats. The basic mandate of the Canadian Wheat Board fits as well today as it did in 1935. It was to provide grain farmers with a more orderly marketing system, to assure them the best return possible for their grain under changing marketing conditions, and to provide the maximum degree of price stability to producers. The motion before us today suggests extending this mandate to more producers.

The Canadian Wheat Board fulfils this mandate through three main operations. It controls grain marketing through a central agency, the delivery of grain to the customers and through a price pooling system it achieves price stability. This mandate implies some kind of supply management which the Wheat Board has evolved over the years as the quota system.

During this past year there have been a couple of situations arise which point out the fact that the position suggested in this motion is acceptable to most farmers and the fact that an open or free market, as it is sometimes called, is causing problems in our market today. Last year's situation also pointed out that lack of an orderly marketing system for all grains is costing the farmers a considerable amount of money. It is causing a number of transportation difficulties because of movement of off-board grains. There are other irregularities which have developed regarding the resale of western barley.

• (1720)

On October 21, 1980, the advisory committees to the Canadian Wheat Board and the Canadian Livestock Wheat Board agreed that, given suitable conditions, the federal government should return control of domestic feed grain marketing to the Canadian Wheat Board by next July 1. This is a rather historical agreement because it is an agreement between the producers and the consumers of feed grain.

In an article printed in *The Western Producer*, Mr. Charles Munro of Embro, Ontario, a member of the CLFB, is reported as saying:

> Members are not very happy with the activity of the trade—there was a lot of support for the Wheat Board system.

Mr. Munro said that the Canadian Livestock Feed Board committee was disturbed at the way the open market had been operating recently with traders buying grain.

Between 1976 and 1979 off-board grain sold in Canada cost farmers $142 million. This money could have been in the farmers' pockets. The figures indicate that farmers had average losses over the last three years of 49 cents per bushel for feed wheat; 16 cents per bushel for oats; and 36 cents per bushel for barley, all because farmers did not sell through the board. There were many transportation problems because of off-board sales.

In an editorial, we find the following:

> At a time when the whole grain transportation industry has been working toward greater efficiency some of the most difficult transport tie-ups have stemmed from these policies.
>
> A classic example occurred just over a year ago when an oversupply of barley resulted in producers seeking to unload it by moving large numbers of producer cars into the system. The extra cars clogged trackage and terminal space needed for other purposes.

The movement of rapeseed, which is an off-board grain, also caused a number of problems. In *The Western Producer*, for September 18, 1980, we find the following comment:

Unpriced rapeseed has been a serious problem for the Alberta Wheat Pool, according to Ted Ball, director of operations. Ball says during the middle of August, AWP's Pacific Terminal was so full of unpriced rapeseed administered by grain dealers that the Pool was having trouble taking delivery of enough of its own rapeseed to fill its sales program.

The Pool was forced to obtain rapeseed from other grain companies to fill commitments—

That same rapeseed also caused a lot of trouble in the futures market because the futures market did not work. The cash price for rapeseed is considerably lower than the futures price. However, I will not go into that aspect today.

Because the Wheat Board is forced to sell barley to fulfil eastern feed orders at a corn competitive price, we are concerned the price of barley may become so high that it will be profitable for Ontario traders to buy barley from the west and resell it at an export price. Again there has been considerable loss because of that factor.

I started my comments with a global look at food needs and our responsibility in fulfilling those needs. The type of orderly market suggested for grain by this motion would allow the farmers of Canada to fulfil those needs efficiently, as far as grain is concerned, without themselves or consumers being exploited by speculators or by multinational corporations.

This motion touches only the grain area. We need the same kind of orderly market in all farm commodity areas. This government has expressed support for that movement. Indeed, it has established effective and successful marketing boards in many areas. Let us hope the government will help to extend that direction by passing this motion and getting on with the job in other areas as well.

Mr. Peter Lang (Kitchener): Mr. Speaker, the hon. member for St. Boniface (Mr. Bockstael) is most concerned about this issue raised by the hon. member for Prince Albert (Mr. Hovdebo) and he asked me to outline some thoughts on this motion. The hon. member for St. Boniface wanted to be here, but his responsibilities on the constitutional committee have prevented him from doing so.

It is likely that the reason we have both the board and open market systems operating side by side in Canada today is because of the advantages either system offers in particular marketing situations.

When it is suggested that all the major grains in Canada should be placed under a single marketing board and under the delivery quota system, I think we should take a careful look at the marketing system for each grain in deciding whether it could be better handled by a marketing board or whether it would fare better on the open market. In each case we need to examine the applicable federal and provincial legislation. More important, we need to ascertain the views of producers of each grain on whether they wish to have the sale of their crop transferred from one marketing system to another.

I recognize in this motion a fine tribute to the objectives of the particular farm organizations which have been advocating the universal adoption of the board marketing system, to the exclusion of the open market, for the past 60 years. It is also a tribute to the operating performance of the Canadian Wheat Board since 1935. Yet, there are many who believe that the well-intended pursuit of that objective to the complete destruction of the open market could lead to unexpected and unwelcome results, which may be unacceptable to the affected producers themselves.

For example, problems could arise in placing crops such as corn and soybeans under the jurisdiction of a conglomerate grain marketing board whose constitutional authority for marketing grain is limited to interprovincial and export trade which may not apply to corn and soybeans at all.

Having made the point that different circumstances surround the marketing of each grain, which the mover of this motion would like to assign to a single marketing board, I shall now review the experience the Canadian Wheat Board has had with the marketing of oats and barley since 1949 and the practical lessons learned when you try to handle different crops having distinctly different market outlets within the supervision of one board.

The federal government has had very serious misgivings concerning problems which would face the Canadian Wheat Board if it were the sole marketing agency for western oats and barley, as western producers and eastern feeders evidently wanted. The doubts over its practicability were well expressed by the Hon. C. D. Howe, who introduced an amendment to the Canadian Wheat Board Act on February 27, 1948, to provide for the board marketing of oats and barley.

● (1730)

Because his statement so clearly contrasted the market situations for wheat and the major coarse grains, and underscored the need for complementary provincial legislation, all of which is relevant to the motion we now have before us, I would like to place part of Mr. Howe's statement on the record again, and I quote from pages 1677-78 of the House of Commons Debates in 1948:

The fourth amendment proposes to empower the governor in council by regulation to extend to oats and barley the regulations now applicable to wheat. Strong representations favouring the marketing of oats and barley through the Wheat Board have been received from farm organizations in this regard, provided a workable plan can be agreed upon. However, the government is well aware that the compulsory marketing of oats and barley through the board represents serious difficulties. The success of such an enterprise must be dependent on a large measure of agreement on policy matters as between organized farmers of both the producer and the consumer class, as well as on the co-operation of provincial governments. Therefore, this government will wish to have concrete evidence of such agreement and such co-operation before it can assume the responsibility for putting this amendment into effect.

He goes on to illustrate some of the difficulties he sees, such as the fact that oats and barley are primarily feed crops, most of which do not even leave the farm. He concluded:

The government is prepared to take whatever steps lie within its power to assist in establishing marketing arrangements that will help to maintain economic and stable prices for Canadian agricultural products. The government must,

however, be satisfied that any given scheme for this purpose is a practical one, a constitutional one, a workable one and one that will command the support of the interested groups concerned. Until it is satisfied that these conditions have been met, the government will not be prepared to undertake the marketing of oats and barley through the Wheat Board.

After Mr. Howe's amending bill received royal assent, Premier T. C. Douglas promptly introduced a coarse grain marketing control bill in the Saskatchewan legislature. Its substantive provisions were very simple. Section 4(1) provided that "No producer shall sell . . . grain . . . for delivery within the province to any person other than the Canadian Wheat Board", and section 4(2) excluded farm to farm transactions for feeding purposes from the provisions of the bill. Thus, all farm to farm sales, even if trucked at a considerable distance within the province remained outside the control of the board. The Saskatchewan coarse grain marketing control act received royal assent on March 25, 1948, but the Alberta and Manitoba governments did not act so quickly.

On March 16, 1948, Premier Stuart Garson of Manitoba wrote to Mr. Howe. He took note of the fact that ever since 1943 the Canadian Wheat Board has been an agency of the Crown, and that as such the federal government had the power to direct its pricing policies in contravention of the board's acting as an agent of producers and selling to their best advantage, and he raised the following pertinent questions.

Is the Wheat Board to be the agent of the producer of oats and barley charged with the responsibility of securing the best price possible in all available outlets, or is the board to be the agency of the government, buying oats and barley at a price set by the government for reasons not necessarily related to, and even incompatible with, the securing of the best price? Is the price to be set, for example, at a certain level to keep down the cost of living in Canada or to provide livestock raisers with feed at a reasonable figure? In this latter case if the Wheat Board fixes a price for oats and barley below what those commodities can be sold for, will the resulting loss be left with the producer of oats and barley, or will this loss be paid by the whole Canadian people? To put it in another way, will it be the policy of the Wheat Board in handling oats and barley to hold down the price to the buyer by open or hidden subsidies? If so, who will pay the subsidies—the producer of oats and barley, or the federal government representing the whole body of the Canadian people?

Mr. Howe made no attempt to answer these questions in detail, but simply repeated his position that the federal oats and barley amendment would not be proclaimed until all three prairie provinces enacted complementary legislation. In the spring of 1949, both the Manitoba and Alberta legislatures passed coarse grains marketing control acts which were drafted in the same form as the Saskatchewan act. With the enactment of the complementary legislation, the federal government's commitment to proclaim its act had been met, and the Wheat Board was instructed to take over the marketing responsibility for oats and barley commencing August 1, 1949.

Before doing so, the board's criterion for its sales policy still had to be established. It had been placed in the middle, along with the federal government, of the conflict over prices between, on the one hand, farmers producing and selling their grain as a cash crop to consumers and, on the other, those whose customers are farmers themselves, buying grains to convert into livestock products. This conflict of interest over the pricing of oats and barley between farm producers and farm consumers has continued from 1949 to today.

When the Canadian Federation of Agriculture recruited equal support among its eastern and western members in 1948 for placing the marketing of oats and barley under the Wheat Board, it admitted that it would have difficulty in recommending to government the price that the Wheat Board should fix for these grains, one which would be fair and reasonable to producers and consumers alike. Nevertheless, it undertook to make such a recommendation and, had the federal government taken the federation at its word, the federation would have been saddled with the same conflict of interest between domestic farm producers on the one hand, and domestic farm consumers on the other, with which the federal government and the Wheat Board have been saddled ever since.

Mr. Howe and his Wheat Board faced this issue first as the latter took over the monopoly marketing of oats and barley in 1949. Because they were not prepared to depend upon price recommendations to be forthcoming from the Canadian Federation of Agriculture, they decided to abide by the mandate provided by the Canadian Wheat Board Act of 1935, to sell to the western producers' best advantage, although this was not what the eastern feeders sought to obtain by supporting board marketing of oats and barley.

At the same time, the Wheat Board encouraged the Winnipeg Grain Exchange to keep its futures markets for oats and barley open, and the board confined its selling operations to offering both grains for sale in the oats and barley futures markets. Thus, for a number of years, the board continued to use the facilities which the open market system had been providing. It was a somewhat contrived situation at best, because the board now became the dominant seller in these futures markets. Yet the prices those markets registered could be pointed to as an indicator of the prices at which it was fair and reasonable for the board to sell.

After a while, all sorts of problems began to develop in the marketing of oats and barley. As surpluses accumulated in the west, the board was forced to restrict the delivery of oats and barley to primary elevators which had become congested. This it did through the delivery quota system administered by the board.

When western producers found themselves cut off from sales through the elevator system to the Canadian Wheat Board, they turned to the only other market available to them, namely, farm to farm transactions or the off-board market which was exempted from the complementary provincial marketing legislation, and over which the board had no control.

These off-board sales could be carried to considerable lengths by long distance trucking within each province which was perfectly legal under the provincial legislation, or across provincial boundaries, though this contravened the regulations of the Canadian Wheat Board which had jurisdiction over

interprovincial trade. With the expansion of this off-board market, a two-price system for oats and barley developed, one at board prices for the restricted delivery to elevators, and another at a much lower price for off-board sales. Not only were western producers discontented, but their eastern customers became incensed because they had no access to the low-priced off-board grains, and had to pay the higher board prices for grain moving through interprovincial trade.

Hon. members who were here in those days will recall the hearings which took place in the House committee on agriculture which led to the recommendation adopted by the government in 1974 to remove from the Wheat Board the sole responsibility for the domestic marketing of the feed grades of wheat, oats and barley. Commencing on August 1, 1974, western producers were given the option of selling their feed grades of these grains either on the open market or through the facilities of the Wheat Board. Thus, from that time a substantial portion of the sales of the feed grades of western grain have reverted to the open market.

One further episode in the Wheat Board's experience in handling oats and barley should also be recorded. This hit at the core of the Wheat Board's legislative responsibility to sell producers' grain to the best advantage. Occasions arose in the 1970s when barley could be sold for higher prices overseas than in competition with imported feeds in eastern Canada. The board's parliamentary directive required it to sell in the producers' interests in the most attractive market. But this meant the shorting of supplies of western feed in the eastern market, and the irregularity of supply could threaten the future competitive position of western grains in that market.

In that situation, the government and the board recognized that western producers' longer-term interests warranted the retention of a continuous supply to eastern Canadian feeders at the expense of sacrificing short-term price gains to the western producers. In consequence, the Wheat Board undertook to furnish the eastern Canadian market on a continuous basis in accordance with a pricing formula which related the domestic prices for western oats and barley to the prices eastern feeders were paying for corn imported from the United States. There is an adjustment for protein from soybeans. American corn and soybean prices are, of course, determined by the Chicago futures market.

In conclusion, in the account I have given, I have described the extent to which the marketing of western oats and barley differs from the marketing of western wheat, and the way in which any government is caught in the middle in trying to arbitrate the price governing transactions between one set of domestic producers and another. I have shown that no board system is in complete control over all transactions in feed grains and that a two-price system can develop between board and off-board grains when farm to farm sales take place within each province.

I wonder, therefore, if the sponsor of this motion would like to see feed grades of western wheat, oats and barley sold to Canadian feeders in the east and the west at different price levels, either through the board or through farm to farm transactions. It would be a backward step if Canadian feeders did not have access to the same price. I also wonder about the extent of actual producer support for such action.

Last, I would like to know what price directive he would be prepared to give to the board—whether to sell to western producers' best advantage at all times, thereby shorting at times the domestic market, or whether he is satisfied that western feed grains should be continuously offered to eastern markets at prices related to the Chicago open market prices for corn.

• (1740)

Mr. Bert Hargrave (Medicine Hat): Mr. Speaker, I want to make a few remarks in this private members' hour and try to put on the record, at least briefly, the position of the western livestock feeding industry. I am thinking primarily of my own province of Alberta, I suppose, but my remarks certainly include the feeding industry in Saskatchewan and Manitoba—and that is an enormous feeding industry. It has become vastly important, much more important than it used to be. For example, in Alberta, wheat is no longer the big crop; it has not been so for a good many years. The big crop is feed barley. Sometimes we can raise anywhere from 500 million to as much as 700 million bushels of barley every year in the province, an enormous crop. That situation is going to continue. After the very severe indication of drought for the first two to three months of this year's growth season, when the rains finally came back it was barley with its growth season, that came back and won the day for the grain producers in Alberta. There was a very substantial crop of barley in spite of conditions during that crop year.

Where is the principal market in the west for feed grains? The big market, in spite of the headlines that are made about the export of feed grains and especially barley to foreign markets, is right at home. That is the big market and we should never forget it. It is either on the same farm as the barley is produced on or on the farm next door or at the feed lots which are so well established in western Canada. The sales through the private grain market, through the open market for feed grains, satisfy that market which is by far the most important market there is.

I know that the member for Prince Albert (Mr. Hovdebo) is very sincere in his motion. He is a very sincere man. I respect his sincerity and his initiative in promoting this market, but I say to this House and to all western Canadians who are concerned about this subject, that there is no way the feeding industry could ever operate with a proposal such as he has put forward in this private members' hour. We must have an open market for our domestic feed grains in western Canada. Let there be no doubt about that. The importance of the feeding industry itself in western Canada should certainly be justification for that statement and I mean this most sincerely. I want to mention that this is only part of an ongoing debate that we are hopefully going to see more of in the balance of this session of the Thirty-second Parliament. I am sure it will not surprise members to know that I am referring to the combined Crowsnest Pass freight rate issue and the domestic feed grain pricing

policy. Those two issues are as important to western agricultural people in total, that is, the grain producers and the livestock industry, and as important to the whole of western Canada in their own way as some of those other issues that we think are so important to all of Canada—I am referring to the constitutional issue and even the energy issue. That is the importance that I attach to this double-barrelled controversial issue of domestic feed grain prices plus the Crowsnest Pass freight rates. I know that the Minister of Transport (Mr. Pepin) has been making public statements—and I think the Minister of Agriculture (Mr. Whelan) has done the same—to indicate that it is his wish to bring to a head in some way this public debate that has been going on now for quite a number of years in western Canada, and very seriously over the last two years, and bring it to the floor of the House of Commons. It remains to be seen, of course, what form it will take. There is a suggestion that it could take the form of a commission that would, shall we say, publicize the suggested policy and ask for input from all concerned. We will take it from there and probably see the government bring in an appropriate piece of legislation. This is not going to happen overnight, of course. It is going to take several years. After all, the problem has been with us now for four generations.

I know my friend from Regina West (Mr. Benjamin) is not happy with what I am saying, but I hope he at least recognizes that I have a personal interest in this and I am very sincere about it.

Mr. Benjamin: I am just trying to get you to change your mind.

Mr. Hargrave: It is a litle late, that is all I can say.

Mr. Benjamin: It is never too late.

Mr. Hargrave: I want to say that we just cannot possibly envisage the whole grain system in the prairies of western Canada operating without free access to an open feed grains market.

• (1750)

On a related matter I want to draw the attention of this House—this is the first time I have been able to do so although I have raised the matter in the Standing Committee on Agriculture—to what has been termed a joint press release from advisory committees dated at Ottawa, October 23, 1980. It is on the stationery of the Canadian Livestock Feed Board, and I will read briefly from it. This is a statement which followed a joint meeting here in Ottawa at about the time of this release, October 23. No doubt it was a day or two earlier. The two groups which were meeting were the Canadian Livestock Feed Board advisory committee, which is a board appointed by the Minister of Agriculture, and the advisory board to the Canadian Wheat Board, an elected board which is now a very important part of our western grain economy. Those two boards got together here in Ottawa and put out a release which referred three or four times to a unanimous agreement reached by the two boards. They key one is at the bottom of the fist page, and I will read it into the record as follows:

> Both committees unanimously rejected any system whereby the supply of domestic feed grains would be totally within the domain of the private trade. It was felt that such a system would be detrimental to the interests of both grain and livestock producers throughout Canada.

Mr. Benjamin: Hear, hear!

Mr. Hargrave: It is utter rubbish to suggest that those two boards could sit down together and issue a statement saying that they were unanimous. I do not know how the circumstances came about, but immediately afterwards at least four of the members of the advisory board to the Canadian Wheat Board denied very vehemently that there was any substance to this. Two of them are from Manitoba and two are from Alberta, and they were elected representatives. They put out their own statement about it immediately afterward.

At that particular meeting of the two boards two ministers were reported to have been involved in at least part of their deliberations. Those ministers were the Minister of Agriculture and the minister of state responsible for the Canadian Wheat Board. Some of us in the Standing Committee on Agriculture did have an opportunity to question the Minister of Agriculture about his involvement.

The issue was raised by three or four of us from this side of the House. The minister denied that he had any specific input into the preparation of this joint press release. He did so rather vigorously, and I would say that those from our side pressed our point equally as vigourously. In the end the minister went on record—when the minutes are finally printed we will find this reference—as saying that the only thing he was dead sure of was that he was for orderly marketing. He repeated that several times. I am saying, I suppose rather tactfully, that the minister was somewhat embarrassed. The Minister of Agriculture was somewhat embarrassed to be involved in a statement on government stationery belonging to the Canadian Livestock Feed Board.

I do not propose to speak much longer, but I want to place on the record the importance of the feeding industry in western Canada. I refer to feed for both cattle and hogs. If I may digress for a moment, I would like to say something about our hog industry, especially in Alberta. It was not too many years ago when the hog industry in Alberta was the largest in Canada by province. We had the largest hog population, and it was a thriving industry.

Then when the higher price for barley and the surplus grain era came along, that hog industry rather suddenly diminished, and at first glance it appeared that it was taken over by the province of Quebec. There is reason for assuming that things happened that way, but in reality we in western Canada lost our large hog industry, especially in Alberta, not to Quebec but to the corn belt in the United States, simply because hogs could be produced cheaper there than here, and there is a better climate there. Of course, we have always known that.

While this was going on, the provincial government of Quebec introduced a rich subsidy program to encourage hog production and feeding in that province. This eventually paid off to the extent that either in the current year almost ending, or next year the largest hog producer in Canada will, I am

sure, be the province of Quebec. This is essentially because of the subsidy program.

The basic reason hogs were a casualty in the west was the unsatisfactory pricing system for domestic feed grains. That is why, when this great debate moves into Parliament, we have to address ourselves to it so completely. Surely the farmers themselves, both the producers of feed grains and their customers, cattle feeders and hog feeders, must make the decision themselves.

They are prepared to do that now after many, many years of discussion especially of the Crowsnest Pass freight rate and to a lesser degree the domestic feed grain pricing policy, both being hush-hush types of topics. They had never been raised seriously at annual meetings, but that situation has ended. These subjects are now out in the open. They are no longer taboo. We will see them raised here, and rightly so. However, when they are here, let us put on our non-partisan hats. Many members of Parliament will be involved. There are many farmers in western Canada who do not completely understand what is behind the Crowsnest Pass freight rate and what it does to the total agricultural economy and the total Canadian economy. There are many who do not understand, including farmers. That will be the case in this House, and when that situation arises, I will ask hon. members to be patient and to try to learn, understand and give the debate a chance to develop properly. I am sure it will eventually develop all across Canada. Hopefully at some time the committee will travel across Canada either to put a policy to livestock producers and grain growers or to ask their advice preliminary to a policy being established by the government.

Mr. Benjamin: We have done that a dozen times, Bert. Hon. members opposite do not have the guts to do anything. We have had a dozen hearings and heard a dozen submissions.

Mr. Hargrave: In response to my hon. friend, who at one time helped me ship cattle in Walsh, I will say that they will have an opportunity. The government of the day will have an opportunity to face up to this great question. In the meantime I say to hon. members very sincerely that this is not the time to abolish the open market for domestic feed grains.

Mr. Louis R. Desmarais (Parliamentary Secretary to Minister of Labour): Mr. Speaker, in a review of the actual marketing circumstances for each of the major grains enumerated in motion No. 12 I would like to draw the attention of hon. members to the different circumstances and conditions which affect the marketing of each grain. The only valid conclusion that can be drawn is that the board marketing system has already been adopted wherever it has appeared to be in the best interests of producers to do so.

The Acting Speaker (Mr. Blaker): Order, please. I regret to interrupt the hon. member, but the hour provided for the consideration of private members' business has expired, and I do now leave the chair until 8 p.m.

At 6 p.m. the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

JUDGES ACT

MEASURE TO INCREASE SALARIES OF JUDGES

The House resumed consideration of the motion of Mr. Chrétien that Bill C-34, an act to amend the Judges Act and certain other acts in consequence thereof, be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

● (2010)

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I rise this evening to say a few words about a very important bill before the House, that is, Bill C-34 to amend the Judges Act. Hon. members will know that the last time there was a serious debate about the Judges Act was in 1975. They will also know that this bill was introduced, received first reading on June 12, 1980, and that members of the judiciary have expressed considerable concern at the delays which it has encountered in receiving second reading.

As the hon. member for Saskatoon West (Mr. Hnatyshyn) pointed out it is, of course, the responsibility of the government to establish the legislative timetable, and certainly the delay in the tabling of this bill for second reading is one for which we bear no responsibility. We are as concerned as are members of the judiciary that this matter should receive serious study.

Under section 92(14) of the British North America Act, the provinces have jurisdiction over the administration of justice itself. We know that from time to time concerns have been expressed about the inadequacy of the resources which some provinces have allocated to the administration of justice at the provincial level—that they have not been prepared to give this important area the kind of priority that it deserves in Canadian society, with the result that the justice system, both criminal and civil, has suffered. We on this side of the House certainly hope that all provinces will take seriously their responsibility to provide adequate resources in the area of the administration of justice.

But Parliament itself has serious responsibilities toward the federal judiciary. Those responsibilities are established in the terms of the British North America Act, primarly in section 96 which deals with the appointment and supervision of judges, in certain sections which deal with the removal of judges, although fortunately their application has not been necessary in Canada, and in section 100 which sets the terms of compensation and pensions for the federal judiciary. These are serious responsibilities which no member of the House takes lightly. Similarly, it is very important there be no suggestion that these responsibilities under the British North America Act should in some way be foisted off on some special advisory board or on the governor in council without there

being full responsibility of Parliament at least at the final stages. We have no objections to an independent advisory board considering the concerns expressed by the judiciary on compensation and pensions, but ultimately Parliament must take its responsibilities. We will strenuously oppose any suggestion that the cabinet or the governor in council should have sole responsibility for implementing changes to the compensation of the federal judiciary.

We have been fortunate in Canada in having outstanding judiciary. I have only had the privilege of practising for a short time in British Columbia as a member of the Bar, but I stand here and say with pride that we in British Columbia—and I am sure this would be the case in the rest of Canada—have an outstanding judiciary, one of which all members of the bar are very proud. The chief justices of the Supreme Court and the chief justices of British Columbia are men who have very fine records as practitioners. As I say, certainly we are proud of the judiciary in the province of British Columbia, and indeed I know that other members speak with equal pride about the record of the judiciary throughout the country.

The judiciary plays a very important role in Canadian society, a role which is sometimes not given the recognition it should receive. As we know the federal judiciary—and I am speaking now only of the federal judiciary—handles a wide range of issues which concern Canadians including both criminal and civil matters. The federal courts handle matters such as the Income Tax Act, immigration questions and the supervision of various federal tribunals; that particular level of the judiciary is perhaps one of the least understood, yet one of the most important in Canadian society. As we know, Parliament has responsibility for supervising to some extent the compensation levels of judge and appointments to the Federal Court of Canada and ultimately to the pinnacle of our judicial system, the Supreme Court of Canada.

Many Canadian citizens do not appreciate the difficulties involved in being a member of the judiciary. It is important that Canadians respect and understand the vital role which members of the judiciary play in Canadian society. For example, one need only imagine the difficulty involved in properly charging the jury in a complex criminal case, covering every aspect of the charge carefully knowing that every word will be scrutinized by a court of appeal if the decision is appealed. Also one can imagine the great burden which is placed on a judge in considering the difficult and often vexing question of sentencing.

I should like to say a word or two about the whole area of sentencing because it is one of the most important obligations and responsibilities of our federal judiciary. When we talk about sentencing in the criminal justice system, it is fair to say it is absolutely essential that our federal judiciary should have a clear understanding and knowledge of exactly what is involved in the sentences they are imposing. Too many members of the federal judiciary, and indeed of the provincial judiciary, have an inadequate concept of the prison system of the country. I suggest it is incumbent upon any judges in the country whose task includes sentencing convicted criminals, to have the obligation and responsibility to observe at first hand conditions in the Canadian penal system so as to be more aware of the kind of justice they are dispensing, in order to be more aware of the failure, in many respects, of the Canadian prison system, in order that hopefully, in considering appropriate sentences, they might look very carefully at alternatives to imprisonment wherever such alternatives are feasible. Certainly we will welcome the proposals which the Minister of Justice and Minister of State for Social Development (Mr. Chrétien) has promised for some time designed to make the opportunities for alternatives within the criminal sentencing system more appropriate. Those opportunities are presently lacking, but within the present sentencing system I think it is fair to say that our judiciary has not shown the kind of flexibility it should have shown. They must turn so readily to imprisonment but, in appropriate cases, they must consider alternatives such as restitution, the concept of community service, and the concept of fines geared to ability to pay.

Also, our judiciary must look at the concept of fairness in sentencing. I should like to give one example which was raised recently of inequity in sentencing. I know that our judiciary has by and large attempted to apply an even hand in the very difficult process of sentencing, but unfortunately when there are instances such as the one I am about to relate, it tends to bring the entire federal judiciary and its sentencing process into question. I should like to compare the sentencing process in the case of the late Clarence Campbell, on the one hand, and on the other hand, in the case of Jean-Claude Parrot. I quote from a column by Allan Fotheringham who dealt with this question. In the introduction to the comparison of these two cases, he said:

> White-collar crime still pays. If you're going to break the law, for heaven's sake wear your best suit (not to mention your best lawyer) to court. The jails are full of grubby little men who do stupid things. They seldom are overflowing with those who do extremely clever, illegal things. Fiddling with large amounts of money is one thing, but if you really want to stay out of trouble, don't get caught stealing hubcaps.

The column in question went on to point out that Clarence Campbell was found guilty in February of a very serious offence involving an attempt to bribe a member of the other place, a member of the Senate, in return for assistance on a government contract. The trial judge at that time said that this was an affront to the fundamental values of Canadian society which must be denounced in strong terms. Well, what were those strong terms? Mr. Campbell received a token one day in jail and a $25,000 fine. In fact, he served some five hours in jail and the NHL had already raised over $50,000 to assist him with his legal fees.

● (2020)

In contrast, we have the case of Jean-Claude Parrot, leader of the CUPW who led a legal strike of postal workers which started on October 16, 1978. Three days later Parliament passed back-to-work legislation and Parrot, on October 25, sent his people back to work. He and four of his fellow officers were charged under section 115 of the Criminal Code for defying an act of Parliament. The maximum penalty is two years.

Mr. Breau: He did not defy the law.

Mr. Robinson (Burnaby): Keeping in mind the one-day sentence imposed on Clarence Campbell, what was the penalty the trial judge imposed on Jean-Claude Parrot, a man that Chief Justice Gregory Evans of the Ontario Supreme Court called an honest and dedicated man? He was given a sentence of three months in prison. Contrast that with one day to Clarence Campbell for attempting to bribe a Liberal Senator. The hon. member in the Liberal benches opposite suggests there was not a violation of the law. If it is not a violation of the law to attempt to bribe a member of the Senate to obtain a favour, I do not know what a violation of the law is.

It is important that the public see clearly there is equity and fairness in the sentencing system in this country. Cases such as the one I have outlined, unfortunately, do not enhance that impression.

The law and our judiciary must be more sensitive and more accessible to the poor and minority groups. The courts must be accessible to all citizens in this country. Recently we have seen cutbacks in legal aid programs, which mean that the old adage about there being one law for the rich and one law for the poor is, unfortunately, a reality in some cases. It must be a fundamental precept of the Canadian criminal justice system that no man or woman in this society should be denied justice, denied their day in court, because they do not have enough money to pay for a lawyer.

Mr. Speaker, we are talking about the Judges Act and about the role of Parliament in dealing with the federal judiciary. We know that as a result of the proposals by the government—proposals with respect to an entrenched charter of rights which we support—the role of the courts will be substantially enhanced. We welcome the principle of an entrenched charter of rights, a charter which says no Parliament and, indeed, no provincial legislature at any given time, can through a transient majority, take away fundamental rights which many Canadians thought they had yet which could be swept away at a moment's notice, as we have seen in this country on too many occasions. We saw it in 1970 with the proclamation of the War Measures Act; we saw it in 1942, and following that the scandalous treatment of Canadians of Japanese origin who were interned and whose property was confiscated. To this day they have not been adequately compensated. We recognize and we support the increased role of the judiciary. In interpreting a charter of the fundamental rights of all Canadians, we recognize there are very serious flaws in the proposal which is presently being studied by the Special Joint Committee on the Constitution. We do accept, as I say, that our judiciary will have a more activist role, a broader role in interpreting this charter of rights.

For example, the very first section of the proposed charter of rights as it is now worded, is a section which is being condemned by every group which has studied it and which has appeared before the constitution committee. This means it will be up to the courts to decide what the appropriate limits are on the fundamental rights and freedoms of Canadians.

Under section 7 of the proposed charter of rights it will be up to our courts to determine what constitutes the principles of "fundamental justice", a new concept in Canadian law. If reasonable amendments are accepted, as we certainly hope the Minister of Justice will see fit do, then important decisions concerning what constitutes unreasonable search and seizure, what constitutes unreasonable denial of fair bail, will be left to the courts to decide—not just the Supreme Court of Canada but the federal judiciary at every level.

Perhaps one of the most important obligations of our federal judiciary under the proposed charter of rights will be that under section 15; to determine whether there has been a violation of the right of all Canadians, men and women, to equality before the law and to the equal protection of the law. The record of our judiciary on the interpretation of the words "equality before the law" is not one of which we can be proud. That is why we in this party will be proposing amendments which are being urged upon the committee by a number of groups and individuals make it clear that when we talk about equality before the law we are not talking about the concept which has been determined by the Supreme Court in this country to be merely one of equality in the administration of the law but, rather, about equality in the law itself. We talk about no Canadian being denied equality before the law on the basis of some unreasonable distinction. As I say, we recognize that in the interpretation of the charter of rights our judiciary will have an increased role. And we welcome the entrenchment of a charter of rights.

But I must say there is another section of the proposed charter of rights which would take away any discretion our courts should have. It is with respect to that section we hope the Minister of Justice will listen carefully to the representations which have been made by many groups. We hope he will listen to amendments which we shall be proposing. What section 26 of the proposed charter does is tie the hands of our federal judiciary and say they have no—

Mr. Deputy Speaker: Order, please. Is the minister rising on a point of order?

Mr. Chrétien: Yes, Mr. Speaker. I would like to ask the hon. member if he has anything to say about the salaries of the judges. He seems to have avoided it since he started his speech. He is dealing with the bill of rights and other matters, to which I have no objection, but I would like to know how his party stands on the pay increase and if he has any intention of voting for it.

Mr. Robinson (Burnaby): I know that members of the judiciary and others will read with great interest the eight-minute speech of the Minister of Justice. If that is all he had to say about the judicial system in this country then I think it is a rather sorry commentary on his understanding, knowledge and recognition of the importance of the judiciary in this country. I intend to take the full 40 minutes which I have been allotted. I hope the Minister of Justice will perhaps give more serious recognition later on in the course of this debate to the role of the federal judiciary and not merely talk for a few

minutes about the salaries and pensions. Mr. Speaker, I will certainly be dealing with those. I am sorry to hear that the federal justice minister, unlike his three immediate predecessors, said not a word about the important role of the judiciary in this country. We on this side of the House recognize that role and respect it.

I was talking about section 26. Since we recognize the importance and competence of our judiciary, I am urging the government to give very serious consideration to permitting a discretion in our judiciary to exclude evidence which has been obtained in a way that would bring the administration of justice into disrepute. Surely, if we are to have confidence in our courts and confidence in the federal judiciary, it is not good enough to say to them they must accept evidence no matter how it is obtained, whether illegally, through the use of force or duress or, the use of illegal search and seizure. It is incumbent upon the government to say, "We trust you. We trust the judiciary to exercise its discretion wisely." Indeed, they should have that discretion. We hope the government will recognize that in dealing with the charter of rights.

We recognize the fundamental and important role of an independent judiciary. There are some 657 federally-appointed judges at all levels in this country. Their job is not an easy one. I would like to quote from some comments made by Judge Learned Hand, the eminent American judge who, in answering the question: What makes a good judge? was quoted as saying that, in interpreting a constitutional document, a judge should:

> —have at least a bowing acquaintance with Acton and Maintland, with Thyucydides, Gibbon and Carlyle, with Homer, Dante, Shakespeare and Milton, with Machiavelli, Montaigne and Rabelais, with Plato, Bacon, Hume and Kant . . . For in such matters everything turns upon the spirit in which he approaches the questions before him.

● (2030)

The role of the federal judiciary is indeed a difficult one. The independence of the judiciary is surely the cornerstone of the Canadian justice system. We must not for a moment tolerate any threat or any incursion into that independence. I am glad to see that the days of telephoning judges by certain members of the cabinet opposite appear to have gone by. The appearance of justice is very, very important, and it is not good enough to suggest that because a certain individual has a position in society or is a cabinet member in a government he or she can pick up a telephone and talk to a judge. We reject that concept.

We say that there must be one law right across the land for all citizens and that no person, no matter how powerful, should ever have special access to judges as was outlined in the case known as the "Judges Affair", the sorry incidents of telephoning judges in our fairly recent past. We say that the independence of the judiciary and the rule of law are cornerstones of our Canadian justice system.

We await with interest the government's response to the question of the rule of law and how it will apply when there have been violations of that law by members of those who are pledged to enforce that law. We wait with interest the outcome of the McDonald commission and with even greater interest the response of this government to the recommendations of that commission.

With regard to the importance of the judiciary, we do not deny there are certain areas which can be updated. In some respects the powers which are given to the judiciary are obsolete. For example, one of the powers of the judiciary which is surely obsolete is its power to cite contempt for what is known as "scandalizing the court". That power is obsolete. Indeed, it had not been used in Canadian society until recently when it was revived in the case of the hon. member for Papineau (Mr. Ouellet)—I hope that he will make some contribution to this debate and give us his thoughts on the independence of the judiciary, perhaps with a particular comment on the role of the Quebec judiciary. We know that this power was used in the case of the editor of a New Brunswick newspaper.

The concept of contempt by scandalizing the court was described at the turn of the century by the British House of Commons as "giving an arbitrary, complete and sweeping power to the judiciary". Indeed, it was dealt with by the judicial committee of the Privy Council which said "contempt of court convictions for scandalizing the court have become obsolete" and "the courts could leave to public opinion, attacks or comments derogatory or scandalous to them". Surely, that power should be removed from the hands of our judiciary, and I am sure the judiciary itself would overwhelmingly welcome that suggestion.

There are other suggestions with respect to updating the role of the federal judiciary. It has been suggested that the descriptions "my Lord" and "my Lady", are outdated and that with equal respect members of the judiciary could be addressed as "Your Honour". There are those who suggest, and I think properly, that the scheduling of our legal calendar leaves something to be desired—that perhaps the summer recess in July and August should be looked at with the idea in mind of rotating vacations, thereby serving Canadians better in the administration of justice.

There are other areas—

Mr. Baker (Nepean-Carleton): How about air conditioning in the courts?

Mr. Robinson (Burnaby): The hon. member for Nepean-Carleton (Mr. Baker) has quite properly pointed out that Ontario courts in many cases are not air conditioned. Naturally, the administration of justice is the responsibility of the Conservative provincial government, and I will be pleased to make representations to that government on behalf of the hon. member. We must also look at the areas of discipline and of continuing education for our federal judiciary. We welcome the establishment of the Canadian Judicial Council in 1971. However, it is argued that there should be some public involvement in the discipline and the continuing education process of our federal judiciary. It is not good enough to have a system whereby judges judge other judges, though that indeed is the system as it now stands.

There are flaws in that system, and I need only point to the example of a recent case involving a distinguished member of the judiciary of the province of British Columbia. Certain allegations were made against that member of the judiciary and, frankly, an investigation should have been carried out. It is not enough to say that because the member of the judiciary resigned from the bench, there was no mechanism whatesoever at that point for reviewing his conduct. Surely, if in the eyes of the public there is to be confidence in our federal judiciary, there must be some way of reviewing the conduct of members of the judiciary in those very rare instances in which there are suggestions of impropriety. It should not be good enough for members of the judiciary simply to resign, thereby effectively cutting off all scrutiny.

It was noted with some interest—and I must say this because I believe it is relevant—that the judge in question had sat and, indeed, delivered judgment in a case in which the whole area of prostitution was front and centre. The issue in the case in which this particular individual rendered judgment was whether or not a customer of a prostitute could be charged under the Criminal Code. Surely, in view of the allegations against that particular member of the judiciary, there should have been a full and complete investigation.

Of course, we have a fine judiciary in this country. We have come a long way from the days when, as was suggested in one Ontario appeal court, all that was necessary was for counsel to appear before the court of appeal and to indicate that he was appealing from the judgment of Mr. Justice "X" for the court of appeal to say, "Thank you very much, Mr. Solicitor; do you have any other grounds for your appeal?" And he would get no further. Fortunately, these days are in the past.

With that brief introduction, I would like to turn now to some of the specific clauses of Bill C-34. One of the three major areas covered is provision for some 20 additional judges throughout the country. The other two provide for substantial salary increases for the federal judiciary and changes to the pension provisions. I will not comment on the provisions for an increased number of judges throughout this country, except to say that I believe it was Tommy Douglas who welcomed similar provisions in 1975 by saying that "at least with the appointment of these additional judges, there will not be as many lawyers in Canada!" I say that as a lawyer and intending no disrespect to my fellow lawyers.

Mr. Baker (Nepean-Carleton): You intended no humour, either!

Mr. Robinson (Burnaby): Certainly, we have no objection to this reasonable response to the concerns of provincial attorneys general that there should be additional judges in their jurisdictions. However, in the area of appointments there are a number of aspects which could be raised. We have serious concern about the rather incestuous nature of the present consultation process with the Canadian Bar Association through a special committee which consults with the minister of justice. A member of that committee, of all men, may pick up the phone and, often on the basis of hearsay evidence, make a recommendation to the minister of justice. Surely, that should not be the only vetting process for the federal judiciary, that this kind of hear-say evidence can be accepted.

We suggest that the process be broadened—that some type of independent commission be statutorily entrenched to ensure that the sweeping powers of the minister of justice in appointing judges are exercised carefully. For example, such a statute could specify that an adequate number of women be appointed to the federal judiciary. If there is one area which stands out above all others in the area of appointments, it is the abject failure of governments, both Conservative and Liberal, to appoint women as members of the federal judiciary. Not one woman has been appointed a judge by the Conservative party since confederation, although the Conservative party had an opportunity to do so in the last Parliament. No women judges have been appointed by that party in its entire history. At the moment there are 20 women who sit as federal judges. In Canada's history, 21 women have been appointed to the federal bench and 20 of the 21 women still sit on the federal bench.

• (2040)

Mr. Baker (Nepean-Carleton): How many did the NDP appoint?

Mr. Robinson (Burnaby): We know that the NDP appointments are coming soon.

Some hon. Members: Oh, oh!

Mr. Robinson (Burnaby): The excuse has been there were not enough women in the legal profession, but that is no longer the case. The number of women practising law and distinguishing themselves in that practice is now much greater. I challenge the Minister of Justice to give this House a commitment that the next Supreme Court of Canada justice he appoints will be a woman. Surely that is not an unreasonable request to make. I note that the newly elected President of the United States has made a similar promise. However, I must say there are some of us on this side of the House who are sending vitamin pills to members of the United States Supreme Court, urging them to maintain their health, at least for the next four years. Surely it is incumbent and long overdue for this Minister of Justice to make a clear commitment that the next Supreme Court of Canada justice to be appointed by him will be a woman, and that he will appoint more women to the federal judiciary.

In the past we have seen too many examples of political patronage as the basis for appointments. There have been some recent examples, but I will not dwell on those.

Mr. Baker (Nepean-Carleton): Go ahead.

Mr. Robinson (Burnaby): I know that all members of this House hope that this will be a thing of the past.

The hon. member for Nepean-Carleton has suggested that I go ahead. I will not, for example, give the example of the Supreme Court of Canada justice who was appointed by the Conservative party and who just happened to be a Conservative candidate in the province of Quebec. I will not give the example of a former Liberal member of Parliament who was appointed to the federal court bench in 1978 to make way for the present hon. member for Lincoln (Mr. Mackasey), who, unfortunately, ran third that year. I do not have to give the example of the hon. member from Nova Scotia who was appointed to the provincial court bench because a deal was made. He said quite openly that a deal was made between himself and the Liberal government of the day because he was not appointed Speaker of this House. I do not have to give specific examples.

An hon. Member: Are they good judges?

Mr. Robinson (Burnaby): The minister responsible for amateur sport will know of the example about which I am talking. Political patronage should play no part in the appointment of judges in this country. Hopefully those days have come and gone.

I would like to turn to the question of salaries.

Mr. Chrétien: Mr. Speaker, I rise on a point of order. This matter involves an official of this House who served it very well. He was appointed to the bench, not by the federal government, but by the provincial government of Nova Scotia. For the hon. member to impute motives of wheeling and dealing is inappropriate. I think the hon. member should refrain from casting doubt on people who have served this House and have served as judges honourably in the last few years.

Mr. Robinson (Burnaby): Mr. Speaker, I must quote from the letter sent by a former member from the province of Nova Scotia. He said, referring to the Liberal government:

> The government, however, felt an obligation to me, and I understand tried to carry it out then with a judicial appointment. Mr. Stanfield felt, and I agreed, that I should serve at least a part of my term. Time, one might say, marched on. I am now advised that the provincial government—

I believe that was the provincial government headed by the Minister of Labour (Mr. Regan). The letter continues:

> —will authorize my appointment as a provincial judge, which carries out the understanding reached in 1974. I have decided to accept the same since, essentially, that has been my position since 1974.

Mr. Lynch, wrote the column in which the letter appeared. He asked:

> If we were permitted to question the learned judge, we would ask: What 'understanding'? What 'position'? What 'principle'?

There is no question but that it was a deal. As I have said, hopefully those days are past.

Mr. Regan: Mr. Speaker, I rise on a point of order. I was premier of the province of Nova Scotia as the time the Conservative member Robert McCleave, a very able and respected member, was appointed a provincial judge in Nova Scotia. I do not know how the NDP runs a government, but the cabinet of the government of Nova Scotia at that time decided on the appointment of Mr. McCleave based upon his abilities and the respect which the people of Nova Scotia had for him. His appointment was not based on any federal government considerations.

Mr. Deputy Speaker: Order, please. It appears that we are entering into a debate, and I invite hon. members to respond in the normal way.

Mr. Baker (Nepean-Carleton): Mr. Speaker, I listened quietly to what the hon. member for Burnaby (Mr. Robinson) said. What he said is most unfair and wrong. He was wrong, as has been pointed out by the Minister of Labour (Mr. Regan), at least with respect to His Honour Judge McCleave. When Judge McCleave was a member here he was appointed Deputy Speaker of this House of Commons by a party which does not bear the label that Judge McCleave wore when he was fortunate enough to be among those who could defend themselves in this House.

Second, I think this is a place of free debate, but it is a free debate with some discretion.

Mr. Deputy Speaker: Order, please. With all due respect to the hon. members who have spoken, this may be difficult to accept as ordered. It appears there is a very substantial difference of opinion. I would hope hon. members in the course of debate would respond, but the hon. member for Burnaby (Mr. Robinson) does have the floor. He will, of course, take responsibility for his own remarks.

Mr. Robinson (Burnaby): Mr. Speaker, I see that my time is drawing to a close. I want to refer to two other aspects of this bill which give us serious concern. I will deal with the first briefly. It concerns the question of proposed salaries for judges.

Naturally we recognize that Parliament has the responsibility to set salaries which are fair and just. They must reflect the seriousness with which we take the federal judiciary and we must recognize also that often there is a considerable financial sacrifice involved in accepting an appointment to the federal bench. However, our party will be elaborating on this point in committee. But the proposed salary increases go far beyond those recommended even by the independent Dorfman commission and the Canadian Bar Association itself. We should be looking at narrowing the income gap not widening it. While recognizing the importance of a fairly and adequately paid judiciary, we will be expressing concern in committee about the levels of the proposed increases.

Next is the question of the proposed pension provisions under this bill. They are nothing short of scandalous. The Minister of Justice came before us in the fall of 1975 and said

then, as President of the Privy Council, that it was time members of the federal judiciary at least contributed to their own pensions. He brought in a bill requiring that contributions be made by the federal judiciary to their pensions. That bill was effective December 20, 1975. The same minister now comes before the House and suggests that contributions should no longer be made by the federal judiciary to their pension plan but that we should refund with interest all of the contributions made so far. Surely that is an unacceptable provision. Surely members of the federal judiciary have the same responsibilities of citizenship as do all other Canadians. They pay taxes. It is not unreasonable to ask the federal judiciary to contribute to their pension plan in the same way as other Canadian citizens do, and as members of Parliament do.

We urge the government to reconsider this particular clause of the bill, a provision not even asked for by the Canadian Bar Association.

● (2050)

I conclude by saying once again that we recognize the importance of an independent judiciary as being the cornerstone of the Canadian judicial system. We recognize the importance of the rule of law, the strength and vitality of the Canadian federal judiciary. We hope that after examination in committee we will ultimately come up with a better bill, a bill of which all members of this House, all members of the judiciary and the legal profession can indeed be proud.

Mr. MacKay: Will the hon. member permit a question?

Mr. Deputy Speaker: The hon. member's time has expired. The question may be accepted only with unanimous consent. Is that agreed?

Some hon. Members: Agreed.

Mr. MacKay: Mr. Speaker, I came into the House as the hon. member was speaking. I want to say in passing that I commend him on some of his remarks with regard to sentencing and so on. However, there is one remark that I wonder if he researched. I understood him to refer to the "late" Clarence Campbell. I wonder if he is aware of what he said. As far as I know, Clarence Campbell is still alive.

Mr. Baker (Nepean-Carleton): That is more than you say about the member.

Mr. MacKay: While I am not one of his greatest fans, keeping in mind the way he treated Don Gallinger, Billy Taylor, Maurice Richard and his former friend and partner Andy Anton, I would like to think he is still around in order to continue some of the judicial proceedings in which he is embroiled. I wonder if the hon. member can tell me whether Clarence Campbell has really expired.

Mr. Robinson (Burnaby): Mr. Speaker, I do believe that my reports of his death are greatly exaggerated.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I would have hoped the hon. member for Burnaby (Mr. Robinson) would have concentrated on this bill, which contains many provisions, rather than engaging the House in what I, as a lawyer with some 30 years standing, can only characterize as gutter-depth denigration of the legal profession. He reminds me of one of those who always walks along and at intersections looks for horse dung, cigarette butts and chewing gum wrappers. That is about the level of what is found there.

Mr. Robinson (Burnaby): On a point of order, Mr. Speaker. Surely there are some standards in this House with respect to the kind of language which can be used against hon. members. I would hope that those standards would be adhered to.

Mr. Deputy Speaker: The Chair is paying careful attention as to parliamentary and unparliamentary remarks and has detected nothing so far that can be considered unparliamentary.

Mr. Lambert: The hon. member will learn. This bill is much more important than the government seems to imply when it asks this House to accept it and possibly to consider all of the implications. I am not concerned about what the judiciary is going to do with regard to a new constitution. That is a lot of tripe in this debate, but very important in another debate.

What we have to consider here is a proposal to increase the number of judges in certain provinces and to note that some of the provinces have moved away from a district and superior court level. New Brunswick and Alberta have merged the courts in their provinces and Saskatchewan is about to do the same. There is a proposal to increase the salaries of judges at all levels. I want to take hon. members through those implications because not only do they tie in at the level of federally appointed judges, but many provincial departments of justice and solicitors general have more or less tied the salary scales of provincial judges to the federal scale.

We then come to the pension provisions which were referred to by the previous speaker and the hon. member for Saskatoon West (Mr. Hnatyshyn). I had hoped the hon. member for Burnaby would have spent more time looking at the practical effects of salary increases and used a little of the basic mathematics to which he might have been exposed during his educational career. He would have realized just what salary levels are projected in this bill.

I also want to talk about non-contributory pensions. I wish the Minister of Justice (Mr. Chrétien) were in his place at this moment. I recall the many remonstrations I made to him prior to 1975 to have judicial pensions made contributory. In 1975 I had hoped this was being done in the spirit that henceforth all members of the judiciary, regardless of when appointed, would make suitable pensions contributions as provided for in the bill. But that was not the case. The "weasel" interpretation was made that judges appointed after February 15, 1975, would be asked to contribute the standard 6 per cent of their salary toward a pension scheme. All others would continue at their non-contributory basic level. All they paid was a margin to take into account future indexing. I will deal with that in a little while.

I invite hon. members to read Bill C-34. They will see at what levels of salary they are and where the judges are to be. I

want to read from the Parliamentary Newsletter of the Commonwealth Parliamentary Association of October 23, 1980. Hon. members will see how this is handled in the United States. I quote:

> U.S. Senators voted by 78 to 13 to reject the planned 9.1 per cent pay increase to top civil servants on grounds of economy. It was reported, however, that the real reason for the decision was that Congressmen were determined that senior officials and judges should not earn more than they earn. The Senate majority leader, Mr. Robert Byrd, gave this reason frankly. The basic salaries of Congressmen are currently frozen at $68,662 a year.

That is where they are. Hon. members in this House are paid in the $30,000 range, with an expense allowance. When I came to this House in 1957, my salary was at the level of a district court judge. Today that individual is paid $50,000. It is proposed to pay him an additional $15,000 effective April 1, 1980. In other words, from the $30,000 that a member of Parliament earns, the spread to a county court judge is $65,000. It beggars description and cries out for some investigation as to how this spread has arisen. One of the important elements highlighted by this particular bill is the haphazard way in which senior salaries are fixed. There is a statute, the Senate and House of Commons Act, which sets the salary levels for members of Parliament, ministers of the Crown and members of the other House. There are the order in council people appointed at the behest of the Prime Minister (Mr. Trudeau). They are guided by certain recommendations presumably from an independent advisory body, but that does not necessarily apply. There have been some glaring examples of omissions and capricious changes as a result of Privy Council appointments and payments. Then there are, from the same advisory body, salaries at the senior executive level in the public service. We know, for instance, that under the top Privy Council appointment the limit for a DM-3 or possibly a DM-4 is in the $88,000 a year range. There may be one, two or three such individuals in the Public Service of Canada. That is considerably more than the Prime Minister of the country is paid. That in itself is an unacceptable anomaly. Regardless of the personality of the Prime Minister, the position is such that it is the prime position and that is where the prime salary should be. Then we have a series of fixed salaries in Crown corporations which compete partially with industry—and I must say they are poor competitors. For instance, there are the banks, insurance companies and trust companies. See what we pay to the governor of the Bank of Canada who is supposed to be the first, above all bankers.

● (2100)

An hon. Member: Does he get to take home samples?

Mr. Lambert: He is paid only maybe a third or a quarter of what some other heads of banks are paid. The Federal Business Development Bank president is way underpaid which affects the salary scale all the way down into mid-management. That corporation spends its time training credit officers who are then siphoned off into various parts of industry which pay better. Frankly, it is not fair. Then we have the judges, whose salaries are fixed by statute. This statute is a limper as to time. The situation is most unfair to the judges who depend upon the hazards of the parliamentary calendar to have their salaries adjusted. In this particular bill two annual increases are included, but they are all going to fall in with the other increases in one year. As a matter of fact, at the present rate of progress it could be that both of them will fall into the year 1981 with the other increases. So, the judges will be hit just that much harder, possibly on income tax, although at their level most judges at their marginal rate would be at the top 47 per cent on a good portion of their salaries.

Dealing with, shall we say, the middle court, I will read salaries now provided. The current salaries in effect since April 1, 1978, are as follows: in the Supreme Court of Canada, the Chief Justice, $72,000; puisne judges, $67,000 each; in the Federal Court of Canada, the chief justice and the associate chief justice, $62,000 each. These are basic salaries. There are some adjustments and representational increments of up to about $3,000 for various positions. Other judges in the federal court, $57,000. In the superior courts of a province, the chief justice and associate chief justice, $62,000; other judges, $57,000. The judges of the Supreme Court of the Yukon Territories and the Supreme Court of the Northwest Territories, $57,000 each. The last level of federally appointed judges, the chief judge and the associate chief judge of the county and district courts, $55,000, and other judges, $50,000.

This bill proposes to increase the salaries for the years 1979 and 1980. The Chief Justice of Canada will receive an increase of $8,000 a year for a total of $16,000 bringing him to a level of $88,000 on the passage of this bill. The puisne judges will get a total of $81,000 because their present levels are $67,000 and they will get total increases of $14,000. The salary of the chief justice of the federal court will go to $76,000 and those of the other judges will rise from $57,000 to $70,000, such as the superior court judges in all of the provinces. The salaries of district court judges will rise to $50,000 plus $15,000. In other words, they will go to $65,000. I have made a tabular list but unfortunately, as I immediately noticed, I made one mechanical error in the Supreme Court calculation: I am short by about $13,000, but I might point out that an appointment of 15 years is the minimum required for a vesting of pension.

In this act the wording is "shall", the governor in council shall grant a pension to a member of the judiciary after 15 years of service. If hon. members turn to clause 16 of the bill, they will read the conditions under which a judge, having reached age 65 with 15 years of service, may retire. There are other provisions and then a condition whereby a judge, having reached retirement age after ten years of service, may get a full pension. Then there are proportional pensions.

● (2110)

I will not say that I am a mathematical genius, but on the basis of my calculations—and it may be that I am slightly out—some of my friends appointed to the Court of Queen's Bench division in the province of Alberta will receive salaries as of this year of $70,000. There is a formula in the bill which says that salaries of judges shall be increased annually by the lesser of 7 per cent or the average of industrial wage increases

in the country. That is the formula which is applied to the salaries of members of Parliament. The only difference is that members of Parliament started on a base of $24,000, whereas judges of the Court of Queen's Bench start on the formula at $70,000. Let me assure hon. members that the results are dramatic. At the end of ten years, in 1990, the judge who is appointed this year will be drawing down $138,923 per annum. In 1995 when he will have completed his 15 years so as to draw a pension, his salary will be $194,844. Those poor men and women!

Pension entitlement shall be two-thirds of salary on retirement, and two-thirds of $194,844, comes to the small and measly sum of $129,950 retirement pension in 1995, and in some cases it will be 1990.

That is for those men and women being appointed today who will serve their time. That is for the Court of Queen's Bench division, which is the middle range of court levels.

I now refer to Supreme Court justices. Their finishing salaries will be somewhere around $215,000 in 1995. According to my figures, in ten years the salary increase under this formula of 7 per cent compounded without any of the rest provided for in the bill—because there is a sweetener in the bill which does not apply in the case of anyone else—is 198.4 per cent, and in 15 years it is a mere 278 per cent.

I wish the Minister of Justice or his parliamentary secretary were here to defend those figures. Judges have to be paid well, but outside, possibly, of some of the senior positions in the country such as chief justices and Supreme Court of Canada justices many judicial offices are filled by men who sought them because they cannot—and refuse to—put up with the hassle of private practice. I know many of my contemporaries and men who are perhaps ten years younger than I are going to provincial solicitors general and asking to be appointed provincial court judges. They are senior partners in good and medium-range law firms.

They are men who earn $75,000 or $80,000 per year without the bat of an eye, but they will not put up with constant hassles with junior partners who want to become millionaires or aspiring millionaires in the first five years of practice, who want to cut corners and who are not prepared to abide by the standards which have developed in the practice of law after years of experience. Many of these men in my home province have told me that that is why they want to seek the peace and honour of the bench.

If I am to be a county court judge, I start out this year at $65,000, and with the indexing formula of 7 per cent—even if it is not reviewed by commissions every three years to be upgraded in order to meet increases in the cost of living, which does not apply in the case of members of Parliament—in ten years' time I shall be earning $128,900. True enough, we do not know what the value of the dollar will be at that time but, by God, where are the rest of the people going to be? The government has laid down this yardstick for the future. This is where this bill is important: It is a yardstick for salaries of senior public servants because, if we look further at the bill, we see that the Auditor General is tied into this particular salary schedule with the Chief Justice of the Supreme Court of Canada.

The salary of the Commissioner of Official Languages is tied into this bill as is the salary of the Chief Electoral Officer. In committee I will find out—and I hope hon. members will help me find out—about their pensions. Will theirs be non-contributory as well?

I come now to the last indecency in this bill. It is proposed that all contributions made by judges since 1975 shall be reimbursed, and any contributions made by any judges who since 1975 have died shall be repaid to their estates. That is only fair if we accept the principle of repayment, but on this question of contribution or non-contribution with respect to pensions, judges are the only ones in the public service whose pension schemes were non-contributory. This was brought in in 1975, effective February 15, as I have said before, but why was contribution not applied to all judges then occupying their positions? Certainly in the fluxion of time there would have been some windfall gains for a few of them, just as we accepted windfall gains when we created the Canada Pension Plan. A number of people did not contribute the nine years as required for full contributions, but if my memory serves me correctly, any person having reached the age of 64 at the time of the act's coming into effect, or something akin to that, would after five years be entitled to full benefits. So there was a windfall gain—a small one.

We accept that because no scheme can provide that all persons shall pay the same amount and receive the same benefits. That is what should have happened in the case of the Judges Act. Now they have come around, I am told, and have convinced the bureaucrats, who have convinced the Minister of Justice, that they should not pay. That is wrong. Some are paying in and some are not. Every last one of them should pay in, and we will find out on an actuarial basis just what the equivalent of that non-contributory pension is. I have made statements before and I make statements—

• (2120)

Mr. Robinson (Burnaby): Mr. Speaker, I rise on a point of order. I wonder whether the hon. member would permit a brief question on the subject?

Mr. Lambert: Yes, a question, not a statement.

Mr. Robinson (Burnaby): The hon. member has referred, I think quite properly, to the scandalous situation of non-contributory pension plans and the refunds of the contributions proposed in the bill before us. I wonder if the hon. member would explain then why it is that the previous minister of justice in the Conservative government proposed exactly that in a letter dated December 20, 1979, to members of the federal judiciary. Why is it that the hon. member's own government proposed exactly the same scheme as that to which he now objects so bitterly?

Mr. Lambert: Well, Mr. Speaker, to justify the hon. member, who is a great nit-picker, and also the hon. member for Vancouver-Kingsway (Mr. Waddell)—those swashbuckling legal twins from Vancouver—I will say that that letter was written *per incuriam* by the members of this caucus. I will say it quite flatly: I have opposed this matter from the beginning, and I am opposing it now—

Some hon. Members: Hear, hear!

Mr. Lambert: —because I want to ask hon. members too, in case they have not done their homework, how much does anyone consider should be paid to an honourable judge in the Queen's Bench Commission who concludes his career on a salary of $194,844, plus or minus several hundreds of dollars, to yield to him a pension of $129,000 per annum after 15 years' purchase with a 50 per cent survival benefit of $65,000 for his widow or, in the event that the judge is a woman, for her male survivor? I have made statements in the House and I do not think I am far wrong, that in order to achieve that same pension level, a judge would have to be paid $194,000 in his final year and he would be paid 100 per cent more on his scale of salary to yield to him tax-paid dollars which would buy that 15-year purchase annuities contract. Remember this: income tax is at 47 per cent. If anyone should think that it will be easy to buy a contract yielding $129,000 per annum to be indexed on the basis of the scales provided in this act with that escalating formula, he has another think coming. I have asked actuaries about the situation and they have thrown up their hands and said the conditions are too variable. True enough, a man may serve 30 years and therefore the benefits for pension purposes are much less per annum because he can purchase a longer contract.

This bill provides a mare's nest of problems. It points up the illogicality of the ad hoc system we have of setting salaries of senior public servants in this country. I am not denying that a competent judge is not worth $70,000 a year or, in the case of the Chief Justice of Canada or the puisne judges of the Supreme Court, that they are worth their salary, but I will deny most vehemently, that members of Parliament, many of whom are the intellectual and other equals of these judges, members who work a lot longer hours and have no security of tenure, are overpaid. I say they are paid a relative pittance. I am one of them, but I have had almost 25 years here. There are few of us here who can speak out like this. It is a crying shame and there is a scrambling of values that is quite wrong. I can go into various areas and pick up some more inconsistencies.

This brings me to my last point because, having diagnosed an ill, I want to prescribe a remedy. I have brought this forward before, in an adjournment debate in July, and I have set down a private member's motion to this effect; I hope it will get a chance to be debated.

As sure as God made little apples, I will go after this in committee and I will ensure that the Minister of Justice explains this non-contributory pension scheme and the figures I have given as a result of the escalation clause. One has to say, "Just a minute, how silly can we be!" I want to propose to hon. members that we consider the practice followed by our Australian friends. Remember, we do not have a blueprint here on the best possible procedures in Parliament. We think we have some pretty good things around here, but on this one we have to take a seat way back, not the rumble seat but a seat somewhere in the fifth vehicle in tow behind our Australian friends. They have a remuneration review tribunal provided for in an act which came into effect in either 1972 or 1973. I commend it to members of the House for its fairness. A commission of three people is set up, independent of government, before whom the government is only an interested party. The rules say the chairman shall be a legal person but not a judge appointed by the federal government. He or she shall be a state-appointed judicial officer, and the other two persons shall be also divorced from government service. No former member of Parliament or senator can be a member of the commission, except after seven years of continuous absence from elected office. Once a year the commission announces publicly that it will hear representations with regard to the salaries from the prime minister down through all the ministry, members of the house of representatives in Australia, the senate, senior public servants, heads of governments board and agencies, and the judiciary. If the government wants to put brakes on salary increases, it appears before the board or the tribunal. In any event, within a fixed time the tribunal must make its report—I think it is within 15 days, but perhaps it is within 30 days of the report having been tabled in Parliament. Unless 50 per cent of the members of the house shall have signed a motion rejecting the report, the report becomes effective.

• (2130)

That is the type of fairness which must be present in every city in every province. Many members of the House have sat on municipal bodies and have had their skins flailed by editorial comments concerning the pay scales of city aldermen and mayors; they have withstood a lot of abuse. The same applies at the provincial level to a lesser degree, but the favourite kicking boys in newspaper columns and other areas are federal members of Parliament. These self-same commentators do not look at their empire-building reports which are filed and before which they all kneel down and prostrate themselves in worship. All these reports do is pile on the agony with more controllers at higher levels of pay. It just packs together the bureaucracy. That is why we have expensive inefficient government in Canada, and that is why we have government controlled by bureaucrats rather than being controlled by Parliament. I say with great regret but with great advisement that is the situation we face in Canada.

I do not like this bill. It is not because of the increases in the salaries of judges or their general salary level, but I do not want to see a formula which will take off like a rocket within the next 15 years, nor a pension scheme such as the one proposed. If members opposite think that they can sell it to the public, let them try. I think judges should be paid well and

that they should enjoy a comfortable pension on retirement, but we should not provide a financial trough which makes the English Channel look like a mere brook. Unfortunately in my view that is what this formula will provide.

I am glad to see the bill because I think it is one more reason why the government and the House must move toward a sensible remuneration review tribunal which is independent of government and independent of the influence of individual members and sectors of the public service. We are all working hard for the country, but by God, we are not paid the same way.

Some hon. Members: Hear, hear!

Mr. David Kilgour (Edmonton-Strathcona): Mr. Speaker, I should like to speak against the contribution aspect of the pension plan and in favour of part of the proposed salary increases. But before doing so, let me suggest that this debate shows what an absolute farce Parliament has become. The Minister of Justice and Minister of State for Social Development (Mr. Chrétien) who is on his way out of the chamber—

Mr. Chrétien: Mr. Speaker, I rise on a point of order. I am not leaving the chamber. I am in my place. Surely I am allowed to stand.

Mr. Kilgour: Mr. Speaker, does the Minister of Justice or I have the floor?

The Acting Speaker (Mr. Blaker): Frankly I have some difficulty being sure. If I do not see the hon. minister rising to his feet again, I will continue to recognize the hon. member for Edmonton-Strathcona (Mr. Kilgour).

Mr. Kilgour: There are virtually a million unemployed Canadians, inflation is running at more than 10 per cent per year, two-thirds of the persons over age 65 in Canada have incomes of less than $5,000, the Prime Minister (Mr. Trudeau) is going through a checklist on how to disunite the country, most particularly in the west, and what are we doing?

We are discussing whether or not we should increase the salaries of judges. I should like to give a few figures. The present salary of the Chief Justice of the Supreme Court of Canada is $72,000. Now we must add $8,000 and another $7,000.

Mr. Evans: And what is the total?

Mr. Kilgour: It will increase his salary from $72,000 to $80,000—

Mr. Chrétien: How many oilmen in the province of Alberta make more money than the Chief Justice of the Supreme Court of Canada?

Mr. Kilgour: We are also discussing increasing the $55,000 per year salaries of county court judges by $8,000 and $7,500.

Mr. Chrétien: You are irresponsible.

Mr. Kilgour: The Minister of Justice is heckling from his seat as usual. He knows that if the people of Canada could listen to this sort of nonsense, they would vote each and every one of the members of this Parliament out of office in the next election; they would know how we are using the public time at this point.

Mr. Kaplan: Then why are you holding up the debate?

Mr. Chrétien: Mr. Speaker, I rise on another point of order. Let me state very clearly that the proposition in front of the House was presented to judges in a letter of the former minister of justice, Mr. Flynn.

Mr. Lawrence: But it was not approved by government.

Mr. Chrétien: It was sent at the beginning of the year and with the approval of cabinet. When I hear an hon. member from a province in which there are people with $100 million in the bank making a fuss, because we want to give decent salaries to the very good judiciary of Canada, and making derogatory reference to the Chief Justice of the Supreme Court of Canada, I think it is clear demagogy and acute irresponsibility on the part of members like the one who is on his feet right now.

Some hon. Members: Hear, hear!

Mr. Kilgour: I should like to inform the Minister of Justice that when my ancestor was the chief justice of the province of Manitoba in 1938, he was earning a salary of $5,000 a year and he had to stay on in that role because there was no pension at all. To make a statement indicating that there is someone in Alberta with $100 million in the bank is so much an argument *ad hominem* that I do not know how to grapple with it. I have maintained since I came here that anyone in the House who has taken a course in logic is under a great disadvantage, and the Minister of Justice continues to reinforce that opinion.

Some hon. Members: Hear, hear!

Mr. Kilgour: I see that my time is running out—

Mr. Chrétien: You are filibustering.

Mr. Kilgour: I should like to deal with one aspect of the bill at this time, the question of the pensions of judges as compared to those of public servants. Public servants contribute 6.4 per cent of their salaries to pension plans, with the federal government paying 9.5 per cent. Under the provisions of this bill, judges will pay 1 per cent of their salaries, and these contributions are only paper indexing. How in the name of anything that makes any sense do judges get such special treatment? Of course there is no answer; we will discuss it in committee.

Turning to the area of retirement benefits, a judge can obtain a two-thirds pension after as little as ten years of service. Public servants receive pensions of 70 per cent of their average salary over the last six years of employment after 35

years. To obtain a two-thirds pension, they would be required to work approximately 33 years. Both pensions are indexed to the rate of inflation, and there is no fund for the pensions of judges. It is creating a new class of people, those who are judges. Judges do not have to pay in anything like what they take out because they are considered by our so-called democrats on the opposite side of the House to be special people who should not have to do what everybody else must do.

● (2140)

I see my time is quickly running out. I would like to deal with a couple of other aspects with respect to judges' pensions. To obtain a two-thirds pension a judge need serve only 15 years, or in some instances, ten years. As I just mentioned, public servants, members of the armed forces or members of the RCMP would have to serve 33 years to receive a two-thirds pension. In other words, a judge is something special. A poor mounted policeman who goes out and risks his life 24 hours a day must work 33 years to get the same benefits—

Mr. Chrétien: A fallacy!

Mr. Kilgour: It happens to be the truth. I dare say it is important to appreciate the difference. As I mentioned, judges contributed 1 per cent for their indexation—

Mr. Chrétien: Following the lead of Jacques Flynn.

Mr. Kilgour: Mr. Speaker, I appreciate the Minister of Justice has been lobbied by the lawyers of the Canadian Bar Association. Two-thirds of the people in this House read the *National*, which comes out once a month, and which has a new article every time saying that the poor judges are underpaid.

Mr. Robinson (Burnaby): On a point of order, Mr. Speaker. The hon. member is aware that this very important bill has been awaited for some time by the federal judiciary. I wonder if he is prepared to draw his remarks to a close very quickly in order that this matter might be studied in committee rather than needlessly prolonging the debate on this important bill.

Some hon. Members: Hear, hear!

Mr. Kilgour: The hon. member for Burnaby (Mr. Robinson) has, I believe, been a practising member of the Bar for a total of only ten months. Is that not right?

An hon. Member: So what?

Mr. Kilgour: I appreciate the cost of living in British Columbia is quite high. Since I have the undivided attention of members opposite—

Mr. Chrétien: You would honour yourself by sitting down!

Mr. Waddell: Mr. Speaker, I wonder if the hon. member would permit a question.

Mr. Baker (Nepean-Carleton): When he has finished his speech.

Mr. Kilgour: I know the hon. member for Vancouver-Kingsway (Mr. Waddell) is anxious to hear about the Casgrain report.

That report made the following recommendations:

1. Judges' salaries should be fixed by the governor in council after consultation with an advisory committee constituted for that purpose.

2. While awaiting the establishment of the advisory committee the Judges' Act should be amended to provide for an increase of at least $5,000 in each of the years 1979 and 1980.

3. The $3,000 allowance paid to judges since June 1, 1971, should be converted to a non-taxable allowance.

4. Pension contributions should be virtually eliminated and the discrimination between payments made by "old" and "new" judges should be eliminated retroactively.

5. The gap between salaries of Superior Court judges and those of district and county courts should be eliminated progressively.

I quite agree with that last point. I will now deal with the Dorfman report which recommended:

1. Salary increases of $3,500 to be effective April 1, 1979, and same amount on April 1, 1980.

2. A non-taxable allowance of $1,000 for expenditures on textbooks, law reports, court office.

I would again remind the hon. Minister of Justice that to my knowledge there is not one judge's library in any of the four provinces in which I have practised law which is not perfectly adequately shelved with books.

The Dorfman report also made these recommendations:

3. That the Judges' Act be amended effective February 17, 1975, to require contributions to supplementary benefits retirement only (1 per cent of salary).

4. Gradual reduction of differential between salaries of Superior Court judges and called for special allowance for judges of Supreme Court of Yukon and N.W.T.

5. Recognized the need for a more flexible procedure to fix judges' salaries.

Mr. Speaker, are you ruling that it is now 9.45?

The Acting Speaker (Mr. Blaker): Yes.

Mr. Kilgour: Then may I claim the floor next time?

Mr. Chrétien: Shame on you!

* * *

● (2150)

POINT OF ORDER

TABLING OF DOCUMENTS—INCLUSION AS APPENDIX TO "HANSARD"

The Acting Speaker (Mr. Blaker): As hon. members are aware it is now appropriate to call for the deferred division. First, though, I would request the kindly co-operation of hon. members in the House in assisting me to clear up a technical and procedural problem. If I may have a moment of your time I will explain it. With the unanimous consent of hon. members it can then be disposed of.

Standing Order 41(1) and (2) provides that only a minister or parliamentary secretary may table documents with respect to the department for which they are responsible. Earlier in

the day, before private members' hour, arrangements were made through the Parliamentary Secretary to the President of the Privy Council (Mr. Collenette), the House leader for the Conservative party, as well as the House leader for the New Democratic Party, to put through, in all remaining stages, bills S-13 and S-14. The arrangements provided for the tabling of certain documents related to those bills; they were to be tabled by the Parliamentary Secretary to the Minister of State for Trade (Mr. Lachance) in due course, when they were available to him.

The difficulty, very simply, is that all the precedents of this House indicate that private members may not table documents. One could take the view that unanimous consent is adequate to overcome that problem. One could equally take the view that the Chair is responsible for upholding the precedents which have existed throughout the years. In order to avoid any confusion on that score, and in order to avoid creating difficulties for the future, perhaps the best way to proceed is to suggest that with the consent of those involved, including the already-given consent of the parliamentary secretary, rather than tabling the documents they would be appended to *Hansard* on the day on which the parliamenatry secretary is prepared to put these documents before the House.

If there is unanimous consent to this course, then we can proceed in that fashion and the procedural difficulty will be cleared up.

Mr. Baker (Nepean-Carleton): There was an arrangement made and some of us would be surprised tonight to learn about that long list of precedents. There are some of us who feel the House of Commons is empowered to declare a man to be a woman and a woman to be a man. But I guess that is not so.

The anxiety of the member for York-Peel (Mr. Stevens) was that there be a public record with respect to the undertakings given by the parliamentary secretary. I suspect that publication in the manner suggested, that is, by way of appendix to *Hansard*, would be appropriate. I think that was also in the mind of the hon. member for Winnipeg North Centre (Mr. Knowles), although he is not present now. If that is agreeable to the Parliamentary Secretary to the President of the Privy Council we could agree on this now, leaving open the right of the hon. member for Winnipeg North Centre to disagree at some later time, if he wishes. I think he will be agreeable.

Mr. Collenette: Mr. Speaker, I wish to concur in the remarks just made by the hon. member for Nepean-Carleton (Mr. Baker) and with what Your Honour has proposed. I did discuss this point with the hon. member for Burnaby (Mr. Robinson), in the absence of the hon. member for Winnipeg North Centre (Mr. Knowles), and I understand that the New Democratic Party members will agree. This is just a housekeeping matter.

The Acting Speaker (Mr. Blaker): It is so agreed. So that there may be no difficulty in misinterpretation, when the parliamentary secretary has the documents ready, the Chair will accept them and have them appended to *Hansard*.

PETROLEUM ADMINISTRATION ACT

PETITION TO REVOKE PROCLAMATION

Mr. Ian Waddell (Vancouver-Kingsway) moved:

That the proclamation laid before the House on Wednesday, November 12, 1980, pursuant to subsection 52(3) of the Petroleum Administration Act, as proclaimed in PC 1980-2915, be revoked.

The Acting Speaker (Mr. Blaker): Pursuant to order made Friday, November 21, 1980, the House will now proceed to the taking of the deferred division on the motion (Mr. Waddell).

Call in the members.

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

• (2200)

(Division No. 36)

YEAS

Messrs.

Althouse	Hamilton (Qu'Appelle-Moose Mountain)	Neil
Andre	Hargrave	Nickerson
Anguish	Hawkes	Nielsen
Baker (Nepean-Carleton)	Hees	Orlikow
Beatty	Hovdebo	Paproski
Benjamin	Howie	Parker
Blaikie	Huntington	Patterson
Blenkarn	Ittinuar	Rae
Cardiff	Jarvis	Reid (St. Catharines)
Clarke (Vancouver Quadra)	Keeper	Riis
Cook	Kempling	Robinson (Burnaby)
Cooper	Kilgour	Sargeant
Crombie	Knowles	Schellenberger
Crosby (Halifax West)	Lambert	Scott (Victoria-Haliburton)
Crouse	Lawrence	Shields
Dantzer	MacKay	Siddon
Darling	Malone	Speyer
Deans	Mayer	Stevens
de Jong	Mazankowski	Taylor
Dinsdale	McCuish	Thacker
Domm	McGrath	Thomson
Elzinga	McKenzie	Towers
Forrestall	McKinnon	Vankoughnet
Fraser	McKnight	Waddell
Fretz	McMillan	Wenman
Gass	Miller	Wilson
Gilchrist	Mitchell (Mrs.)	Wise
Greenaway	Munro (Esquimalt-Saanich)	Wright
Gurbin	Murta	Young
Halliday		Yurko—89.

NAYS

Messrs.

Allmand	Bloomfield	Collenette
Appolloni (Mrs.)	Bockstael	Comtois
Axworthy	Bossy	Corbin
Bachand	Breau	Corriveau
Baker (Gander-Twillingate)	Bujold	Cosgrove
Beauchamp-Niquet (Mrs.)	Bussières	Cousineau
Bégin (Miss)	Campbell (Miss) (South West Nova)	Cullen
Berger	Campbell (LaSalle)	Cyr
Blais	Chénier	Dawson
Blaker	Chrétien	de Corneille
		Demers
		Deniger
		Desmarais

Messrs.

Dingwall
Dion
Dionne (Chicoutimi)
Dionne (Northumberland-Miramichi)
Dupras
Duquet
Erola (Mrs.)
Ethier
Evans
Ferguson
Fisher
Fleming
Flis
Foster
Francis
Frith
Garant
Gauthier
Gendron
Gimaïel
Gingras
Gourd
Guilbault
Harquail
Henderson
Herbert
Hervieux-Payette (Mrs.)
Hopkins
Hudecki
Irwin
Isabelle
Johnston
Joyal
Kaplan
Kelly
Killens (Mrs.)
Lachance
Lajoie
Lalonde
Lamontagne
Landers
Lang
Laniel
Lapierre
Lapointe (Charlevoix)
Lapointe (Beauce)
LeBlanc
Leduc
Lefebvre
Loiselle
Lonsdale
Lumley
MacBain
MacEachen
MacGuigan
Mackasey
MacLaren
MacLellan
Malépart
Maltais
Massé
Masters
McRae
Munro (Hamilton East)
Nicholson (Miss)
Ouellet
Parent

Messrs.

Pepin
Peterson
Pinard
Portelance
Prud'homme
Regan
Reid (Kenora-Rainy River)
Roberts
Robinson (Etobicoke-Lakeshore)
Rompkey
Rooney
Roy
Savard
Schroder
Smith
Stollery
Tessier
Tobin
Tousignant
Trudeau
Turner
Veillette
Watson
Weatherhead
Whelan—125.

[*Translation*]

Madam Speaker: I declare the motion lost.

The decision just rendered by the House also disposes of motion No. 4 in the name of the hon. member for Etobicoke Centre (Mr. Wilson).

It being 10.15 I do now leave the chair until two o'clock tomorrow afternoon, pursuant to Standing Order 2(1).

At 10.16 p.m., the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Tuesday, December 2, 1980

The House met at 2 p.m.

• (1405)

ROUTINE PROCEEDINGS

[*English*]

DISASTERS

MOOSE JAW, SASK.—ASSISTANCE TO BUSINESSES AFFECTED BY FIRE—MOTION UNDER S.O. 43

Mr. Doug Neil (Moose Jaw): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. In view of yesterday's disastrous fire in the city of Moose Jaw which caused millions of dollars of property damage and resulted in the loss of the jobs of several hundred persons, I move, seconded by the hon. member for Saskatoon West (Mr. Hnatyshyn):

That the minister in charge of manpower and the minister in charge of DREE take immediate steps to have representatives of their departments meet with officials of the city and of the province to consider what steps may be taken to assist the city and the businesses affected by the fire.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Madam Speaker: Is it the pleasure of the House to adopt the motion?

Some hon. Members: Agreed.

Motion agreed to.

* * *

ENVIRONMENTAL AFFAIRS

CHEMICAL POLLUTION OF ONTARIO LAKES—MOTION UNDER S.O. 43

Mr. Tom McMillan (Hillsborough): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. Canadian scientists have revealed today that dioxin TCDD, one of the deadliest man-made chemicals in the world, has been found throughout Lake Ontario and in other lakes in Ontario from which millions of Canadians derive their drinking water and obtain fish. Dioxin is known to promote cancer and cause severe birth defects among humans. I move, seconded by the hon. member for Bruce-Grey (Mr. Gurbin):

That this House call upon the Minister of the Environment to make without delay a statement on motions in the House of Commons detailing what the government intends to do to deal with the crisis, since the minister's statement to the media today said little more than that he is having the matter investigated.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

EXTERNAL AFFAIRS

POLAND—ABSTENTION BY NEIGHBOURING STATES FROM MILITARY OR PROVOCATIVE ACTIONS—MOTION UNDER S.O. 43

Mr. Edward Broadbent (Oshawa): Madam Speaker, considering that Poland is an autonomous state which is currently undergoing severe internal tension, I move, seconded by the hon. member for Winnipeg-Birds Hill (Mr. Blaikie):

That this House strongly urges all other states in the region to refrain completely from military or other provocative actions which could be seen as intimidation by the people of Poland and which could break peaceful relations beyond the borders of Poland itself.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Madam Speaker: Is it the pleasure of the House to adopt the motion?

Some hon. Members: Agreed.

Motion agreed to.

* * *

HEALTH CARE

TREATMENT OF DIABETES—CONTRIBUTIONS OF WORLDWIDE DIABETIC INFORMATION SERVICE—MOTION UNDER S.O. 43

Mr. Jim Peterson (Willowdale): Madam Speaker, I rise pursuant to the provisions of Standing Order 43 to move a motion which I hope will receive the unanimous consent of the House. Whereas insulin was discovered by two distinguished and dedicated Canadians, Sir Frederick Banting and Dr. Charles Best, whereas this discovery and ongoing research into the treatment of diabetes have relieved suffering and saved the lives of millions of people around the world, and whereas the Worldwide Diabetic Information Service, which has its head-

quarters in Canada, is celebrating in 1981 the diamond jubilee year of the discovery of insulin, I move, seconded by the hon. member for Crowfoot (Mr. Malone):

That this House express its gratitude to the Worldwide Diabetic Information Service for its outstanding contributions to humanity.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1410)

CANADIAN NATIONAL RAILWAYS

CN EXPRESS OFFICE CLOSURES—APPEAL BY WORKERS TO CTC—MOTION UNDER S.O. 43

Mr. Lloyd R. Crouse (South Shore): Madam Speaker, I rise under the provisions of Standing Order 43 to propose a motion of urgent and pressing necessity. In light of the statement on the weekend by the hon. member for Gloucester (Mr. Breau) to workers affected by proposed reductions in CN express service to the effect that they should appeal before the Canadian Transport Commission against the plan on the grounds that a needed service was being withdrawn, I move, seconded by the hon. member for Halifax West (Mr. Crosby):

That the Minister of Transport instruct the Canadian Transport Commission to hear such an appeal at the earliest opportunity and that he further instruct Canadian National to reinstate any service already withdrawn and suspend any further cutbacks until the Canadian Transport Commission renders a decision.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

IMMIGRATION

GUARDIANSHIP FOR ORPHANS OF ITALIAN EARTHQUAKE—MOTION UNDER S.O. 43

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, I rise on a matter which I feel is of urgent importance, and I hope that members of the House will share my concern. Many Canadian families have expressed concern for the children who have been rendered orphans as a result of the earthquake in Italy, and many families have indicated a willingness to provide shelter and care for those children. Therefore I move, seconded by the hon. member for Beaches (Mr. Young):

That the federal Minister of Employment and Immigration and the Minister of National Health and Welfare, in addition to programs already in place, move immediately to provide the opportunity for Canadian families to assume legal guardianship for children orphaned by the disastrous earthquake in Italy and that a representative of the federal government, in co-operation with any provincial jurisdiction that wishes to become involved, and with the Italian government, begin the process of offering these children an opportunity here in Canada.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

THE CONSTITUTION

PATRIATION—CALL FOR CONDEMNATION OF LEADER OF NEW DEMOCRATIC PARTY—MOTION UNDER S.O. 43

Mr. Dan McKenzie (Winnipeg-Assiniboine): Madam Speaker, I rise under the provisions of Standing Order 43. Over the weekend it was reported that the leader of the NDP had stated in Vancouver that the leader of the Conservative party was against repatriation of our constitution. Given the fact that on October 22, 1980, the leader of our party introduced a motion calling for the immediate repatriation of the BNA Act so that all other constitutional changes be made in Canada by Canadians, I move, seconded by the hon. member for Yukon (Mr. Nielsen):

That this House condemn the leader of the NDP for deliberately misleading those present at the B.C. labour convention and the Canadian public, and condemn him and his party for failing to vote for repatriation.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

IMMIGRATION

ITALIAN EARTHQUAKE VICTIMS—PROPOSED ESTABLISHMENT OF RECEPTION CENTRES IN CANADA—MOTION UNDER S.O. 43

Mr. Gordon Gilchrist (Scarborough East): Madam Speaker, I too rise under the provisions of Standing Order 43 on a matter of urgent, pressing and, I hope, compassionate necessity. In light of the statement last Wednesday by the Minister of Employment and Immigration that he had instructed our embassy in Rome to process immediately applications for immigrant status from people in the Italian provinces affected by the recent disastrous earthquake, and that his department is working with the Department of National Health and Welfare and the RCMP to waive requirements for the normal medical and security checks which can later be conducted in Canada, I move, seconded by the hon. member for Burlington (Mr. Kempling):

That, in addition to any special arrangements made in Italy, special reception centres be immediately established in Canada along the lines of those provided for the Vietnamese refugees last year where medical and administrative require-

ments can be conducted as thoroughly and as quickly as possible, so that these victims of disaster may start their new lives in Canada as soon as possible.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

FINANCE

INCREASES IN INTEREST RATES—EFFECT ON INDUSTRY AND SMALL BUSINESS

Hon. Sinclair Stevens (York-Peel): Madam Speaker, my question is for the Minister of Industry, Trade and Commerce. Can the minister indicate to the House whether he has noted that corporate bond interest rates are now over 14 per cent compared to less than 12 per cent a year ago, that conventional mortgages are now nearly 16 per cent compared to about 13 per cent a year ago; and if he has noticed these rather sensational increases, would he indicate whether he feels this is the way to reinvigorate our industry and, in particular, help small businessmen in this country?

• (1415)

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, I have noted since the Bank of Canada adopted a floating rate system shortly after the government changed that for most of the period, or at least a substantial part of that period, interest rates were considerably below what they were when the Conservative government was in office.

Some hon. Members: Oh, oh!

Mr. Gray: I am sure the Minister of Finance is as interested as I in the comments of my hon. friend. We are watching the situation carefully.

Mr. Stevens: Madam Speaker, my supplementary question is directed to the Minister of Industry, Trade and Commerce who appears to feel that it is government policy to raise interest rates with, presumably, the intention of lowering them. As we have gone twice through the sequence of rising interest rates in the country, and since in a televised interview on February 10 the minister said he would resign from a government which could not reduce interest rates, would he indicate why he is hesitating to resign? He is in a government where rising interest rates have occurred twice, yet we see him still holding his post.

An hon. Member: He has no credibility.

Mr. Gray: Madam Speaker, interest rates in fact came down after the government changed, and I think that is a very positive development.

Some hon. Members: Oh, oh!

Mr. Gray: With respect to the other part of the hon. member's question, he should bear in mind that the budget presented by the Minister of Finance contains an extension of the life of the Small Business Development Bond. I hope he will continue to support this initiative, which is very important to small business in dealing with the interest rate situation.

Mr. Stevens: Madam Speaker, again my question is directed to the Minister of Industry, Trade and Commerce. Has the minister noticed, as was published yesterday, that in the month of November auto, truck and steel output was down rather dramatically, in some cases as much as 20 per cent, compared to the previous year, urban completions were down approximately 20 per cent, and newsprint production was down? All of these things have occurred since the minister became Minister of Industry, Trade and Commerce. Would he indicate to the House what has gone wrong? Why have they occurred since he became minister? In addition, of course, the dollar is down to the 83-cent range now compared to over 87 cents; or in case he missed that, is he simply agreeing with his predecessor, Mr. Horner, that even 83 cents is a long way from zero?

Mr. Gray: Madam Speaker, my immediate predecessor was Senator de Cotret. I know what happened when Canadians examined the work of the government of which he was a part, so I intend to follow a more constructive course of action.

Some hon. Members: Hear, hear!

Mr. Gray: Also I have noticed that real output in manufacturing increased sharply in September of this year. This increase, compared with the previous period, is the second consecutive increase since July. I think it confirms that real output in manufacturing has bottomed out, and I think that is a very important and positive development. I have also noticed the record positive balance on trade, which certainly is a very great improvement over the situation when my hon. friend's government was in office.

DECREASE IN VALUE OF DOLLAR—GOVERNMENT POSITION

Hon. John C. Crosbie (St. John's West): Madam Speaker, my supplementary question is directed to the Minister of Industry, Trade and Commerce who has now been minister for nine months. He has done nothing but jawbone; he has not delivered one thing in his nine months in office.

Mr. Trudeau: Order, order.

Mr. Crosbie: We now have a Canadian dollar below 84 cents American. A year ago, on October 30, the minister told the House of Commons Standing Committee on Finance, Trade and Economic Affairs the following:

I don't think that allowing the dollar to have some downward adjustment would do as much harm to our economy as our present high level of interest rates.

The Bank of Canada rate then was 14 per cent; today it is 13.95 per cent or five one-hundredths lower; it has been up to 16.2 per cent under the minister's administration. Would the minister tell the House if it is the government's policy to carry out the minister's words, to have some more downward adjustment on the dollar, or does he consider that it would do more harm than the present high interest rates and that, therefore, interest rates should go higher? What is his choice now that he is in a position of responsibility and not just jawboning to the public?

● (1420)

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, I am afraid the hon. member has overlooked a number of constructive achievements since the government changed. For example, he has overlooked the $3 billion industrial offset program connected with the new fighter aircraft contract, something which created some 6,000 jobs directly and some 20,000 to 24,000 jobs indirectly over the life of the contract. He has overlooked the implementation of the electronics development program. One of the grants from that program is creating 1,000 jobs in a company based in the Ottawa area. He has overlooked the special remission program with respect to the front-end loader industry, something that will create 1,200 jobs.

I could go on and give further examples, but I think the hon. member should concentrate on these positive achievements and not simply try to raise questions, as he has, that do not deal in a constructive way with the efforts we are making to strengthen the Canadian economy and provide more jobs for Canadian workers.

Some hon. Members: Hear, hear!

Mr. Crosbie: Madam Speaker, my supplementary question is for the "Terror of FIRA". I would like the minister to answer my question. Last fall he said that allowing the dollar to have some downward adjustment would not do as much harm to our economy as the present high level of interest rates. The level of interest rates right now is as high as, or higher than, when he made the statement last fall, but our international reserves are at their lowest level since February of 1970, down $210 million in November. Is the minister's policy now, or are his instructions to his colleague, the silent Minister of Finance, that the dollar should be allowed further downward adjustment, or is his advice that the economy would suffer less damage if interest rates go up? What is it to be? What is his advice now that he is in a position to decide—the "Terror of FIRA"?

Mr. Gray: Madam Speaker, if the hon. member was really serious, especially about being worried about the silence of the Minister of Finance, he would ask him that question since it is he who speaks for the government in this important area of policy.

Some hon. Members: Oh, oh!

ENERGY

TAR SANDS PROJECTS—INQUIRY RESPECTING PLANS TO BENEFIT NATIVE PEOPLE

Mr. Ian Waddell (Vancouver-Kingsway): Madam Speaker, my question is for the Minister of Energy, Mines and Resources. It concerns native matters and energy development. I think the minister is aware that there are many native people in the midst of the development of the tar sands. I have before me a letter from Mr. Eric Shirt, who is the treasurer of the Indian Association of Alberta. The letter is to Premier Lougheed and is dated June 25, 1980. The premier never responded to that letter. I will not go into the letter in great detail, but it is a litany of the fact that the native people in Alberta have not benefited from the economic boom there.

My question to the minister is this: What plans, if any, does the Government of Canada have with respect to dealing with the tar sands projects and with the government of Alberta over the tar sands projects to ensure that native people benefit from the great boom which will come about when those projects eventually get under way?

Mr. Malone: A bill of rights to kill affirmative action.

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I had the opportunity yesterday to read the letter to which the hon. member has referred. It is a very sad letter indeed. It tells much about the fate of the Indians living on Alberta reservations at the present time.

Mr. Clark: Tell us about James Bay.

Mr. Lalonde: The Leader of the Opposition asks me to talk about James Bay. I remind him that the James Bay Indians have had a first-rate settlement with the Government of Canada and the government of Quebec, and they are happy with it.

Mr. Clark: They were abandoned by their government. Mr. Chrétien ran away from his responsibilities.

Mr. Lalonde: I regret that the Premier of Alberta does not appear to have answered that letter. I have raised this issue with my colleague in meetings we had during the course of the summer. I have had meetings with the Indian groups concerned also in the last few months. I expect to see them again this week to discuss this issue further while their representatives are in Ottawa.

It is difficult to know what exact arrangements will be possible. I have raised this matter with Imperial Oil, which is the main promoter of Cold Lake, and they have indicated they are willing to consider participation by the Indians in the project. Obviously it would require the full co-operation of the two governments in order to achieve this particular purpose.

● (1425)

I would remind my hon. friend that under the project put forward by Nova and Petro-Canada, Petro-Canada has indicated quite clearly that it is willing to set aside shares for

Indians to participate in such a project, and we are fully behind this action.

Mr. Waddell: Madam Speaker, when one reads the letter with regard to what Mr. Shirt has said about Indian mortality being four times higher than the provincial average, native people in alcohol treatment institutions and the lack of economic development on the reserves, one begins to understand what the native people are talking about when they speak of aboriginal rights and what they mean to their future.

The House of Commons Standing Committee on National Resources and Public Works visited the tar sands this summer and made a report to this House. I am surprised that the minister is not familiar with that report, which recommended in items five and six that the federal government "maximize native involvement in the tar sands and . . . the formation of a body involving native, government, corporate and labour interests". The committee further recommended that there be adequate native participation in the development of these resources.

The minister mentioned Petro-Canada and Nova, but there are other projects—the Alsands project, the Cold Lake project, the Imperial Oil project and so on. Will the minister tell this House whether or not he is in agreement with the unanimous recommendations of the Standing Committee on National Resources and Public Works?

Mr. Lalonde: I would be quite willing to try to set up such a committee, but obviously, once more, if the government of Alberta would not wish to co-operate, we would run into very serious difficulties and put in jeopardy the efficacy of such a committee. I am quite willing to look at the recommendations to which my hon. friend has referred. I hope that we will have the support of all other parties concerned in order to set up such a committee.

Mr. Waddell: Madam Speaker, a final supplementary. It is not good enough, in our view, to lay the blame on the provincial government or for the provincial government to lay the blame on the federal government. The minister gave $40 million to Imperial Oil, for which I called him the "$40 million Marc". Is the minister prepared to consider giving some money to the native people in the area of the tar sands with the same speed which he gave money to Imperial Oil, so that these people can prepare for future involvement in the tar sands projects?

Mr. Lalonde: Madam Speaker, I remind the hon. member that the money which has been advanced to Imperial Oil was in order to keep the project alive. If the project is not kept alive, the Indians would have nothing in which to participate even if they wished to. It is very important to put it into perspective and to realize that the first condition to any Indian participation is that the project proceed. And before that can happen, as my hon. friend knows, we need the co-operation of the government of Alberta. It is not a question of attributing blame; it is a question of making sure that all parties concerned will take the necessary steps to ensure that the project proceeds.

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WESTERN DEVELOPMENT FUND

ASSISTANCE TO INDIAN ECONOMIC DEVELOPMENT

Hon. Warren Allmand (Notre-Dame-de-Grâce): Madam Speaker, I direct my supplementary question to the Minister of Employment and Immigration, who is responsible for the western development fund. Considering the deplorable economic and social conditions which prevail among Canadian Indians in the west, including Alberta, and the fact that those Alberta Indians do not benefit at all from the Alberta heritage fund, would the minister indicate whether any of the $4 billion in the western development fund which was announced in the budget will be allocated to assist Indian economic development in the west?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, as the hon. member knows, the development of that western initiative is being considered at the present time by cabinet. Once a series of options have been developed, we intend to have discussions with provincial government officials and different interest groups in western Canada. Economic development for native people in western Canada is being examined and, considering the tremendous wealth being generated from our resources, I personally think it would make good sense to recycle much of that revenue to help those people in western Canada who need help the most, namely, the native people.

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INDUSTRY

INCENTIVES TO IMPROVE PRODUCTIVITY

Hon. George Hees (Northumberland): Madam Speaker, I have a question for the Minister of Industry, Trade and Commerce. More than a month ago I asked the minister if he would give serious consideration to introducing productivity incentives, to be paid in direct proportion to increases in industrial productivity, as a means of correcting the very serious drop in productivity which has taken place in Canada this year, a drop from an average increase of 4 per cent to a decrease of 3 per cent. The minister said he would give this matter serious consideration. Would he now advise the House of the result of that consideration, and can we expect him to announce a program of industrial incentives to be introduced in the very near future?

• (1430)

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, we are continuing our work on this. As I said when I answered my hon. friend a few weeks ago, this matter is worthy of serious consideration. When we are

ready to announce any decisions, my hon. friend will be among the first to know about them.

Mr. Hees: Madam Speaker, I am very glad to hear the minister is moving on this matter, but would he give serious consideration to moving quite a bit faster? Although he is making some move, I must advise him that the efficiency and effectiveness of his department is today still far below what it was in the golden era.

Some hon. Members: Oh, oh!

An hon. Member: Is that the Glenn Miller era?

Mr. Gray: Madam Speaker, I am not sure whether my hon. friend is referring to the era when the member for Ottawa-Carleton was the minister. Certainly the concept which the hon. member has mentioned is worthy of serious study, and that is what we are doing.

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RESEARCH AND DEVELOPMENT

INQUIRY RESPECTING PROPOSED DISBURSEMENT OF FUNDS

Mr. Gordon Gilchrist (Scarborough East): Madam Speaker, my question is also for the Minister of Industry, Trade and Commerce. Whenever we remind the government of the gross inadequacies of research spending these days, we are told by his colleague, the Minister of State for Science and Technology, about the Mitels, the Canadairs, the jets and all the other things being developed by government research spending, and I think that makes the case for us. The only problem is that enough is not being done in this field. Many times the minister has alluded to soon to be unveiled plans for research spending and for industrial growth in this country to build on the unique Canadian resource base. Would the minister stand in his place and tell us specifically what programs he has in mind now? We saw nothing about that in the budget. I would like to know exactly on what he will be spending research money. What specific projects will this entail, and what specific products will be generated?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, I hope to be in a position to make specific announcements in these areas before too many weeks pass. I hope my hon. friend has checked his desire for greater spending with the new industry critic. I do not want to have any further intraparty conflicts on this score, because I am happy to have his support for the kinds of initiatives he is talking about.

Mr. Gilchrist: Madam Speaker, the only difference is that we do not consider that to be spending; that is investing in legitimate job creation.

Some hon. Members: Hear, hear!

Mr. Gilchrist: And that is quite different from spending on unemployment insurance. In the light of the badly sagging economy, I would think the minister would be more attentive to that—

An hon. Member: Question.

Mr. Gilchrist: —and that after 14 years of government, he would have an industrial plan.

Some hon. Members: Oh, oh!

Mr. Paproski: Listen and you will get the question.

Mr. Gilchrist: What is the minister's long-range strategy on which business can build and plan its long-range strategies for job creation and wealth generation in Canada?

Mr. Lalonde: It must be their stimulative deficit.

Mr. Gray: Madam Speaker, we will be making specific program announcements in the coming weeks. Our basic approach is to strengthen innovation in the country, to strengthen our export capacity and to build up our own domestic manufacturing base. I hope, too, to have the support of my hon. friend in a serious way for our initiatives as we bring them forward.

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ROYAL CANADIAN MOUNTED POLICE

INVESTIGATION OF ACTIVITIES OF NOVA SCOTIA MINISTER

Mr. Bob Rae (Broadview-Greenwood): Madam Speaker, my question is for the Minister of Finance. It concerns the transaction between the minister for economic development in Nova Scotia, Mr. Roland Thornhill, and a number of chartered banks, about which, I believe, the minister is aware. I have given the minister notice of this question.

An RCMP investigation was completed in September of this year. Can the minister tell us whether the Inspector General of Banks has seen the RCMP report? If so, has the Inspector General made a report to the minister as to the contents of it?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, with respect to the hon. member's question, I would advise him that earlier in the year I had an inquiry by letter from an interested citizen in Nova Scotia asking whether there had been any investigation into, or concern expressed regarding, transactions between the bank and the particular minister in the province of Nova Scotia. The Inspector General of Banks advised me that an investigation did take place respecting any impropriety which might have been committed in connection with the provisions of the Bank Act. In pursuit of his investigations, he had sought interviews with officials in the relevant banks and had concluded that, in so far as the Bank Act was concerned, he could not find any impropriety. He made no comment with respect to any other law or convention which may or may not have been affected by this particular investigation.

Mr. Rae: Madam Speaker, I am sure the minister would agree there is a very serious difference between conducting interviews and the kind of investigation carried out by the RCMP, or the kind of investigation which is called for under the terms of the supervision section both of the old Bank Act and the new Bank Act. I would point out to the minister that under the terms of the new Bank Act, which came into force yesterday, he has the power to order the Inspector General to carry out an investigation, and the Inspector General has all the powers of a commissioner under the Inquiries Act. With respect to these transactions, which, in our view, are extremely serious indeed, would the minister agree to order the Inspector General to carry out such an investigation under the terms of the Inquiries Act, and not simply be satisfied with a series of interviews with a number of people who may or may not have been involved?

Mr. MacEachen: Madam Speaker, the Inspector General of Banks himself described his activities as an investigation. Following the conclusion of his investigation, he decided that there had been no impropriety. I have since discussed the matter with the Inspector General of Banks, and since events in the spring he has had no further reason to launch an investigation. The hon. member has indicated that there may have been a police investigation, but I am sure he would be the first to agree that that is not a matter into which the Inspector General of Banks should intrude himself.

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[*Translation*]

AIRPORTS

INCREASE IN PASSENGER TRAFFIC AT MALTON, EDMONTON AND CALGARY

Mr. Robert Gourd (Argenteuil): Madam Speaker, my question is directed to the Minister of Transport. In light of a report published yesterday by Michel Gratton of the newspaper *Le Droit* can the minister confirm that there has been an increase in passenger traffic at the Malton, Edmonton and Calgary airports? Can he also tell us what steps he intends to take to improve conditions at Mirabel, the largest airport in Canada, and make it profitable?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I imagine the hon. member refers to higher landing fees for small planes at the four main airports in Canada. If not, I would ask him to repeat his question—because I did not understand it very well.

Mr. Gourd: Madam Speaker, I did refer the minister to the increase of passenger traffic mentioned in the report written by Michel Gratton of *Le Droit*.

Mr. Pepin: Madam Speaker, that announcement was made in the budget laid down by the Minister of Finance. The announcement made yesterday was only an extension of that decision.

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[*English*]

ENVIRONMENTAL AFFAIRS

STEPS TO CURTAIL USE OF DIOXIN TCDD CHEMICAL

Mr. Tom McMillan (Hillsborough): Madam Speaker, my question is directed to the Minister of the Environment. As he knows, Canadian scientists have today confirmed that dioxin TCDD has been found throughout Lake Ontario and other lakes in Canada from which Canadians derive their drinking water and obtain their fish. Dioxin is one of the deadliest man-made chemicals in the world. It is known to promote cancer and to cause severe birth defects in humans.

• (1440)

Will the Minister of the Environment assure the House that the Government of Canada will take immediate steps, either alone or in concert with the provinces, to have banned all industrial or consumer products containing dioxin? Will the minister also take steps to ensure that the deposit of dioxin in drinking water is outlawed? In addition, will he ensure that the disposal of any industrial waste containing dioxin will be outlawed, as has been done or is being done in the United States? Will he show leadership along the lines of the leadership taken in the United States but not taken in Canada?

Hon. John Roberts (Minister of State for Science and Technology and Minister of the Environment): Yes, Madam Speaker, I can confirm that this morning I did release the scientific findings to which the hon. gentleman has referred. Those findings make it clear that there are traces, although very small quantities, of dioxin in the Great Lakes.

The two sources for the provision of those dioxins are both in the United States. As a result, my colleague the Secretary of State for External Affairs is addressing a note to the United States which is in the final drafting stages and should be sent within the next 48 hours, outlining to the United States the information which we have, drawing it to their attention and asking for a thorough investigation, as well as requesting that they take urgent steps to remedy this situation.

My department is also in touch with other departments of the Canadian government. We are proceeding with our studies to try to isolate more clearly the significance of these findings. We are continuing our own work to try and establish clearly the source points and the consequences of these facts. I have also instructed my department to be in touch with the International Joint Commission so that the information we have is brought to their attention in order that they may issue their advice to both governments of the United States and Canada as to what action should be taken.

Mr. McMillan: Madam Speaker, my supplementary is adressed to the Minister of the Environment and is in connec-

tion with the investigations and examinations the minister is seeking or is sponsoring through his department. Is the minister aware that last month the journal *Science*, one of the most reputable scientific publications in the world, documented that the chemical dioxin, the cancer-causing product that we are talking about, is discharged into the environment from the combustion process of coal-fired power plants. Thermal power plants are one of the sources of dioxin, among others.

In view of those findings, will the minister assure the people of Canada that the government will not proceed with its plans to promote the conversion of electrical plants, in the Atlantic provinces in particular, from oil to high sulphur content coal until Canadian scientists have documented beyond reasonable doubt that those conversions will not increase dioxin discharge in the Atlantic provinces and elsewhere in Canada? Will he assure us that the Government of Canada will not proceed with its off-oil program as outlined in the minister's colleague's budget without a scientific determination that those conversions will not increase dioxin discharge in Canada which cause cancer and can cause very serious birth defects in humans, in addition to other problems?

Mr. Roberts: Madam Speaker, of course I am well aware of the hazards and dangers of that extremely toxic poison, dioxin. I was not aware of the article to which the hon. member referred. I thank him for drawing my attention to it; I will look at it. As has repeatedly been made clear to members of the House, the desirable proposals brought forward in the budget, and supported by my colleague the Minister of Energy, Mines and Resources, for moving to conversion to coal in the Atlantic provinces will proceed only in conformity with the highest standards of environmental protection.

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EXTERNAL AID

ITALIAN EARTHQUAKE—SUGGESTED FORMATION OF EMERGENCY NATO FORCE

Hon. Flora MacDonald (Kingston and the Islands): Madam Speaker, my question is for the Secretary of State for External Affairs and concerns the ongoing tragic events in Italy. I am aware, of course, of the supplies which have been sent from Canadian Forces Base Lahr to Italy. However, the need now seems to be for greater co-ordination and co-operation in the actual earthquake area itself. In that regard, will the minister consider proposing to Canada's partners in NATO that they put together and make available an emergency NATO force which would help out with the logistics, distribution of supplies, reconstruction and other needs in the earthquake area? In the event that this initiative meets with success, will its availability be made known to the overtaxed government of Italy, itself a strong NATO member?

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, I appreciate the intention of the hon. member. I would like to sound out the government of Italy on the acceptability of and necessity for such an offer. They know that we have offered whatever will be useful to them. I think we should go back to them and put it in this larger context to see if such an initiative might be helpful.

SUGGESTED ADOPTION OF ORPHANED CHILDREN

Hon. Flora MacDonald (Kingston and the Islands): I thank the minister for that response. I will pose my supplementary to the Minister of Employment and Immigration. I am sure he knows that many Canadians, both those directly affected by the earthquake tragedy and those who are not, have expressed a great deal of concern about the plight of children orphaned as a result of the earthquake. In connection with the proposals the minister has put forward to provide resettlement places in Canada for those who have been left homeless by the earthquake, has he been in touch with his provincial counterparts to see whether methods can be worked out for the adoption of children who have been orphaned as a result of the earthquake tragedy? If he has not already done that, will he proceed to do so immediately?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): In the first instance, Madam Speaker, we thought that the best we could do was to respond to immediate requirements and ensure that those in Canada who have relatives in the affected areas would be able to have their relatives come to Canada, and that we provide the proper communications system so that they could make contact.

On the question of orphans from the earthquake area, we have had discussions with Italian-Canadian organizations here on that matter. My colleagues the Minister of State for Multiculturalism and the Secretary of State for External Affairs have been talking to the Italian government as well. Therefore, we have that particular question under serious consideration. As soon as those conversations are concluded, we think this is something that it is possible to do. However, we would like to work with the Italian government before we make a final decision.

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AGRICULTURE

DISCONTINUANCE OF BRIDGE FINANCING OF CANFARM

Hon. John Wise (Elgin): Madam Speaker, my question is directed to the Minister of Agriculture. It is with reference to the future of Canfarm. Recently the minister made a unilateral decision in which he discontinued the bridge financing of that corporation. This is the latest example of a broken commitment and broken promise. What is the status of that issue today?

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, the hon. member has the right to say what he thinks is a broken promise. However, we made an agreement with Canfarm that they should have 12,000 members. At the present time they have 5,000. If anybody has broken a com-

mitment to Peter Hannam, an outstanding young man who is the leader of that organization, it is farm organizations and the provinces which refused to participate in any fashion or form to help go along with improving the membership in Canfarm. Not one provincial minister has come forward to say that he thinks it is a good organization. We discussed this in July at the provincial ministers' meeting, and also in Brandon.

We have fulfilled our obligation to them with regard to funds. We have given the limit of the funds up until the present time. We will be meeting with the board of directors later this afternoon to discuss further whether there is any way imaginable it can be kept alive. We have over $4 million in that organization at the present time. It appears we could put a further $4 million into it, but we do not know if it is going to be a success. There must be more participation by the farmers and provincial ministers of agriculture in that organization. It is a good organization. Peter Hannam has given it tremendous leadership, but he does not have the support that he needs, especially from farm organizations and provincial ministers of agriculture.

● (1450)

Mr. Wise: The minister uses his old flam of blaming everyone except himself. Since the moneys required to wind down Canfarm are more than what is required for its survival—$1.5 million versus $1.2 million—would the minister reconsider his decision and, at the very least, make the final payment of some $300,000, which was really the final commitment that we made a year ago, and our commitment that we have fulfilled, of $1.2 million?

Mr. Whelan: All the member was doing while I was away on a short sabbatical was fulfilling the commitments I made to Canfarm. That is all he was doing. We have given them the $300,000. Let him come up to date and make sure he knows what he is talking about before he asks questions or makes accusations.

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THE MONARCHY

RELATIONSHIP TO TREATY INDIANS

Mr. David Kilgour (Edmonton-Strathcona): Madam Speaker, my question is for the Minister of Indian Affairs and Northern Development who is, I see, helping the Brazilian coffee industry and the Niagara tobacco industry at the back of the chamber.

Some hon. Members: Order.

Mr. Kilgour: Madam Speaker, the minister will be aware that the Indian people of Canada feel that they have a special relationship with the Queen of Canada which goes back a great many years. Does the minister feel that the duties of the Queen of Canada to, and the relationship the Queen has with, Indian groups, particularly the treaty groups, continue to exist?

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): Madam Speaker, it is clear to the Indian people, as it is clear to many other Canadians, that the Queen of Canada has a great deal of symbolic value and is an institution that they and the rest of us want to maintain.

Mr. Kilgour: I ask the same question, Madam Speaker. The newspapers reported yesterday that the Governor General has indicated that the people who have come on the constitution express must negotiate with the Government of Canada only, that they may have no dealings, as I understand it, with the Queen of Canada living in Britain. Is that the position of the Government of Canada? If so, does that mean that the head of state in Canada is now the Governor General rather than the Queen of Canada?

Mr. Munro (Hamilton East): Madam Speaker, the hon. member is a member of Parliament for Canada. Surely he is aware of the role of the Governor General and of the Queen of Canada. To be so patronizing as to assume that the Indian people do not seems to me to be rather insulting.

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PENITENTIARIES

DORCHESTER, N.B.—INQUIRY WHEN REPORT ON CONDITIONS WILL BE PRESENTED

Mr. Svend J. Robinson (Burnaby): Madam Speaker, my question is for the Solicitor General. The minister knows that there has been at Dorchester Penitentiary in New Brunswick a very serious history of hostage takings, the tragic death of a prison guard, the suicide of a prisoner, escapes of convicted murderers and allegations of brutality and lawlessness before and after the recent hostage taking. The Canadian public has a right to know the full circumstances surrounding these recent incidents. In view of the fact that on October 14 of this year the Solicitor General promised the House that "I would be prepared, when the facts have been collected by the special inquiry, to make them public in the next few days as soon as I have them"—and that was almost two months ago—when are we finally going to have a full public report, as promised by the minister, on the very serious recent events at Dorchester Penitentiary?

Hon. Bob Kaplan (Solicitor General): Madam Speaker, subsequent to my making that statement, the coroner of the province of New Brunswick indicated that a public inquest would be held. That inquest by this independent official of the New Brunswick government was indeed held. A full statement of facts was made and adduced before the coroner's inquest. I am very glad to tell the House that those public findings by that objective inquiry correspond exactly with the findings that were made by the special inquiry which was held by the inspector general of the correctional service.

Mr. Robinson (Burnaby): Madam Speaker, that answer is completely unacceptable. The minister knows very well—

Some hon. Members: Order, order.

Mr. Robinson (Burnaby): —that the coroner's inquest had the mandate of looking into the causes of death of the prison guard, not of looking into any allegations of brutality, of shootings or any of the other allegations which have been made about Dorchester.

My supplementary question to the Solicitor General is this. The minister knows that the correctional investigator heard very serious allegations made by a number of prisoners of beatings, indiscriminate use of gas, destruction of personal property. Will the minister confirm that a number of these allegations have indeed been substantiated? Will the minister tell the House, in view of the fact that the rule of law does not stop at the prison gate, what disciplinary action or other legal proceedings have been taken against the guards involved in these very serious offences?

Mr. Kaplan: I would want to see the exact allegations that the hon. member is referring to. A number of allegations were made by inmates at Dorchester which I am satisfied were false, because I have seen reports about them. Some kinds of allegations can never be established one way or the other; others are being looked at now by the inspector general. I have not had a report from him on some of them. I will have the report within the next few days. If any of them can be substantiated, appropriate action will be taken.

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PETRO-CANADA

INQUIRY RESPECTING EMPLOYMENT OF OFFICIAL BY DEPARTMENT OF ENERGY, MINES AND RESOURCES

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, my question is addressed to the Minister of Energy, Mines and Resources and has to do with the participation of the senior vice-president for finance of Petro-Canada in the preparation of the budget. I wonder if the minister can amplify his answers of yesterday and tell the House of Commons whether Mr. Joel Bell, the official of the Crown corporation which benefited by the budget, during the period that he was with the Department of Energy, Mines and Resources, was drawing salary or any benefits from Petro-Canada, including the prospect of future re-employment by Petro-Canada?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I have made some inquiries following the question yesterday of the hon. Leader of the Opposition. Mr. Bell was not involved in the preparation of the budget. He was on loan from Petro-Canada to work on the acquisition program of the Government of Canada, and that is part of the energy program. He was on loan as a consultant from Petro-Canada. He continued to receive his salary from Petro-Canada and he worked for my department, in the preparation of the energy program, on the acquisition program of the Government of Canada.

An hon. Member: Which is part of the budget.

Mr. Clark: Madam Speaker, what we have admitted here is that the energy program which was presented as a major part of the budget of Canada was prepared by an official of Petro-Canada, which was the principal beneficiary of that budget, at a time when that official of Petro-Canada was being paid by the Petro-Canada company, which was benefited by the budget he helped prepare. That is a clear conflict of interest—

Mr. Nielsen: Gross.

Mr. Clark: —far more serious than the Walter Gordon transgressions of some 15 to 16 years ago. Since the minister knows that Petro-Canada is involved in several joint ventures with private companies operating in Canada and outside Canada, can he tell the House of Commons whether any of those companies knew that the senior vice-president for finance of their partner Petro-Canada was involved in the preparation of the energy portions of the budget prior to or during the participation by that official of Petro-Canada in the preparation of the budget?

Mr. Lalonde: Madam Speaker, I would like to remind the hon. member that, contrary to the situation when his party was in office, when the office of the minister of energy, the presidency of the party and several other positions were occupied by former employees of Imperial Oil, we consider that Petro-Canada belongs to the people of Canada.

Some hon. Members: Hear, hear!

Mr. Lalonde: We consider that Petro-Canada, as always—and it has been stated quite clearly—is an instrument of policy of the Government of Canada. As far as the role of Mr. Bell is concerned, he was there as a consultant to the Department of Energy, Mines and Resources in the preparation of the acquisition section of the energy program. The program itself was developed by officials of the department and approved by cabinet. The Minister of Finance developed his own budget with the Department of Finance and with his own colleagues. That is the whole story, and I am afraid that the Leader of the Opposition has it all upside down once more.

● (1500)

Mr. Clark: Madam Speaker, I take it now that the position of the government is that the energy program was not a part of the budget. If the energy program was not a part of the budget, why was it presented as part of the budget?

Mr. Lalonde: Madam Speaker, I indicated that Mr. Bell was a consultant to the Department of Energy, Mines and Resources in the preparation of the national energy program, which was made public at the same time as the budget and which my hon. friend has had an opportunity to read.

EXTERNAL AFFAIRS

PASSPORT GUARANTORS—OFFICIAL RECOGNITION OF VETERINARIANS

Mr. Bruce Lonsdale (Timiskaming): Madam Speaker, my question is for the Secretary of State for External Affairs. On Friday last the minister was questioned with respect to the non-recognition of veterinarians as official guarantors for passport applications. Subsequent to that, I and many other members of Parliament inquired of the minister and made representations urging support for the proposition that veterinarians, because of their unique position in the agricultural community and in the rural areas of the country, because of their constant contact with individuals in remote sections of the country and because of their particular position of trust and respect, be officially recognized as official guarantors for passport applications.

Has the minister reconsidered his position, and is he prepared to announce today that veterinarians will indeed be recognized as official guarantors for passport applications?

Mr. Crosbie: The answer is yes.

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, I will repeat what I said last Friday. The list of guarantors for passports is not intended and does not function as a recognition of various professions or businesses, but as a result of the representations made by my hon. friend, the hon. member for Timiskaming, and other hon. members, I have come to the conclusion that it would be appropriate to add veterinarians to the list.

Some hon. Members: Hear, hear!

Mr. Hees: How is that for crow tasting?

Miss MacDonald: You look embarrassed.

Mr. MacGuigan: I am glad to see so many veterinarians in the House!

An hon. Member: They are donkeys on the other side.

Mr. MacGuigan: As I was saying—

Some hon. Members: Oh, oh!

Madam Speaker: Order, please. I did not think veterinarians would cause such excitement.

Mr. MacGuigan: As I was saying, the purpose of this is to serve the rural people of Canada, not to extend recognition to a profession which is already well recognized.

However, I will just add that because passport applications have recently been reprinted, it will be some time before the written recognition of veterinarians will appear on those forms.

The Constitution

THE CONSTITUTION

SPECIAL JOINT COMMITTEE—EXTENSION OF DEADLINE FOR REPORT

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, I rise on a very important point of order which is also very urgent because it is related to an issue which is very well known by all my colleagues in this place. It is related to the deadline for the joint committee's dealing with the constitution matter.

I would have liked the hon. member for Nepean-Carleton (Mr. Baker) to be in the House, but I understand he has an engagement. I learned that just a few minutes ago. In any case, I see that the deputy House leader of the Conservative party and the Right Hon. Leader of the Opposition (Mr. Clark) are both here, and I have given notice of my intention to rise on a point of order. I did not specify what I would say, but I am at ease when I speak in the absence of the hon. member for Nepean-Carleton because I think he will be in agreement with all I will say. If not, we will find out later, but I have no doubt in my mind.

May I say—and I offer as a witness the hon. member for Winnipeg North Centre (Mr. Knowles), who attended our last meeting—that we received a final proposal from the opposition parties, and it was agreed amongst us that if we were to agree to that final proposal I would be free to move a motion from the floor of the House and receive unanimous consent, without debate, for the motion.

The matter is very simple. The offer is related only to a date, and it is without condition. The last proposal—and I will not get into the details of the negotiations or explain them here because I want to be brief—from the opposition parties was that the committee report at the latest on February 6, 1981. That was the firm and final proposal made. The agreement is that if we were to agree to that, we were to come here. If we were to disagree, we could make our case public.

I am glad to report that we agreed to that firm proposal, and therefore there must be unanimous consent for the following motion, which is very simple:

That the order of reference creating the Special Joint Committee on the Constitution of Canada be amended by deleting the words "December 9, 1980" and substituting therefor the words "February 6, 1981"; and that a message be sent to the Senate to acquaint Their Honours thereof and to invite them to join with this House in the aforementioned action.

I move that motion, seconded by the right hon. member for Yellowhead.

Some hon. Members: Hear, hear!

Hon. Erik Nielsen (Yukon): Madam Speaker, with respect to the point of order raised by the government House leader, I had an opportunity to discuss very briefly and very sketchily with the opposition House leader the discussions which took place among the House leaders on this question. It was not my intimation from the opposition House leader that there was a firm, be-all, and end-all agreement with respect to the date of February 6, beyond which we would not go. My understand-

ing, through the opposition House leader, was that the agreement would be at least to February 6 because of the avalanche—

Some hon. Members: Oh, oh!

Mr. Chrétien: Yes or no.

Mr. Nielsen: —of oral applications and written briefs. I believe the number of oral applications amounts to some 350 and the written applications amount to a like amount, for a total of some 700 or 800 applications to be dealt with. I know that the hon. member for Nepean-Carleton (Mr. Baker) went into that meeting with the thought uppermost in his mind which was stated by our leader yesterday when leaving caucus. He said, and I quote from a transcript, which was sent to the government House leader and to the hon. member for Winnipeg North Centre (Mr. Knowles) of that exchange between our leader and members of the media:

I understand the question of exact dates is under discussion among House leaders and it will continue that way, but there was a unanimous view on the part of my colleagues in the House of Commons that we want the people of Canada to be heard on the Constitution of Canada.

Some hon. Members: Hear, hear!

Mr. Nielsen: While we gladly accept the motion which is before us now waiting to be read to the House, we must file the caveat that should this backlog of Canadians who want to be heard on their constitution—

Some hon. Members: Oh, oh!

Mr. Cousineau: Blackmail.

Mr. Siddon: You don't want to hear Canadians?

Mr. Nielsen: —remain a serious backlog when February 6 rolls around—in other words, if there are still hundreds of responsible organizations and individuals who want to be heard—we are simply reserving the right to raise the matter again with an appeal to the government to be reasonable so that these Canadians can be heard on their constitution.

Some hon. Members: Hear, hear!

• (1510)

Hon. Stanley Knowles (Winnipeg North Centre): Madam Speaker, I should like to say that we welcome the statement that the government House leader has made on this point of order. I should like to add that although we have had our difficulties, which always happens where there are negotiations, we have done very well at negotiating in the last little while. We even managed yesterday to hold our meeting in a place where the members of the press could not find us—

An hon. Member: Stanley's office.

Mr. Knowles: —and I do not think they know yet where we held that meeting.

As for the proposal that the government House leader has made, and as for his statement, they correspond to my understanding, namely, that if the government was prepared to agree to the date of February 6, the minister would be free to stand in the House and announce it, but that if the government did not agree to the date of February 6, we would be informed as House leaders and the negotiations would be off.

My understanding at yesterday's meeting was that, so far as the opposition was concerned, we would not consider any earlier date, such as January 30 or January 23, but that we would consider February 6. It was also made clear that there were, in both parties on the opposition side, members who wanted a longer period, but that we would agree to the date of February 6 without debate. I congratulate the government on agreeing to this sensible proposal.

Some hon. Members: Hear, hear!

Madam Speaker: The House has heard the proposal put forward by the President of the Privy Council (Mr. Pinard). Is there unanimous consent to presenting this motion without debate?

Some hon. Members: Agreed.

Madam Speaker: Does the House agree to the said motion?

Some hon. Members: Agreed.

Motion agreed to.

Madam Speaker: The Minister of Fisheries and Oceans (Mr. LeBlanc).

Mr. Clark: Madam Speaker, I wish to rise on a brief point of order.

Madam Speaker: I have notice from the minister that he wishes to reply to an hon. member. Is the Leader of the Opposition (Mr. Clark) rising on a point of order which should be heard before we hear the minister? If so, I will recognize the Leader of the Opposition.

* * *

POINT OF ORDER

MR. CLARK—PROPOSAL RESPECTING CONSTITUTION COMMITTEE

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, my point of order is one that flows directly from the procedure to which the House has just agreed. I simply want to express my regret that we were not able to receive from the government House leader an indication of the contents of the proposal which he was going to make at three o'clock. I think it would have facilitated arrangements in the House and an understanding of what exactly was going to be proposed if it had been brought forward as a proposal rather than as a surprise.

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, there is a very simple reason for this. This is the result of the lengthy consultations I have had with others, other than the House leader, which ended only around 20 minutes before three o'clock this afternoon. I was therefore unable to elaborate on this point and to discuss with the Leader of the Opposition the details of what we agreed on, namely, that the date of February 6 was the final date, that there would be no other requests for future extensions and that this was a gesture of exceptional generosity which the opposition appreciated. This is why we agreed to the final date of February 6. However, in spite of what my hon. colleague , the hon. member for Yukon (Mr. Nielsen) has said, I want to make it very clear that there is no question in the agreement that there might be other requests to grant a further extension to the committee. As we understand the agreement we have reached, the date of February 6 is final and there will be no further extension granted to the committee. It will report on the sixth at the latest, even though, in principle, if the committee so wishes its proceedings could be completed earlier. However, in our opinion there are limits to what is reasonable and we believe that a time-frame of three months in committee is sufficient, because if we indeed go on until February 6—and I believe that the Conservative House leader as well as my colleagues of the New Democratic Party understand this—the committee will have considered the constitutional proposals for three months even though we had previously provided a much shorter period. I believe that the hon. member for Yukon, who was not present at this meeting, must have gotten carried away when he said, "We can assure you that we shall ask for an extension in late January or early February". Such was not the spirit of these negotiations; we have discussed at length and in good faith in the last two weeks, and I must say that the government has been extremely generous in the concessions it has made without setting any conditions, without requesting a deadline for the third phase and without even having agreed on the form of this third phase, as my hon. colleague will certainly recognize if he is sincere. I believe that he should not now state in advance that his party will try to create obstacles and have another filibuster in committee, because this was certainly not the spirit of the discussions we had with the House leaders, and it is certainly not the spirit that will animate the discussions in the days and weeks to come when this very important constitutional issue is debated in committee and subsequently in the House of Commons.

I therefore want to make it very clear that the agreement is firm and that while the extension we are granting may not seem as generous as some would want it, as in any negotiation and any agreement, some give and others receive. In view of the circumstances, I believe that the extension is generous. I want to make it very clear that this is an ultimate deadline and that it corresponds exactly to what was agreed among the House leaders and what was the subject of the resolution of this House which has now been passed.

[*English*]

Mr. Clark: Madam Speaker, the discourtesy to which I made reference was the reluctance—I will use that word—of the government House leader to communicate to the deputy House leader of the official opposition, the hon. member for Yukon (Mr. Nielsen), the contents of the proposal which was to be laid before the House when, during the question period and after the hour specified by the government House leader, the opposition deputy House leader crossed the floor, spoke to the government House leader and asked him for the contents of that proposal. It would have helped the House, I think, had that information been conveyed at that time.

The only point I want to make, Madam Speaker, is that the record of the House shows very clearly that we are pleased that the date of February 6, which we had originally proposed, has been accepted, but we accepted it with the caveat that if the people of Canada, represented by responsible individuals or responsible groups in large numbers, still have not been adequately heard by that time, we will not be party to closing off the right of the people of Canada to be heard on their constitution.

Some hon. Members: Hear, hear!

Right Hon. P. E. Trudeau (Prime Minister): The last words of the Leader of the Opposition (Mr. Clark) were that they would not be party to the closing off on February 6. If that is their position, then they should not have voted for the motion.

Some hon. Members: Oh, oh!

Mr. Trudeau: I want to make it quite clear, Madam Speaker, that this date is the result of unanimous agreement of all parties of the House.

An hon. Member: Nonsense.

Mr. Trudeau: It says "no later than February 6". If the committee feels its work is finished earlier and there is a consensus in the committee to finish earlier, I suppose that would be permissible under the motion agreed to in every part of the House.

Mr. Clark: After having heard the caveat of the hon. member for Yukon, I point out that the caveat was quite clear.

Mr. Trudeau: Madam Speaker, if the Leader of the Opposition wishes to withdraw his consent to that motion and put in a condition, we are prepared to permit him to withdraw his consent.

Some hon. Members: Hear, hear!

Mr. Clark: The caveat stands.

Mr. Trudeau: It should be obvious, Madam Speaker, that it would be possible to have hundreds of briefs coming in forever, and to have a new agreement in February to postpone the date.

Point of Order—Mr. Clark

● (1520)

Some hon. Members: What is the rush?

Mr. Trudeau: Hon. members opposite are already saying, "What is the rush?" I remind the House that there was opposition from that side to the date of December 9—

Mr. Andre: To any date.

Mr. Trudeau: —and we had to use unilateral closure to get agreement on that date.

Some hon. Members: Oh, oh!

Mr. Trudeau: Today there is no closure; there is voluntary consent to that date by all parties in the House.

Some hon. Members: Hear, hear!

Mr. Clark: With a caveat.

Mr. Trudeau: It should be on the record that we have not forced this date on the hon. Leader of the Official Opposition. As I understand it from both the NDP House leader and our House leader, it was a date which they suggested and to which we agreed. Therefore, let it be on the record that there is no closure imposed. If the Leader of the Opposition wants to have second thoughts and say that this is a date he only agrees to on condition, that he does not want the further date—

Some hon. Members: Oh, oh!

Mr. Andre: We said it before you voted.

Mr. Trudeau: —then let him withdraw the consent, let us debate it again, or let us just say that no agreement is possible. That is our view, and I appeal to the New Democratic Party to state right now in the House that that is equally its view—

Some hon. Members: Don't worry about them.

Mr. Trudeau: —that it is a negotiated date which has been agreed to freely by the opposition parties.

Some hon. Members: Oh, oh!

An hon. Member: Baloney.

Mr. Trudeau: This kind of howling from the Tory party does not suit the House at a time when we are—

Some hon. Members: Oh, oh!

Mr. Trudeau: —today agreeing to the—

An hon. Member: Sit down.

Mr. Trudeau: —very date they suggested. I repeat that we do not see this as an imposition of a date upon them. We see them as freely accepting this date, and if they do not freely accept it, the time to say it is now, not next February.

Some hon. Members: Hear, hear!

Mr. Edward Broadbent (Oshawa): Madam Speaker, I want to make it very clear, if there is any doubt at all, where we stand on this issue. We, along with the official opposition, felt very strongly about the extension of time. The government knows that through private negotiations involving the House leaders of all parties.

To understate it considerably, we have not been in agreement with the way the government has handled all proceedings of the committee, but I think an agreement was entered into in good faith by all House leaders to provide Canadians reasonably good access to present their views. When we in this party enter an agreement, we intend to keep it.

Some hon. Members: Hear, hear!

Mr. Clark: Madam Speaker, the country knows full well the degree to which the NDP intends to keep the agreements into which it enters with the Liberal party.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Clark: This matter need not detain the House any longer. Two things are clear. First, the House has voted on a reporting date of February 6, offered without condition by the government House leader, to quote his language, and second, the caveat expressed on behalf of my party by myself and the deputy House leader of the official opposition that if the people of Canada have not been adequately heard by February 6, we will put pressure upon the government to extend the date just as we put pressure upon the government to extend the date of December 9 when they tried, in our view, to muzzle the rights of the people of Canada.

Some hon. Members: Hear, hear!

* * *

PRIVILEGE

MR. CROUSE—STATEMENT MADE BY MR. LEBLANC DURING QUESTION PERIOD

Hon. Roméo LeBlanc (Minister of Fisheries and Oceans): Madam Speaker, yesterday after I left the House the hon. member for South Shore (Mr. Crouse) raised a question of privilege. I wish to reply to the question of privilege by saying at the outset that I sincerely regret any misunderstanding of my remarks in the House yesterday which could have suggested to the hon. member any reference to conflict of interest.

The hon. member and myself have had this type of exchange before.

Madam Speaker: Order, please. Would those members who want to have conversations with their colleagues please do so in the lobby so that the House can hear the hon. minister.

Mr. LeBlanc: Thank you, Madam Speaker. I know the hon. member represents many large fishing vessel crews, and he

very properly defends their interest. I was trying to point out that there are other points of view, and of course I apologize if I have offended the hon. member.

MR. MCKNIGHT—LETTER WRITTEN BY MR. DE CORNEILLE

Mr. Bill McKnight (Kindersley-Lloydminster): Madam Speaker, several weeks ago I gave notice of the question of privilege which I should like to bring to the attention of the House. It arises out of the propriety of the use of members' facilities and the privileges which go with the use of those facilities, that reflect on all members of the House, by the hon. member for Eglinton-Lawrence (Mr. de Corneille).

I have stood twice to raise this matter, and the hon. member was not in the House. I see that he is not present at this time, but I will proceed because I think I have waited long enough. My question of privilege arises out of a letter dated October 28, 1980, bearing the crest of the House of Commons, which the hon. member for Eglinton-Lawrence circulated on behalf of an organization called the "National Committee for Human Rights Charter". On this piece of House of Commons stationery he was soliciting the membership, and for members for this organization.

The hon. member is the national chairman of this committee, and the return address for this petition is in care of the national chairman, Box 547, Ottawa, Ontario, K1P 5P6. He solicited memberships for an organization and used the crest of the House of Commons, which is something we all value, which is something that is very special in Canada, and which I hope is something under the protection of the Chair. The letter was circulated to clergymen across Canada.

I should like to read one reaction to this communication and how it reflects upon all members of the House of Commons. The letter is dated at Unity, Saskatchewan, and it reads as follows:

Roland de Corneille, M.P.
House of Commons,
Ottawa, Ontario.

Dear Sir,

Your letter dated October 28, enclosing a petition for a charter of rights and freedom has made me very angry.

Firstly, in your letter you say, "That human rights should not be a partisan political issue." That may be so, but the fact is that the proposed charter of rights as a part of our constitution is a partisan political issue today. Seven of ten provincial premiers strongly oppose the entrenchment of this particular charter of rights. The charter listed on your petition has a remarkable similarity to the charter proposed by the Prime Minister. From my reading, there are many knowledgeable legal and political commentators who have serious reservations about this particular form of a charter of rights.

I cannot decide which makes me more angry; your assumption of my naivety that I would accept this petition as a simple humanitarian statement, or that you are seeking my support and the support of my congregation on a religious basis for a petition that will certainly be used for partisan political purposes.

My second objection is to your use of your free mailing privileges as a member of Parliament to send out this document. I would suspect that you would be legally correct, though morally suspect to use those privileges to send out political materials. If, however, the "National Committee for a Human Rights Charter" does exist, I can see no justification for you using your free mailing privileges for an organization's mailings.

I would find your whole letter disgusting if it were from an ordinary politician. The fact that you are a minister of the gospel and sign your letter as "Rev." I find to be an abomination.

Yours

(Rev.) Harold C. Black

• (1530)

Madam Speaker, the first point I would like to bring to the attention of the Chair is that I, and other members of this House, who happen to be involved in other organizations and who happen to have businesses or are members—

[*Translation*]

Mrs. Beauchamp-Niquet: I am sorry, Madam Speaker, we seem to have lost the French interpretation and I would like you to check on this if you would.

Madam Speaker: I believe that this has been done.

[*English*]

Mr. McKnight: I am sorry that I cannot assist the hon. member, Madam Speaker.

There are many members in this House who do belong to other organizations. As a matter of fact there are many members of this House who are owners of businesses, or presidents of their own corporations, who would not use the House of Commons stationery with that crest to solicit support for something which is not in the ordinary line of work of a member of Parliament. The reaction caused by this petition, I feel, reflects on all members of the House of Commons. It brings us all under suspicion. I would like to point out that several independent organizations have asked many members of Parliament for their support as members of Parliament to assist in those organizations. Members have given of themselves freely, but they have done so as ordinary members of society and not as members of Parliament.

Madam Speaker, to my knowledge this letter has been sent to at least seven clergymen in my constituency and, no doubt, has been sent to several more clergymen in Canada. I therefore move, seconded by the hon. member for Central Nova (Mr. MacKay):

That this matter be referred to the House of Commons Committee on Privileges and Elections.

Mr. Roland de Corneille (Eglinton-Lawrence): Madam Speaker, I appreciate the opportunity of being able to reply to the hon. member and his expressed concerns. First of all, I would like to indicate that, from the point of view of my background and the concerns I have had in the past, I have not suddenly developed a unique concern now but have always had a concern about the matter of human rights and freedoms.

As a matter of fact, I was engaged in a petition campaign in 1971 regarding the International Human Rights Covenants of the United Nations. That campaign was undertaken under the sponsorship of a large number of Canadian organizations including the League of Human Rights of B'nai Brith. At that time, Madam Speaker, that petition campaign involved tens of thousands of Canadians who wished to express

their support for Canadian ratification and signature of the International Human Rights Covenants of the United Nations. There were many provincial premiers who did not quite agree with that at the time, but Canadians across the country indicated they wanted their federal and provincial governments to sign and ratify the International Human Rights Covenants. That petition campaign took place from October until approximately December 10, 1971. It continued on for quite some time thereafter.

The reason I mention this particular campaign is that it resulted in the acceptance, ultimately, by all of the provinces, of that desire to have Canada sign an international human rights covenant. Canada did so in 1976. Of course, this was a desire to bring all Canadians into the international mainstream of human rights.

The same thing occurs here in this desire to have a charter of rights and freedoms entrenched in a Canadian Constitution. This petition campaign involves many people from various walks of life, not only politicians but clergymen, businessmen and so on, in a national committee which is called A National Committee for a Human Rights Charter. They approached me and asked me to serve on that committee. In fact they asked me to act as chairman of that committee because of my past experience in petition campaigns, namely, the campaign in 1971.

The 1971 campaign had some influence in giving Canada that opportunity to share in the international spirit as a signatory of the International Human Rights Covenants. This enabled Canada to go on and sign the Helsinki Agreement. Without having taken the step of signing the International Human Rights Covenants we could not have gone on to sign the Helsinki Agreement. Each step in the human rights battle is an upward one in attempting to build a foundation of understanding throughout the world of the sacred nature of human rights.

With respect to this particular matter, a group came to me and asked me to join in a campaign to ensure that Canada would entrench a charter of human rights and freedoms. I would like to point out that if you look back over the records of time you will see that Tommy Douglas advocated the entrenchment of a charter of human rights and freedoms in our constitution, as did the Right Hon. John Diefenbaker, the Right Hon. Lester Pearson, and as does our present Prime Minister (Mr. Trudeau). It has been advocated by countless members of all parties everywhere, including many provincial premiers who have advocated the entrenchment of a charter of rights and freedoms, for instance, Premier Davis of Ontario.

This particular petition does not mention whether it should be entrenched in England or here, now or then. It simply calls for people to say that they would like to see a charter of rights and freedoms entrenched in our constitution. It makes no reference to time or place.

I believe that most people would agree that this is not an unusual thing to ask as a member of Parliament, as one who is serving his country, and one who presumably represents the whole of Canada, not only his own constituency, who is able to speak to people everywhere he wishes to in Canada about the sacred nature of the entrenchment of human rights throughout the world. When other countries come to us in Helsinki and say, "How come you and your country are not fulfilling your promises about human rights? How come you do not have it in the constitution?" then we can say that we have it and we are taking our full responsibility throughout the world. This is a goal toward which we should all work, members from all parties in this House.

The point is that I hope it is a solemn desire of us all that this be what Canada will eventually do. I am in no way ashamed to be part of such a program under such a committee. I hope the House will encourage me to continue to do so.

Madam Speaker: I am tempted to say that our Standing Orders are silent on matters such as the one which has been raised by the hon. member for Kindersley-Lloydminster (Mr. McKnight). I would like to say also that a member may write to Canadians outside his constituency to promote whatever he feels are the objectives he is pursuing. In doing so I assume he may use the government's stationery. However, I will reserve judgment on this question since I am not clear whether the hon. member was recruiting in favour of some association through the letter he has written. I wish to examine the matter further before I rule on it.

● (1540)

ROUTINE PROCEEDINGS

[*English*]

DISABLED AND THE HANDICAPPED

Second report of Special Committee on the Disabled and the Handicapped—Mr. Smith.

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

* * *

[*Translation*]

THE PARLIAMENT OF CANADA

TABLING OF REPORT ON REMUNERATION OF MEMBERS AND SENATORS

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, in accordance with Standing Order 41(2), I am pleased to table, in both official languages, the report of the commission to review salaries and allowances of members of Parliament and senators.

[*English*]

PETITION

MR. DOMM—INTRODUCTION OF METRIC SYSTEM

Mr. Bill Domm (Peterborough): Madam Speaker, I am pleased to be able to present to the House 3,722 unsolicited signatures of people from across Canada who have brought to my attention their opposition to the forced implementation of metric. This brings the total to 22,983 unsolicited signatures which have been presented to this House of Commons in less than 12 months, all of which are asking members to give due consideration to the introduction of the metric system on a voluntary basis as opposed to forced implementation, particularly in the retail food sector.

* * *

DISABLED AND THE HANDICAPPED

Mr. David Smith (Don Valley East) moved that the second report of the Special Committee on the Disabled and the Handicapped presented this day be concurred in.

Motion agreed to.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 83, 1,489, 1,539, 1,577 and 1,677.

I ask that the remaining questions be allowed to stand.

[*Text*]

MIRABEL AIRPORT

Question No. 83—**Mr. Cossitt:**

What was the total amount of losses suffered by taxpayers for all aspects of the operation of Mirabel airport since it was opened until the date the answer to this question is prepared?

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): The total deficit for all aspects of the operation of Mirabel airport since it opened, November 29, 1975, to March 31, 1980, was $192.6 million. This is the excess of operating and maintenance expenses (including interest and depreciation) over revenues. The deficit before providing for interest and depreciation was $10.2 million. For the period April 1, 1980, through September 30, 1980, Mirabel will break even, before providing for depreciation expense of $9 million.

Order Paper Questions

LAWYERS OR LEGAL FIRMS IN TORONTO HIRED BY GOVERNMENT

Question No. 1,489—**Mr. Cossitt:**

What are the names and addresses of all lawyers or legal firms in Metro Toronto who were hired by the government (a) since April 14, 1980 (b) between July 8, 1974, and May 22, 1979, and, in each case, what amount was received where the fee involved was more than $1,000?

Hon. Jean Chrétien (Minister of Justice and Minister of State for Social Development): The following lawyers were appointed agents of the Minister of Justice of Canada: (a) None.

(b)	Baillie, John C.	Toronto	$ 6,005.26
	Blake, Cassells & Co.		$ 63,840.82
	Chenoweth, Frederick W.		$ 1,548.00
	Cooper, Austin M.		$ 3,350.00
	Decory, Peter		$ 20,623.13
	Dunne, Thomas J.		$ 1,014.04
	Fasken & Calvin		$ 26,269.64
	Finlay, Bryan		N/A
	Gold, Allan D.		$ 13,789.79
	Heather, D. R.		$ 114,684.33
	Honsberger, John D.		$ 10,237.49
	James, Joseph C.M.		$ 7,793.50
	Kilgour, World & Co.		$ 3,600.00
	Laidlaw, D. K.		$ 10,014.47
	Lang, Michener & Co.		$ 8,124.34
	Laskin, John L.		$ 16,648.16
	Laskin, James		$ 1,045.50
	McCarthy & McCarthy		$ 27,427.93
	MacDonald, B. C.		$ 142,880.63
	MacDonnell, H. W.		$ 26,625.26
	McMillan & Binch		$ 7,671.43
	MacKinnon, B. J.		$ 10,507.61
	McTaggart, Potts & Co.		$ 119,862.19
	Marocco, Frank		$ 21,823.39
	Murray, R. G.		$ 22,884.16
	Osler, Hoskin, Harcourt		$ 3,319.52
	Pape, Paul		$ 5,645.15
	Peck, Robert D.		$ 45,478.04
	Robinette, J. J.		$ 52,843.20
	Robins, Sydney L.		$ 4,961.23
	Royce, Michael		N/A
	Schneider, Howard		$ 20,563.48
	Sexton, Edgar		$ 188,701.13
	Sopinka, John		$ 14,036.92
	Thomas, Stanley J.		N/A
	Turner, P. D.		$ 4,112.27
	Warner & Gemmill		$ 1,386.69
	Weir & Foulds		$ 101,102.44

ENER$AVE ADVISORY SERVICE

Question No. 1,539—**Mr. McKenzie:**

1. What is the total budget for the government's Ener$ave for the home insulation program?

2. What is the cost per home of the evaluation of insulation needs and are the evaluations done by on site inspection or by questionnaire?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): The Department of Energy, Mines and Resources reports as follows: 1. The current (1980-81) budget allocation for the Ener$ave advisory service is $1.2 million.

2. The evaluation of home insulation is carried out by questionnaire at a total cost of about $5 per home (including

program administration costs). The average potential fuel saving identified by the audit is currently equivalent to about 11 barrels of oil per year per home.

POTASH-NATURAL PRODUCTS TERMINAL

Question No. 1,577—**Mr. Howie:**

Has the site selection been made for the new Potash-Natural Products Terminal at or near Courtenay Bay in Saint John Harbour, New Brunswick and, if so, what is the site and what was the cost of the acquisition?

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): The National Harbours Board advises as follows: a site south of the Board Street wharf in Courtenay Bay has been selected for the development of a single or multi-user bulk handling facility for the export of potash. This property is already under the jurisdiction of the National Harbours Board and therefore no acquisition costs are involved.

WIDOWS' PENSIONS

Question No. 1,677—**Mr. McKenzie:**

1. How many widows have received a pension since the passage of Bill C-40 of the first session of the Thirty-second Parliament?

2. How many widows are estimated to be eligible for pension in (a) 1982 (b) 1983 (c) 1984 (d) 1985 (e) 1986 (f) 1987 as a result of the passage of the bill?

Mr. John Campbell (Parliamentary Secretary to Minister of Veterans Affairs): 1. Eighty-five—as at October 31, 1980.

2. (a) 800
(b) 2,000
(c) 1,800
(d) 4,100
(e) 3,400
(f) 12,500

[*English*]

Madam Speaker: The questions enumerated by the hon. parliamentary secretary have been answered. Shall the remaining questions stand?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58—ALLEGED FAILURE TO PROMOTE INDIAN SELF-RELIANCE

Mr. Stan Schellenberger (Wetaskiwin) moved:

That this House condemns the continued failure of the government to promote Indian self-reliance and the continued failure to protect the culture, language and health of Canada's Indian peoples.

He said: Madam Speaker, after spending a number of years in this House and serving on the Standing Committee on Indian Affairs and Northern Development, I have watched the activities of various ministers of Indian Affairs and noted the accomplishments which each of them have attained over the years. I have served on the standing committee for some eight years now. As I have observed the statistics and watched the performance of the department over the years, I find that instead of the plight of the native people of this country improving, it is getting worse. Various ministers have tried to deal with the problems of the department in various ways.

I have waited for almost one year before moving this motion, because it would have been unfair to the Minister of Indian Affairs and Northern Development (Mr. Munro) to have moved it earlier, since he had just taken over the portfolio, to see if the minister would in some way change the policies which past ministers of the Liberal government followed, bring forward some new ways to deal with the plight of the native people, and move them closer to self-reliance. There have been no such policies in this past year. The minister has followed the same policies which have been followed for years. This is why I felt it was necessary to move this motion at this time.

I and my colleagues have lost confidence in the ability of the Liberal government and of the minister in that portfolio to deal effectively with the Indian problems in this country. I would like to illustrate that by putting forth some statistics compiled by the Department of Indian Affairs and Northern Development. In 1964, approximately 36 per cent of the Indian population was supported by social assistance, compared to 3.5 per cent of the national population. In 1974, 55 per cent of the total Indian population on reserves was receiving social assistance or welfare payments. In Ontario it was an estimated 70 per cent. By comparison, only 6 per cent of the national population received welfare or social assistance. In the fiscal year 1978-79 the portion of the native population receiving welfare rose to 70 per cent.

At the same time the government has spent $359 million over five years on economic development. It is spending $250 million a year on education. The department has a budget of over $700 million per year to deal with this problem, but it is falling further and further behind in its attempts.

Out of a deep sense of conviction, I and my colleagues feel that it is time the government developed the kinds of policies which will stop these increasing statistics. I will add to these statistics with regard to health and welfare later in my speech. I know that some of my colleagues who will be speaking later in the debate will be dealing with such topics as economic development, housing, and unemployment, and that they will be putting on the record statistics which will show that the government is falling behind in those areas as well. I do not have the time to deal with all those areas in my speech. I merely hope to give an overview of why I believe the House should support this motion.

I would like to quote from a brief which was put before the standing committee on July 8, 1980, by the National Indian Brotherhood:

> The failure of the Department of Indian Affairs and Northern Development to serve our interest has, perhaps, been inevitable, given its origins, its other obligations and the need of any bureaucracy to perpetuate itself. Were there no right inherent in our peoplehood to create our own Indian government, the department's continued mismanagement of our affairs would surely create such a right out of pure self-defence. The government often says we should negotiate from need rather than from right. We need to remove that impediment to the free exercise of our rights.

● (1550)

I think that says a lot about the way the National Indian Brotherhood represents all native groups in this country. I think it tells us what they feel about the department which was created to assist native people become self-reliant, in other words, dependent only upon themselves. As we now deal with the constitution of this nation, surely the job of that department is to wind itself up.

What has happened as a result of this department becoming smug and complacent in its dealings with native people? This department has not come up with any new ideas or initiatives to deal with the problems that members of Parliament see. I ask what has happened? After all these years, infant mortality is still four times higher than the national average. It is significant to note that since 1970, even though pre-natal and post-natal care for the Inuit and the Indians is as good as it is for the rest of the population, this figure of infant mortality, being four times higher than the national average, has not changed.

Violent deaths among natives are three times higher than the national average. Suicides are six times higher than the national average. In my opinion, that means many native people feel there is no hope left. They must feel there is nothing for them in the future of this country. As a result, there is more violence and more use of alcohol among the natives than there is among the rest of the population in Canada. Only 20 per cent of Indian children stay in school to grade 12. If a person does not have a high school education today, his chances of bettering himself or getting a proper job are much less. This is particularly true when you belong to a minority group.

The largest reserve in Alberta is in the city of Edmonton. I use the words "largest reserve" advisedly. There are more native people in the city of Edmonton than on any reserve in the province. I ask hon. members if they know how many native students graduated from grade 12 last year in Edmonton? The answer is that only two such students graduated from high school last year.

Unemployment among Indians is the worst in the nation. Some 25 per cent to 30 per cent of the Indian population is constantly unemployed, and many times this figure rises to 85 per cent or 90 per cent of the population. Many programs are aimed at the native people, for instance, the LEAP program, the CMTP, the DMITP, Outreach, the Summer Youth Employment program, FLIP, and so forth. Just recently $10 million was put forward for native programs. But none of these programs meets the problem. The problem has to be met from within. Economic development has to take place on the reserves by native people themselves, for their interests, otherwise nothing will succeed. This fact has been proven over and over again over the years.

Indian life expectancy is ten years less than that for non-Indians. I find that statistic appalling. We have spent $240 million a year on welfare. What has it done? It has only increased the dependency and reinforced dependency by natives on government. It has not in any way encouraged self-reliance among the native people. Nearly half of the Indian homes in Canada do not have running water or sewers, yet the department is spending some $40 million a year on housing. Again, this money is not meeting the problem. $40 million will cover only sewer and water in many reserves in one province of this country.

I can use the example of a reserve in northern Alberta. The people realized they were not getting adequate housing through these programs, so the reserve decided to build homes themselves. People on the reserve asked the province to assist them by providing power saws and the gasoline to run them, and for one expert to show them how to build log houses. All this was done and with tremendous success. New homes are being put up in this northern reserve. These sorts of ideas could be used. Why is the department not doing anything?

What do the young native people think who grow up on reserves and who live adjacent to projects with $80,000 and $90,000 homes? What do these young native people think when they have no running water and have to walk out to the outhouse behind with the half moon, when just across the fence there are Canadians living in beautiful homes? I certainly wonder what they must think about the future and what life has to offer them as they grow older. These statistics we are talking about today represent a social disintegration and a cultural decay in this country.

Economically native people are worse off and they are becoming more dependent on government. More than half of the Indian population have grown dependent on social assistance and welfare over the years. Only one-third were dependent on assistance twenty years ago. However, there have been some successes.

There have been some advances in the area of economic development. We have spent a lot of money and we have had many excellent people working in that area. But there have been many failures as well. I shall mention only a few because there is no point in mentioning more. I was a member of a committee which studied examples which recurred over and over. The Auditor General of Canada, after seeing these examples, felt compelled to make a report and chastised the department for being unable to care for the money it had under its control. The examples I will use are mostly in my own province because I am more familiar with them.

The department spent $6.1 million out of a total of $9.1 million in a company called Alberta. Aspen. The Indian people got only 20 per cent of that company. The Indians spent over 70 per cent of the money and yet they only got 20 per cent of

the company. As a result, the Indians had no control over the management of the company, and the company failed.

In a company called Ehatlesaht Co-Op Enterprise Association located on Vancouver Island, $4.5 million was spent. Some DREE money was added to that. This was a logging operation. As I stated in the committee, a lot of this money was spent deciding whether these logs could be used for export. Trips were taken by great numbers of people to Japan, Hawaii, Fiji and so forth, to find out whether there was a market. The company failed.

The Apanakii motel failed. Millions of dollars were spent in the Arcan timber enterprise. The end result was a couple of sheds. There are many other examples, all documented in reports of the Committee on Indian Affairs and Northern Development in years gone by.

We have used these types of programs over and over again through the years. In most instances the only ones which have been successful are those which have come from the native people themselves where they have had control of the money.

When I look for successes and the reasons for them, I do not have to go far outside my own riding. The native people in my riding have been fortunate to have some revenue from oil. As soon as they were able to get their hands on that revenue, they no longer needed government assistance. They were capable of building their own enterprises and homes. They were capable of setting up trust funds for their children for necessary education. They were capable of managing their own band successfully without government help. That ought to be the goal we should strive to attain. The government should use that as an example of how programs can be successful.

This minister has a feeling for the problem and he is attempting to do things about it. He has travelled the nation to see what can be done. In his generosity, he offers native people various amounts of money to establish their projects, but when the natives go to follow that up, in some instances, the department says it does not have the money, or that all the money has been committed.

● (1600)

I do not know how the minister could make that kind of recommendation. I can give an example of a $5 million promise made to an impoverished Alberta band in October, which was not followed through. The necessary communication between the minister and his officials is not taking place.

Part of the reason is that many of the deputies and assistant deputies in his department have never come up through the organization, worked on the reserves and understood the problems. They are excellent at creating bureaucracies and looking after the efficiences of money. They come from that kind of background, and therefore should be able to do this. But there is a communications gap between the minister and his officials in this area and many native communities are suffering because of that.

Another area is the export tax. This has bothered me for years because we have stated that we should not tax native people. It is in the Indian Act that they will not be taxed, yet the ownership of their resources is denied in allowing that export tax to take place. As many as 19 bands in western Canada have made a commitment of this money into the future and now find 30 per cent of it is lost.

Members of the oil producing bands have never had the export tax returned to them. The provinces had it returned, but never the Indian people. That money could have been used to eliminate some of the statistics I put on the record earlier.

Why has the Department of Indian Affairs not put forward some recommendation on what salaries should be paid for band managers? Native people come to me to show statistics where certain band managers are paid $70,000 or $90,000 for a year's work when, in most instances, all that other bands can afford to pay is between $10,000 and $20,000. Surely there should be some recommendation coming out so that we do not see these kinds of facts reported in the paper and the problems which result in other reserves because of that.

There are many other problems in the department I could mention. There are so many inefficiencies that I cannot even go into them. However, the problem which bothers me most is that we set aside tax dollars for the Department of Indian Affairs and only 30 cents of each dollar actually reaches the native people on reserves. There must be a better way of running the department to ensure that the money actually gets to those who need it.

When we have an energy problem in this country, such as we have just gone through, the premiers, our Prime Minister (Mr. Trudeau), the government, and all the best minds we can gather together become involved in attempting to solve it. They may not always solve it according to the way certain individuals in this House would like, but at least there is the commitment to solve the problem. Has that ever been done in the Department of Indian Affairs? Not to my knowledge, because we have not seen any extraordinary ideas in the past ten or 20 years to solve the problem. Why is it not done here? It is done in other countries. Land claims are still not settled, and we are falling behind in the statistics on health and housing, yet that has not been done.

Today I was talking to a native person. I asked how we could assist them to become more self-reliant. The department now pays the budget to reserves not once, twice or four times a year, but five times a year. I presume the department feels if it gives out all the money at the beginning of the year, it will no longer have control. They could not make the fatherly handout. That is the problem, but how do we solve it?

The person I was speaking with suggested that there be a native person in the districts that are set up, something like a parliament. That person would be responsible to the native bands in that district as well as to the department, would bring forward all the problems and be responsible for the management of money which goes into the district. If just that one suggestion were instituted, I bet it would do away with one-third of those in the Department of Indian Affairs.

When members of Parliament have a problem in their constituencies, the government knows about it very quickly. However, that is not the case with the Department of Indian Affairs. Those who have native people in their constituencies constantly receive people at their offices there, and in Ottawa.

We now have the constitutional express, and many native people here in Ottawa talking about the problems and the inability of solving those problems under the umbrella we have set up and the methods we have continued to follow for many years. We have lost confidence because we have not come up with new ideas. I said we, but I should say the minister and this government, because when the Progressive Conservatives were the government we were moving rapidly toward self-reliance. However, that was a very short period and we did not have an opportunity to put those ideas forward.

According to the motion as presented, culture and language are areas in which we have fallen back. Unlike other ethnic minorities in this country, native people have nowhere else in the world to go to renew their language and culture. They only have Canada. For thousands of years they have been here and, therefore, their traditions, culture and language must be looked after in a special way.

This is why the native people are calling for entrenchment of certain rights in the constitution. They are concerned that if those rights are not entrenched in the constitution before we patriate it, they will never be in there. This is the reason they have come to Ottawa twice in the last year to discuss this problem. Even though they have been promised they would be involved in every aspect which affects them directly, they have not been involved. There have been a few cordial meetings where they have been listened to, but nothing has happened.

The minister is saying, "Trust me. I will look after you once the constitution is patriated". We will see if there are any amendments accepted by the government resulting from the constitution committee which is now in place. We will see whether the proclamation will be in the schedule and whether these rights, language, culture and traditions will be maintained, because, as I said, there is nowhere else in the world they can go to renew them.

We spend $250 million a year on education for 300,000 people. Despite the millions that are spent each year, there are less native people graduating from high schools. As I mentioned before, there were only two in Edmonton, and 20 per cent in the rest of Canada. When looking for a job and attempting to assist their band, it is very difficult because more and more native people do not have adequate education. They do not carry on their education in universities and colleges. In most instances the amount of money available for them to live in the cities where they must go to attend college is inadequate.

There are hardly any teachers graduating who will teach the native people. The greatest success has been in those colleges set up by the native people. Maskwachees College in Hobbema, Alberta, is now graduating teachers with the help of the University of Calgary. They are finally graduating teachers to help native children attain some scholastic abilities, and not in the traditional ways that have been used in the past.

We all know of the alcohol problem and the number of native people in our jails across the nation. As far as alcohol is concerned, many people have had a drinking problem for years. The problem of attempting to dry these people out is the same as with any other person. It does not work in the established institutions. Where it is working is in the detoxification centres set up by the native people. Put yourself in their position.

• (1610)

I will use an example in my constituency. After being an alcoholic for ten years and finally receiving some help at a detoxification centre on a reserve, a person comes out of that institution. He has a grade seven education. Having been out of service for about ten years, who will hire that person? He has very little education and no real abilities, as well as a past record. We have to put in place the ability for that person to further his education and get the kinds of training and trades which are essential. As it is now, when he leaves the institution there is nothing to do but go back to drinking. He does not have the ability to take pride in himself and the people around him.

This is the case of over half the people in jails in Alberta. It is not quite that high in other parts of Canada. There is no counselling for these native people. If there is, it is only in limited areas. When they leave the institution, what is there for them?

Mr. Yurko: Hopelessness.

Mr. Schellenberger: In many cases, as my colleague says, it is hopelessness. We have to develop those programs. For years I have been watching to see whether those programs would be developed. I do not see them being developed. In some cases native people, in desperation, if they have their own funds, have developed this because they realize the problems. However, in most cases they do not have their own funds. They are dependent on the department to dole out funds.

As I conclude, I want to put on record a quote from the B.C. Indian Chiefs which I believe sums up the problem:

> As Indian nations, we have battled for many years on many fronts to retain our special status, dignity and pride. As Indian people we fought and will continue to fight for our right to exist as sovereign nations gathering strength from each battle.
>
> When we lose we become more determined and find other ways to continue the battle. We have fought governments, corporations, courts, small people, big people, and those who ever stood to threaten our lands and our rights. We've withstood racism, poverty, disease, ignorance, assimilation, social chaotic disorder and political suppression by paternalistic governments. We have survived. But now, our Indian nations across Canada are in "a state of emergency". Our future as Indian people has been put on the line.

That is why we have a conference here in Ottawa this week. Many feel it is a state of emergency. There has to be hope in order for people to have dignity and work their problems out themselves, not under some paternalistic hand. It has to come from within themselves. If they are not granted the tools to do

that, such as the constitution, the ability to use their own money and make their own mistakes, that hope dwindles. When we look at the constitution before us, it is dwindling rapidly.

I do not know whether this is a good example, but two years ago I travelled to the Middle East. I visited Palestinian refugee camps. I could see that the people there had no hope. They could not get outside the camps. There were hundreds of thousands of them living on a few quarters of land. They had to exist on ten kilograms of flour, ten kilograms of peanuts and two quarts of olive oil a month per family, plus whatever else they could scrounge, and that was not very much. The United Nations helped with a program to feed some of the children so that when they dropped below a certain weight they could somehow keep them alive.

We ask why they resort to some extremes at times. We are appalled at those extremes. But I will tell you why they do these things. It is because there is no hope. Well, there is still hope for native people in Canada. We have to prove as a government that that hope is there and that we can establish the new policies which will give them that hope. In that way they can go on to become a great community within our confederation or their confederation and ours. We will not do that if we continue with the present policies, and that is why I have moved this motion.

Some hon. Members: Hear, hear!

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): Mr. Speaker, I have listened with attentiveness to the remarks of the hon. member for Wetaskiwin (Mr. Schellenberger). May I say that when the official opposition moves a motion of this kind identifying the failure of the government to promote Indian self-reliance and the continued failure to protect culture, language, and the health of Canada's Indian people, I do not think that too much attention has been paid to an awareness of the record and, indeed, an appreciation of the problem.

I do not have to remind the hon. member that his party formed the government for seven or eight months. I suppose I have been minister for a month more than my predecessor in the Conservative government. I listened with some interest to the condemnation in the sense that the hon. member directed it toward government. He indicated that the previous government had moved toward establishing innovative policies respecting self-reliance. I would appreciate it if the hon. member would enlighten me, sometime during the course of the day, on precisely what those policies toward self-reliance were. I can assure him right now that if he would articulate them, I would be more than happy to endorse them.

One thing I do know that the hon. member perhaps failed to note because of his busy schedule, is that there was an agreement in principle arrived at with the Committee for Original Peoples, the Inuit in the Western Arctic under the then minister of Indian affairs and northern development, Mr. Faulkner. I regret talking in the absence of my immediate predecessor. He may have some comments on this. That was a breakthrough in the sense of agreement in principle with respect to a comprehensive land claim reached with the Inuit people of the Western Arctic which would afford them a land base and economic guarantees for their future well-being. Because it was a comprehensive type of claim settlement, they would have a very high degree of self-government and/or self-reliance. It is something they negotiated and won through the process of negotiation, something which would give them a good economic and social base.

As I understand it, it was the feeling of my predecessor that that agreement in principle should be set aside, or suspended, without any further effort being expended bringing it to a final agreement. I might indicate that one of the first things I did upon becoming the minister was to visit the Western Arctic and the Committee of the Original People, and I indicated that we intended to honour that agreement in principle. I do not view the record of my immediate predecessors with quite the same sense of disapproval and I point out that one example.

• (1620)

The reason I will not point out any more is simply that I find it rather unique, with reference to this department, that when I go before the Standing Committee on Indian Affairs and Northern Development and meet the hon. member, and many others, I sense that there is, because of the intensity of feeling with respect to the condition of the Indian peoples and the urgency with respect to the development of the north, probably less partisanship there than in any other standing committee before which I have had the experience of appearing. In addition to that, various members of the House of Commons in whose ridings there are Indian people are deeply concerned, when they deal with the minister of the day, about working out problems. That tends to undermine excessive partisanship to a very great degree.

I want to indicate a sense of appreciation for the help not only of government members but also of members of both opposition parties, given to me in a spirit of non-partisanship. Along that line, I approached the hon. member and indicated that because so many Indian people are in Ottawa this week, because many chiefs have indicated they wish to see me and because I have a very heavy schedule, particularly over the course of the next few days, I would appreciate his understanding if I cannot be here for the entire day. I spoke to members of the New Democratic Party also, and I appreciate their understanding on that score. If I am away, my parliamentary secretary will certainly be here to note the remarks which are made, and I certainly will study them in some detail tomorrow.

There is a certain lack of awareness of the record. I will endeavour to be somewhat more positive later on in my remarks, but there are certain things which have not been accomplished over the years on behalf of the Indian people, despite funding which has been allocated for the Indian people's benefit.

The hon. member for Wetaskiwin referred to the Indian conditions document. That document was released by my department in June of 1980, and noted that the social, eco-

nomic and other conditions of the Indian people improved in the last two decades. They still, of course, remain well below the conditions enjoyed by other Canadians. That document removes all doubt about that fact. Life expectancy, a reflection of health standards, is still ten years less among Indians than it is among the national population. University enrolment has increased, however—this is on the positive side—from 57 in 1963 to 2,700 in 1979. That was the good news.

The following is the bad news. Indian participation in the labour force is still less than what would be desirable. It is about two-thirds of the national level. Only about 32 per cent of Indians of working age are employed. Generally speaking, reserve resources have not been developed, due partly to the fact that many Indian reserves do not form economic units, and almost half of them are relatively inaccessible.

During the past ten years the greatest proportion of increases in government expenditures for Indian affairs have been in community services and economic development, but development funding remains at less than 10 per cent of over-all funding in the department. That is a source of frustration to myself and has been to my predecessors and others. It is indicative of the problem with respect to limitation of funds. It is a problem I have as Minister of Indian Affairs and Northern Development, but it was also a problem faced by my immediate predecessor. Many programs involve heavy funding commitments.

I would like to deal with one matter to which my hon. friend referred. He said that only 30 cents of each dollar reaches Indians. I would like to have that figure examined in more detail by the committee because, quite frankly, I question its accuracy. The figures I have, and those which I think have been put before the committee, indicate that the administrative costs of the department are not more than 12 per cent of the entire budget. Certainly the 30 cents comes into question when one looks at that figure, and also when one recognizes that 35 per cent of the entire budget of the department is administered by the bands themselves. Perhaps when the hon. member refers to that figure he is talking about those bands which have taken over administration. They are taking over 35 per cent. There are bands which have not, but moneys expended on their behalf is not counted as part of the 30 cents. This casts a very different light on a figure of that kind, but the hon. member quotes it without further analysis.

I will carry on with some positive aspects. I think they should be emphasized simply because, when I talk with many Indian people, they express some unhappiness about the constant conduct of some of us in the House of Commons who continually refer to the gloomy aspects of their conditions. One said that he is a little tired of being considered the "poor little Indian" all the time. I can understand how they feel in that regard, so there might be some merit in talking about some of the positive things which have happened.

For instance, one could look at the participation of natives at all levels of government and, more particularly, at the active involvement in Indian political associations which have developed over many years. However, setting that aside and talking just about their representation at all levels of government, I refer to Senator Guy Williams, a native from British Columbia; Senator Willie Adams, an Inuit from the Northwest Territories; and the hon. member for Nunatsiaq (Mr. Ittinuar), an Inuit from the Northwest Territories who is a member of the New Democratic Party. I understand that the hon. member for Winnipeg-St. James (Mr. Keeper) will speak after I do. He is a native member.

Frank Calder is a native MLA in the B.C. legislature. Not now active but defeated are the Hon. Leonard Marchand, a native from British Columbia, and Wally Firth who was a Dene member of Parliament from the Northwest Territories. Many others ran but were not elected. They ran and conducted good campaigns with the determination to serve here one day. Some of us have been defeated. I certainly was. Bill Shead is native Liberal from Manitoba. Don Moses is a native who ran for the Liberals for a seat in the House of Commons. He is from British Columbia. George Erasmus is a member of the New Democratic Party who ran in the Northwest Territories. Archie Patrick is a native member of the New Democratic Party from British Columbia. Jim Gladstone, I think, became a senator under the Right Hon. John Diefenbaker. Tagat Curley is an Inuit Liberal. Andrew Kirkness is a native Liberal from northern Manitoba, and Charles Sark is a native from Prince Edward Island.

Mr. Nielsen: And Joe Jack.

Mr. Munro (Hamilton East): I missed Joe Jack, and I am sure I missed some others, but this list is indicative of the number who are sitting or who have run.

Mr. Nielsen: Erik Nielsen, Whitehorse Indian.

Mr. Munro (Hamilton East): Erik Nielsen from Yukon. It is a positive thing that band governments have emerged to take basic responsibility for local administration. That is a very encouraging sign and, as I say, 35 per cent of the entire funds are now under local administration. That trend is going upward and I am sure will continue, ending the problem of self-reliance about which the hon. member in the official opposition complains.

There is general agreement among Indian people and the government that relations between the two are more positive now than they were. There are still complaints. There is a far greater degree of Indian participation in the provision of health, education, community and other services than there was a decade ago. Indian people have greater access to more kinds of employment, both on and off reserves, than they did before.

I might talk about a greater degree of recognition of the government's position. The hon. member says that the government has done nothing to protect the culture, language and health of Canadian Indian people. I might add that one of the reasons for the preparation and release of the "Indian Conditions" report was to create an awareness among those interested in the affairs of Indians—including, presumably, the official opposition—of the real nature of the problem and to

promote a widespread recognition of the real and urgent need for true Indian self-reliance to be realized. Judging from the hon. member's comments, the opposition has obviously read and concurs in that report since it endorsed its logical conclusion that greater self-reliance is not only desirable but also essential.

However, some other aspects of the situation have apparently gone undetected by the drafters of this non-confidence motion today. The government is committed not only to promoting Indian self-reliance in all possible ways but also to ensuring that all Canadians and their representatives are mindful that this is a fundamental objective of government policy and of government actions.

The principle of self-reliance is basic to the government's approach to the constitution. In the Indian Act we emphasize self-government and the provision of services. As an example I can cite housing, education, economic development and the preservation and enhancement of Indian language and culture.

● (1630)

First, I should like to talk about self-reliance in the constitutional context, in the context of constitutional development. Contrary to the position taken in today's motion, what is happening on the constitutional front is not a failure but a testament to the government's commitment to promote Indian self-reliance. Here are some examples. A decade ago, the government began to address seriously the issues of native rights by encouraging Indian participation in the development of a mutual understanding of their nature and extent. Issues underlying concepts of aboriginal and treaty rights are complex. They require extensive consultations, both with Indians and with provinces. These issues include, from the native perspective, the right to self-government, hunting, fishing and trapping rights, education and language rights, a special share in resource revenues, special provisions pertaining to family law, the administration of justice, and so on.

For the record, I want to review some highlights of the government's efforts to encourage native participation in constitutional renewal.

In June of 1978 "A Time for Action"—a basic document of the government of the day—gave priority to the place of native peoples in constitutional renewal. The constitutional amendment in Bill C-60 provided an opportunity for native-government dialogue on the proposed charter of rights. In October and November of 1978, native observers were invited and welcomed by the Prime Minister (Mr. Trudeau) to the first ministers' conference.

On January 30, 1979, the Prime Minister invited national native federations to send observers to the second first ministers' conference. On February 5 and 6 of 1979, at the conference, the Prime Minister proposed that the ministers meet with native leaders to explore their constitutional concerns. On February 12 of 1979 the Prime Minister released a list of new constitutional items, including "Canada's Native Peoples and the Constitution."

On April 29, 1980, the Prime Minister gave a speech on the constitution at the National Indian Brotherhood's all chiefs conference, and focused on the need to define aboriginal and treaty rights, native self-government, native representation in political institutions, and federal-provincial responsibilities for the provision of services to native people.

On August 11, 1980, the Prime Minister sent a letter to the national native organizations affirming observer status at the upcoming first ministers' conference on the constitution. On August 26, 1980, the continuing committee of ministers on the constitution met in subcommittee with native leadership, received briefs and discussed their concerns.

From September 8 to 12 of 1980 the first ministers' conference was held at which attention was drawn by a number of premiers and the Prime Minister to native rights issues.

On October 2, 1980, a resolution was proposed for a joint address to Her Majesty that the constitution be returned to Parliament. Section 24 of the charter of rights in that document was to ensure that the proposed resolution in no way detracted from any rights of the Indian people, whether it be statute law or treaty proclamations in the jurisprudence that has developed over the years.

On October 10 and 17 of 1980, the Prime Minister assured the House that constitutional negotiations with native leaders would continue and that any changes directly affecting native peoples would only be made after discussion with them. The Prime Minister stated that meetings with native leaders would continue to take place to consider how best to protect native rights.

One aspect of this chronology has been left to the last because it is so central to the issue of Indian self-reliance raised in motion. Last April, the Prime Minister announced to the National Indian Brotherhood conference that $1.2 million had been approved, $400,000 for each of the three national native organizations, to help them prepare for discussions on the constitution. On November 7, 1980, the Prime Minister, in response to questions from members, made note of this contribution and of subsequent meetings and correspondence. Also on November 7 the Prime Minister said:

> The precise definition of those rights in a written constitutional document is something, I repeat, that we have assisted the Indians, native people, Metis and the Inuit to research for themselves. If they come up with some form of amendment which is acceptable to all parties in this House—and, I should say hopefully, to several of the provincial governments—we are prepared to accept amendments on this as on other things. I would merely want to point out to the hon. member that I think the simple claim of aboriginal rights, without anyone knowing exactly what it means, is not a matter which one can convincingly argue should be put in the constitution at this time. First of all, the courts would be called upon to interpret such a constitutional amendment, and I think everyone would want to know what aboriginal rights are, what is their extent, to whom they apply, and so on.

Hence the justification for the research money which was made available to enable the Indian and native associations to deal with their constitutional position. That money has been utilized, I think. As we noted, the committee on the constitution which is sitting right now will be hearing native organizations throughout this week. It has already heard from the Inuit organizations which made ample use of this type of funding

arrangement and which were able, with these resources, to obtain the kind of constitutional expertise which they desired.

The latest development is the Prime Minister's most recent letter to the national native organizations in which the following message was communicated: First, patriation will not reduce the natives' rights in Canada; second, the government's commitment to work with native peoples toward constitution change remains firm; third, the list of natives' priority concerns, including aboriginal and treaty rights, internal self-government, representation in political institutions, and a guarantee of services will be addressed along with other items which would be treated as the first item on the next first ministers' meeting in the second phase after the constitution is brought home; and finally, the pursuit of the objective to entrench native rights in the constitution will likely involve a number of meetings with first ministers, and we as the government are committed to that end.

I have dealt briefly with the question of the self-reliance of Indians in the constitutional context. I should like to deal with it now in reference to the Indian Act and self-reliance in that context. It is clear to us, when we look at the Indian Act, that the relationship between Indians and government must change.

As a result of extensive consultations last summer, in which I was personally involved to a considerable degree, it became clear, first, that there is no consensus among Indian people on this subject, and I am speaking here about the Indian Act and what should be in it to foster greater self-reliance; second, that the National Indian Brotherhood does not, at this time at least, support amendments to the Indian Act. To be a little more objective, I should explain that their preoccupation at present is with the constitution; third, it became apparent to me during these consultations that there are still, however, a significant number of Indian bands who wish to assume greater control of their affairs. Therefore, we are now considering legislation to provide the option for self-government at the band level for those bands that wish it.

• (1640)

The scope of the legislation is still under review and it was subject to the type of consultation which took place during the summer. We indicated then that the legislation would establish band councils as governing bodies in their own right. It would permit them to administer their own financial affairs with accountability to their own people. Also the legislation would give them control of the administration of programs to allow them to pass and enforce bylaws within their own communities, and they would have increased responsibility for the administration of their lands and resources. These are some of the very key elements which would establish self-reliance in the context which the hon. member for Wetaskiwin talked about. They were the key elements in the proposals which I took to the Indian people this summer.

I should like to talk about self-reliance, and services to Indians. The first area with which I will deal is that of housing. I do not know if hon. members opposite are aware that last July cabinet approval was given to a submission which I took to my colleagues for an additional $20 million to improve Indian housing on reserves. The amount available for housing in 1980-81 was raised to $93 million. The long-term effect of improvements to Indian housing will be to strengthen Indian communities. They will be involved in decision-making in a much more adequate way, and now there will be much more adequate funding for them to do that.

The second area is education. It is now government policy in education to achieve two objectives: first, increased Indian control of education, and second, more adequate funding in the way they wish it. In this area the department since 1976, with the support of the National Indian Brotherhood, has pursued the goal of greater Indian control of education. Some of the more encouraging aspects on that point would be that most Indian bands have now established education committees; the department is committed to a plan to transfer up to 50 per cent of the teaching staff to Indian-controlled schools; the department, with Indians, is now reviewing current education agreements with the provinces at the request of the Indians. We are doing that with their involvement.

In terms of education achievement, Indian elementary shcool participation is now equal to national levels, there has been a tenfold increase in Indian participation in universities, and now Indians are virtually involved in all kinds of professional training, including nursing and legal. One only has to look at the tremendous number of Indian lawyers who, in a very articulate legal fashion, are advancing the causes of native people.

I should like to talk about economic development, which is a very worth-while preoccupation of members of the committee. A great deal of discussion with Indian people has been held over the last few months, and studies have been undertaken. Both have confirmed that for Indian economic development to be successful, it must be planned and controlled by Indian people themselves and it must go beyond the reserves as the resource base.

Our experience over the past few years has shown that economic development has been extremely successful in sectoral programs and under the auspices of such programs as the Manitoba Indians Agricultural Program, the Saskatchewan Indians Agricultural Program, and the British Columbia Indian Fishermen's Assistance Program. These initiatives have provided models for Indian control and comprehensive management by Indian people of development projects. I think the hon. member for Wetaskiwin would agree that the projects have been notably successful. Efforts have been continuing to increase Indian access to employment opportunities off the reserve. An example is the Indian Oilsands Development Corporation in Alberta which, since 1976, has participated in the Syncrude oil sands project in the province. My department is now working with Indians to ensure Indian participation in other major resource development projects such as the Alaska Highway and Polar Gas Pipeline projects.

There will have to be more exploitation of on-reserve development potential, particularly in the areas of agriculture, timber, recreation and oil-gas where the emphasis must be

placed. Moreover, such development cannot take place piecemeal, or by the government. It must be done in a comprehensive way, and we realize that Indian people must play the lead role. Opposition members would surely not have the House believe that Indian people should be dependent on the government in this regard. I am talking about involvement in these megaprojects. We are now consulting with Indian people to seek ways to improve the structure of financial support for Indian economic development ventures. Some meetings will take place with Indian leadership during the course of this week in which not only myself but the Minister of Energy, Mines and Resources (Mr. Lalonde) will be involved. Our goal is to ensure that the sources of funding available to all Canadians are tapped to their fullest and that Indian economic development takes place within the existing economic structure of Canada.

The Acting Speaker (Mr. Blaker): I regret to interrupt the hon. minister but his allotted time has expired. He may continue only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Nielsen: The minister has not spoken on Indian affairs during this whole session, so I think he should be allowed the opportunity to do so now.

Mr. Munro (Hamilton East): With that somewhat dubious observation, let me indicate that I appreciate the time to complete my remarks. I will be very brief.

I should like to emphasize the optimism which can be engendered by us all and to negate some of the more negative aspects emphasized so much over the years. I am referring to the land claims activity which is of prime concern to the native people of this country. I would advise the hon. member who put this motion of my appointment of Dennis O'Connor as chief federal negotiator for the Yukon claim. The hon. member for Yukon (Mr. Nielsen) is well aware of that appointment.

Mr. Nielsen: It is a fine appointment.

Mr. Munro (Hamilton East): This appointment has received the approbation of the hon. member for the Yukon, the government of the Yukon and the Council of Yukon Indians. I saw him just yesterday and he told me that the negotiations with the Council of Yukon Indians are going reasonably well. Also I advise the member of my appointment of Senator David Steuart of Saskatchewan to try to bring to conclusion the agreement in principle, and of course I am referring to the COPE claim, Also in August Robert Mitchell was appointed to deal with the Inuit claim in the eastern Arctic, and Robert Young was appointed to deal with the Nishga Tribal Council land claim. These appointments have received not only the endorsation of the territorial government but of the provinces. The inactivity of some of these land claims has been an impediment to development and a source of irritation not only to the natives but to the non-native population who find that little can be accomplished as long as these claims remain inactive.

Indeed that has been a very encouraging development. I appreciate the indulgence of the House in allowing me to point out some of the positive aspects of the fronts that are being moved on now in all these areas, to cope more adequately with the severe problems which historically native people have suffered. They are all primarily designed to provide, as identified in the motion, the Indian people of this country, Canada's first citizens, with the self-reliance that not only they want but we endorse.

Some hon. Members: Hear, hear!

• (1650)

Mr. Cyril Keeper (Winnipeg-St. James): Mr. Speaker, I rise to speak on this motion since I think it clearly raises a question which is of great concern to us all, to all Canadians and all native people. I wish to say that while native and Indian people make up a very small percentage of the population, their problems are very real ones, in spite of improvements. It is not only the fact that native people face very real problems which is important but also the fact that the continued existence of these problems serves as a symbol to many people. It serves as a symbol of the incapacity of a nation to come to grips adequately with these problems. It symbolizes a government which fails to deal with problems effectively or adequately.

I wish to make some comments about the remarks made by the minister. He made reference to elected native people. I must say that the capacity of native people to become elected to legislatures across this country is important, but it is certainly not sufficient. The central question which faces the Indian and native peoples today is that of participation in the decision-making process as a community, not simply by way of having individuals elected to legislatures across the country.

The minister also made reference to the constitutional process. He detailed the involvement the native people have had so far in that process. I must say that while he was able to elaborate a large number of details, I think the fact of the constitutional express coming to town with a large number of Indian people, who still feel totally locked out of any real involvement in the constitutional process, indicates that the efforts so far to involve Indian people in that constitutional change process have been ineffective. It is not, however, too late. I think the recommendations before the committee could be responded to positively by the government. The government could still come forward with an amendment to the constitutional resolution which would affirm aboriginal and Indian rights rather than simply make a negative statement, as is in the present resolution. That statement says that nothing in the resolution will take away from aboriginal rights.

With regard to the minister's comments about the Indian Act, I must say that unless the general mood that is generated by the way the government is handling the constitutional process is reversed, and an appropriate and constructive mood

is struck, when the minister comes to deal with the Indian Act he will have a very difficult time indeed. It is clear one issue is related to the other in terms of the over-all quality of the relationship between the Indian people and the government. It is very important that the constitutional process be dealt with in a constructive manner so that when the minister comes to deal with legislation he has a constructive relationship to rely upon, in terms of working out those amendments with the Indian people.

The minister made reference to improvements and optimism. I think there is certainly a role they can play. That is not the only side of the coin. Clearly, we would not be talking about the conditions of Indian people without those conditions continuing to be serious and calling for a serious response.

The minister referred to Indian involvement in oil projects. My colleague, our energy critic, referred to that in question period today. I have in my hand a letter from the vice-president of the Indian Association in Alberta which is addressed to the premier of that province. It outlines the very serious conditions which Indian people continue to suffer in that province, including, among other things, an increasing mortality rate. In other words, in the province in which there is the greatest economic boom presently in this country, the conditions of Indian people continue to deteriorate. We are talking about very serious, and not always improving, conditions when we talk about the conditions of Indian people. This has obviously been well-documented over the years.

The minister's own report on Indian conditions, while pointing to some improvements, obviously outlines very serious problems which continue to exist. These problems call for serious attention. They are not only dealt with in the minister's report but there was also a report on Indian and Inuit health conditions which outlined, elaborated and sketched the completely intolerable conditions under which Indian people live in this country.

While making these introductory remarks I would like to say that there is obviously some validity to the claim that there are some improvements. We continue to face problems which are very serious and intolerable. These problems require attention. I would like to focus my remarks on Indians in the urban situation since that is much closer to my own experience. It is the general deterioration of the conditions under which Indians live in a rural setting which causes the migration to cities. Whether they are status Indians or non-status they come to cities with a great deal of hope. They come in search of better housing, better jobs, and better living conditions.

In the cities, status Indians face some special problems, some of which relate to the jurisdiction the federal government has over Indians and the jurisdiction provincial governments have with regard to social matters. I am thinking now of child welfare. I know that in my home province the provincial government tends to deal with the problem of Indians and child welfare on reserves only in emergency situations. There is a gap in the services, and a serious problem arises. What tends to happen is that rather than the problems being dealt with, the federal and provincial governments deal with the problems of status Indians, where there is this conflict of jurisdiction, more in terms of a revenue problem about who is responsible financially. As a result, the Indian people and the Indian children get caught in the middle and fall between the chairs.

More specifically in dealing with the resolution, I note that it refers to self-reliance. My understanding of that term is that it calls upon the government to assist Indian people in their own self-help efforts. The reason I translate the word "self-reliance" into "self-help" is because I am afraid of the attitude which might prevail in one saying that self-reliance means we no longer have access to public funds in order to cope with the problems which we face. I think that is a real possibility since I know, with regard to the provincial government in Manitoba, under the premiership of Mr. Lyon, the approach there is really one that could be described as a freedom to starve, to be self-reliant in that sense. That is certainly not the sense in which I am speaking to the motion.

• (1700)

When that government came into office in Manitoba, the first thing it did was cut off many of the very valuable services to the Indian people, particularly those in northern, remote communities of the province. This has only helped to stimulate further the migration to the cities. Certainly, it is not the sense of self-reliance to which I am speaking here, and that is why I specify "self-help" as opposed to the word "self-reliance" which is in the motion.

While Indian people suffer under very grave social conditions, they should no longer be referred to as victims. It is useful to adopt the notion of the Indian as victorious, as the survivor, and as the person who is growing and coping better with these very difficult problems. It is important because in instances when the social problems which Indian people face are listed, it is often felt by Indian people to be a put-down. Obviously, we must face these very serious social problems in the light that Indian people are no longer simply victims of those problems, but are turning the situation around and coping with their problems much better than ever before.

In order for the Indian people to cope with these problems, the government assistance or public assistance must be effective. Indian people require the assistance of their fellow citizens in order to cope with these problems. the problems faced by Indian people in the cities are of a global nature and embrace such areas as education, employment, difficulties with the criminal justice system, lack of adequate social services and all the problems a person can face. Indians face these problems particularly in cities in the west, but also in many other Canadian cities such as Montreal. Of course in the west Indians in Winnipeg, Regina, Saskatoon, Edmonton, Calgary and Vancouver face these problems. All these cities have large Indian populations.

These very serious problems require immediate and urgent attention. Since the government is aware of these problems, it is incumbent upon it to take action which is appropriate to the size and urgency of the problems. I have seen no evidence of this action so far. When the Indian Conditions Report was

first published I felt, perhaps naively, that this document would cause the government to take serious action in this area. I also anticipated that the government would do something about the problems which Indian people in the cities face, but I have seen no evidence of that so far.

The Winnipeg Indian Council has often come to me about the fact that the Department of Indian Affairs does not deliver its services in the city. It seems to stop—

Mr. Orlikow: Writes them off.

Mr. Keeper: —it writes them off when native people move into the urban environment. Certainly this is not acceptable to the status Indians who live in the cities, nor is it good for the over-all community because it means there are serious problems which are not receiving adequate attention. This policy must be changed. The Indian Affairs Department should not write off Indian people when they move to the cities.

The government has a clear responsibility to the status Indians, but with regard to non-status Indians its obligation is not all that clear. While there is no specific clause in the constitution which outlines the federal government's responsibility to non-status Indians, clearly, because of the seriousness and the national scope of the problems, the federal government does have a responsibility to become involved so that provincial governments and local communities can adequately deal with these very serious problems faced by both status and non-status Indians.

There are several parts to this motion. It refers to the "failure" of the government, which raises the question of what is the benchmark for failure? It is not whether the government is doing a little more or whether there is some improvement. The benchmark should refer to the disparity between the living conditions of Indian people and the over-all population. Clearly, against that benchmark, the government has failed. It must take more aggressive action in this area. When the motion refers to self-reliance, we think of it in terms of self-help. The government must move to help Indians where they seek to help themselves. It is no use simply to allocate money for problems unless that money is used in programs which have been designed by Indian people.

There is one gap in the motion. By and large it is a good motion, but it contains no specific reference to living conditions, although it is implied in the words "failure to protect the culture, language and health of Canada's Indian peoples". However, it would be helpful if it were spelled out more clearly. Accordingly, I move, seconded by the hon. member for Regina East (Mr. de Jong):

That the motion be amended by inserting therein, immediately after the word "health", the following words:

"and living conditions".

I move my motion because I believe that the motion, whether it refers to self-reliance, culture or language, is really based upon the living conditions under which people suffer today and this, fundamentally, is what must be changed.

The Acting Speaker (Mr. Blaker): I thank the hon. member for Winnipeg-St. James (Mr. Keeper) for having provided the Chair with a copy of the amendment in advance. In a procedural sense, I find it acceptable and in order.

Mr. Lorne Greenaway (Cariboo-Chilcotin): Mr. Speaker, I would like to begin today by referring to three articles which recently appeared in the Toronto *Globe and Mail*. These three commentaries dealt with the plight of our native people in present-day Canada. They were written by Mr. David Lancashire, the chief feature writer of *The Globe and Mail*. Allow me to quote the first paragraph of article number one, which appeared on page 10 of the October 18, 1980, issue:

They call themselves refugees in their own land. They crowd by the thousand in the downtrodden districts of big cities across the country, some 15,000 in Montreal, perhaps 30,000 in Toronto and the same in Winnipeg, 20,000 or more in Vancouver. They are Canada's urban Indians, who have traded the poverty of their reserves and settlements for poverty and racial discrimination in the bright lights.

● (1710)

Let me quote from the first paragraph of the second article found on page 7 of the October 20 issue. It reads:

'We have got 111 houses on the reserves', says Roland Crowe, Chief of the Piapot Indian band outside Regina, 'and only four of them have running water or sewage disposal. There are almost no jobs, and 279 of our people have moved away. A lot of families are on welfare. The younger band members are getting very depressed and frustrated, but we are better off than most—we are an upper middle-class Indian reserve'.

Finally, I would like to quote the lead-off statement in the final article which appeared on Tuesday, October 21. It reads:

The 1980s must be a decade of decisions and actions, the white man was saying, but the Indians didn't pay much heed. After 100 years of what many Indians regard as empty promises, and in a decade when a minister in Ottawa can still forbid an Indian to raise chickens on a reserve 1,600 kilometres away, it sounded like more empty talk. The white man was Prime Minister Pierre Trudeau, his audience in Ottawa last April was a gathering of chiefs and elders from Indian bands across the country. Canada's treatment of its native peoples has been a failure, Mr. Trudeau confessed, and simply pouring larger amounts of money into the same programs will not work either. He told the chiefs the time had come for Indians to set their own action. It is time, said Mr. Trudeau, for Indian bands to be given a chance to govern themselves.

The first two quotations illustrate that the problems faced by native people are very real, and are still with us. The last one indicates that we have a Prime Minister (Mr. Trudeau) who publicly, at any rate, has the solution. But the Prime Minister of this country admitted publicly on April 29, 1980, that Canada's treatment of native peoples has been a failure. For once, I find myself in complete agreement with the right hon. gentleman.

The Knox report, or to give it its proper title, Survey of Indian Conditions, published this spring, documented very clearly what an absolute disaster government programs have been. This report provides the following dismal list of statistics. These statistics, I am sure you will agree, sound as if they were derived from some fourth-rate, Third World, poverty-stricken nation. Mentioning the Third World reminds me that one of our best known Canadian Indian chiefs, George Manuel of British Columbia, coined the phrase, "The Fourth World" in reference to our native Indians. As a matter of fact, he is the

author of a book by that title, a book which deals with the plight of the native people. I can recommend it to anyone who is truly interested in this subject. My colleague, the hon. member for Wetaskiwin (Mr. Schellenberger), quoted Chief Manuel in his closing remarks.

To return to the Knox report, I ask you, Mr. Speaker, does this sound like Canada 1980? The following illustrates how the Indian people of Canada are disadvantaged: 11,000 new houses are needed to meet existing needs while current construction barely meets new demands; 40 per cent of Indian housing needs replacement or repair; and one family in three lives in crowded conditions on reserves, usually in relatively small houses in poor repair, resulting in unhealthy and unsafe conditions. More than half of existing Indian housing lacks safe water or proper waste disposal. The alternatives are unprotected water supply and waste disposal that is a potential source of pollution. Fires and fire deaths on reserves are six or seven times higher than national levels.

Indian use of health services is two and a half times higher than national levels. Disease, accidents and violence are four to five times higher than national levels, with a considerable proportion of those related to alcohol abuse. Mortality rates are improving, but three times as many Indians die between birth and middle age as do non-Indians. One-third of Indian deaths result from accidents or violence. This is especially true for young adults, among whom the number of suicides is particularly high. Between 55 and 70 per cent of the Indian population use social assistance. This is 22 times higher than national levels. These are documented facts. And we, in Canada, the fabled "Just Society" have not been willing so far to supply the solutions.

As Canadians, how can we continue to pat ourselves on the back to maintain such a holier-than-thou attitude while such statistics occur in our own backyard? How can we continue to pump money into foreign countries and not address such horrendous problems in our own nation? In my view, it is hypocrisy of the ultimate magnitude.

Even this report, from which I have just quoted, is, with all due respect to its author, an example of the misguided endeavours so typical of the Department of Indian Affairs and Northern Development. This little gem, "Survey of Indian Conditions" cost the department $246,940.26, almost a quarter of a million dollars. But what is even more disturbing is that $154,000 of it, or 62 per cent of the total cost of this catalogue of chaos, went to so-called consultants. This means to me that the Department of Indian Affairs is such a circus that it is not even able to author a report dealing with the very problems it works on day in and day out. What a sad case for economy, efficiency and effectiveness.

Who were the consultants? Surely they must have been some of Canada's foremost Indian leaders but, as far as I know, no Indian people were among the consultants. The consultants included W. Babcock, M. Giuliani, J. Nicholson, and G. Cassidy. I do not recognize any Indian names among those. If we are going to spend money on reports such as this one, at least some of the hired consultants should be Indian people. Who know the problems better than those who have faced them head on every day of their lives?

What we have here is a report, a rehash of well-known facts, which has cost the taxpayer a quarter of a million dollars. Worse still, it has deprived the needy of a quarter of a million dollars.

I say the Indian people of Canada have been studied to death. We have had report after report. All of them have pointed out the failure of various programs which continue to roll out of the department. We have had report after report on how to correct the situation, rolling out of the offices of the various organizations. It has become a game of report writing, or who can turn out the highest pile. It is the battle of reports, and I have a stack of them six feet high in my office. If anyone does not believe me, they are welcome to come to my office with a tape measure and measure them. Maybe all of this is simply a diabolical plot to have the problem solved by the department and to have the Indian people reading themselves to death.

These issues are with us today. Why are we making such slow progress in helping the Indian people of Canada solve the problems we have imposed upon them? I think I am aware of a few reasons for this. At the top of the list, and of paramount importance in my view, you must have a federal government willing to give the issue top priority. Have we seen this since 1968? I think not. This is borne out when you consider that the department has had six ministers in a 12-year period, not counting the nine months our party formed the government. I have been told that it takes most men or women at least two years to become familiar with and to get control of a ministry. I should think that this would be especially so vis-à-vis the ministry about which we are talking. If gambling were allowed in this House, I would bet you $20, Mr. Speaker, that our present minister is shuffled to a new post within six months. The pattern is there, and it is well established.

Think what ramifications this must have upon the department. It is not hard to see why this department is run by bureaucrats. If you worked in a business, Mr. Speaker, which had seven managers or bosses in 12 years, you would probably begin to think that you knew more about what was going on than any new manager. You and your fellows would begin to make and implement policy simply for self-survival, if for no other reason. Also, if you are so disposed, you would be able to control the manager, or minister in this case, because he would never be around long enough to know what was really going on. In my opinion, this is what has happened in the Department of Indian Affairs.

There are many examples of programs and policies initiated through discussions between Indian leaders and well intentioned ministers which have been scuttled by the bureaucrats in the great teepee in Hull. Promise after promise made by the minister is thus broken, leading to frustration, building rage in those people who are supposed to be the benefactors.

● (1720)

Another reason for the failure is the seeming inability of the department to listen to and, what is more important, to hear and digest what the Indian people are saying. A good example of this has recently come to light, and that is the department's plan for the 1980s. When the directional plan for the eighties was unveiled to native groups, it was immediately denounced as a return to the policy of assimilation that was the thrust of the infamous 1969 white paper. The native protest against the 1980s plan was so overwhelming that the minister sent a telex to the National Indian Brotherhood in which he said, referring to the directional plan:

I think it should be made quite clear that this was sent out to senior personnel in the Department of Indian Affairs as a discussion paper only.

However, in a letter dated the very same day as the telex, October 3, 1980, an assistant deputy minister of Indian Affairs told all regional directors general that "we, as a department of the government, are committed to ensuring that it—the directional plan—is effectively instituted".

I do not think that I have to amplify on this bit of nonsense. The problem is self-evident. Judging from this evidence, you can see who runs the department. It is certainly not the minister.

A third situation is one I touched on briefly in my first point, and that is the building of a bureaucracy. We now have approximately 7,000 civil servants employed by the department. When you look at the structure of the department it is interesting to note that there are five assistant deputy ministers, 13 directors general, 51 directors, and 20 regional directors. We are awash with directors. We could drown in a sea of regional directors. My cup runneth over with directors general!

The amount of paper that goes through the system would have to be measured in mega tons. In my own riding the Indian band managers have become the most skilled of all in filling in forms and applications. I actually hear of cases where town administrators have gone to band managers to get advice on filling in complex government forms. This has reached a ridiculous stage, but if you want to keep 7,000 people busy and you desire to build layer upon layer of bureaucracy, then paper shuffling is the order of the day.

A fourth reason for failure is the lack of authority of the standing committee. Of course this could be said of most committees on which we sit. In the case of our committee I get the distinct impression that all we are is simply a sounding board. I have only been on the committee for one year, but already we are seeing the same delegations a second time, hearing the same sad stories. We sit, we question, we listen, but that is as far as it goes under the present system. We must have some reform of the system as it now exists or it will collapse, and so it should. We, as a committee, have about as much influence on this government or on the department as a gnat has on an elephant's posterior. This must be changed.

A fifth reason for failure is in the area of funding. Expenditure on the Department of Indian Affairs and Northern Development as a percentage of the total government budget has remained constant at 1.7 per cent since the 1970-71 fiscal year. It has remained constant in spite of the fact that the conditions are appalling. The conditions outlined in the Knox report are not new. The Prime Minister has known about these conditions; he admitted this on April 29 of this year. Yet the department, which is supposed to help improve these conditions, gets no increased aid in that endeavour.

Let me give a specific example of this government's priorities. About a month ago I was sitting in this House when the hon. member for Beauce (Mr. Lapointe) rose to praise the budget. The hon. member proceeded to point out that the "business acumen" of his constituents had netted them $419 million in Department of Regional Economic Expansion grants since 1969, almost half a billion dollars.

I do not know if this is a display of business acumen or government welfare. However, it is not for me to judge on what basis, political or otherwise, the government disburses its funds. But let me point this out. Beauce has a present population of 74,759 people. There are about 300,000 status Indians in Canada, or about four times the population of Beauce. According to the Knox report, Indians have received annual DREE grants ranging from $130,000 in 1972 to $3 million in 1978. That is for all Indians in Canada. That does not approach what Beauce, a single riding, has received, and with one-quarter the population. I am sure that the Indian people could display their business acumen also, given such funding. I would like to thank the hon. member for Beauce for bringing these figures to my attention, as well as to the attention of Canadian Indians.

We often hear that Indian people do not have business acumen, that they are not sharp. I wish to give an example of something that happened to me. Last Friday I received a telephone call asking whether we would distribute buttons, such as the one I am wearing. I said we would be happy to do that. Today I received a phone call asking for my cheque. They are $2 each. Therefore, they are sharp.

But that is not the end of it, Mr. Speaker. The Liberal government is not interested in making Indian bands independent and viable economic units. It appears to want them on welfare, on the backs of taxpayers instead of as economic assets to our country. This point is neatly illustrated by the following figures. In 1976, the department spent $100 million on social support; in other words, welfare, and in 1979 it spent $150 million, a 50 per cent increase. In 1976 the department spent $44 million on economic development and in 1979 it spent $43 million, an actual decrease of about 2¼ per cent. Does this make sense? Does it make sense to increase handouts 50 per cent and at the same time reduce development funding? I think not.

Then we have the issue of the mismanagement of funds. I look forward to the tabling of the audit of native trust funds, ordered over a year ago by this House. I am confident that we will see fresh horrors from the office of the Auditor General at that time. We already know that the department has lost some of its records of these trust funds, and I can only imagine what has happened since then. These are not even government funds

we are talking about, these are native funds held in trust by the government. As I said, I look forward to the audit which I hope will clarify this murky area.

The list of cost overruns by the department on its projects is also a nightmare. The list of overruns tabled by the President of the Treasury Board (Mr. Johnston) this spring provides for depressing reading. The department had 77 cost overruns, some of up to 550 per cent. This is insulting and frightening news for the taxpayer, Mr. Speaker. We have questions on this on the order paper asking for specific details, and have yet to receive the answers. I know I have been critical. It is the easiest thing in the world to criticize, and that is my role as an opposition member. However, it is only fair that I should be called upon to offer some solutions.

Many people, including the highest officials, know what these solutions are. Even the Prime Minister knows, and again I quote him in his speech of April 29 at the all-chiefs conference. He said, "It is time for Indian bands to be given the chance to govern themselves". This is the answer in a nutshell. This is what Indian leaders have been telling minister after minister for years on end. What must be understood is that today we are dealing, in most cases, with a very sophisticated segment of our population. Indian leaders and band managers are perfectly capable of organizing their own affairs. Give them the mandate and give them the funding, wind down the department and dismantle the layers of bureaucracy. I am positive that they can handle it. Naturally, there will be some problems. However, a system could be put in place that allows bands to opt in as they feel ready to accept the responsibility. The dollars expended would then actually reach the level at which they are so desperately required.

I know that many in the department feel this could be achieved. There are many good and dedicated people in the department, and to them I pay tribute. However, the problem we have here is that we are asking bureaucrats to agree to phase themselves out of their jobs. Such dedication is understandably difficult to find. This is where visionary and innovative government policy, carried out by a strong and capable minister, enters into the picture. Nothing will ever happen if we continue the ministerial revolving door approach to this entire shameful and disgraceful situation that now exists in our country.

In closing, on behalf of the native people of Canada I appeal to the minister, I appeal to this government to move rapidly in the direction I have indicated.

● (1730)

[*Translation*]

Mr. Ray Chénier (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Mr. Speaker, I merely wish to add a few details to the overview the minister gave us of some of the amendments made to the Indian Act in the last few years.

[*English*]

The process of Indian Act revision has been going on for almost 20 years. The present Indian Act became law in 1951 and was last amended in 1956. It became apparent in the late fifties that there were already deficiencies in the act, and a report was tabled by a special joint committee of the Senate and the House of Commons in 1961. In 1962, the cabinet of the day decided to proceed with revisions to the Indian Act and a motion to that effect was introduced into the House in 1963. Recognizing that there was a need to be better informed about the conditions and the needs of the Indian people before such comprehensive revisions were proceeded with, Professor Hawthorne was commissioned to carry out a survey of the situation of the Indian people of Canada. In 1966 his report was released and recommendations on comprehensive revisions to the Indian Act together with an elaborate plan for consultation with Indian representatives across the country were prepared the following year in 1967. Following those consultations, the white paper on the Indian Act was introduced in 1969 but the principle that it proposed was soundly rejected by the Indian people as being contrary to legislative needs that they themselves envisaged.

After a number of exchanges of viewpoints in the 1970s, including the presentation of the Indian Association of Alberta's "red paper", the National Indian Brotherhood was formed and undertook to come up with suggestions for the type of revisions which they saw as being necessary from the Indian point of view. On their behalf, the Indian Association of Alberta prepared a submission to the government in 1974 but it was unable to command unanimous support from the various Indian groups. Consequently, the next year, the government agreed to establish a joint National Indian Brotherhood-cabinet committee process to tackle the question. This joint committee, through its various working groups, examined a variety of concerns, using as its base the principles spelled out in the annual general assembly of the NIB in through the summer of 1975. These were: The Indian Act should be revised on a phased basis; that is, that there should be no comprehensive revision but that the revision should be tackled on a subject-by-subject basis; that any revisions suggested should be made optional so that individual bands could study the new revision and each could make its own decision as to whether to adopt it or reject it; and that there be an extensive consultation process through which proposed revisions to the act would be made fully known to the Indian people and could be fully discussed by them.

At the same time, in 1976, the cabinet agreed to fund the NIB and its member associations in order to enable them not only to study recommendations which might be produced by the joint committee but also, when it was considered desirable, to come up with their own alternatives to any proposed legislation. The National Indian Brotherhood withdrew from this process in April, 1978, feeling that although a measure of agreement had been reached on some issues, there was nevertheless an over-all lack of progress in accepting their major position on the question of Indian rights and how this issue

should be dealt with within any Indian Act revision. However, the government was still urged by certain Indian groups to continue with the process and at the same time it decided to continue funding the work of Indian associations in their efforts to develop their own views on the nature of the required revisions.

As a result, certain positions were put forward by the minister to chiefs during 1978 and certain responses were received from some associations in the period which followed. Over all, however, many bands and associations felt that further consultation should be involved in the discussion of these arrangements of Indian Act revision and the present minister decided, at a meeting of all the chiefs here in Ottawa last May, that he would like to get a clearer understanding of their viewpoints before proceeding further with this process. Accordingly, during this past summer he met with Indian groups across the country, from Vancouver to Truro, from southern Alberta to Fort Good Hope in the Northwest Territories. It became clear from these meetings that there was still a wide divergence of opinion on the whole question of legislation affecting the Indian people. Some groups were opposed to any changes in the present Indian Act until much more time had been given to its study and the presentation of their counter-proposals. The groups have already proposed certain progress and substantial issues which they would like to see adopted by the government as revised Indian Act legislation. Still, other groups have insisted that while they are not opposed to changes to the legislation they wish to see some of their essential concerns settled within the constitutional committees before agreeing to any other legislative revisions.

At the same time, there are also bands and associations that have urged action be taken now to either amend the present act and its present provisions concerning Indian local government, or, alternatively, to introduce separate enabling legislation which will meet these needs without necessarily disturbing the remaining fabric of the present Indian Act. It is this latter course of action which seems to be more appropriate at this point in time.

There are many aspects of the present Indian Act which severely inhibit the ability of Indian governments on reserves to take adequate responsibility for their own social, economic, political and cultural development. The legal status of the present system of band councils has been queried on a number of occasions and the findings of the courts have consistently been ambiguous in this matter. Thus the ability of band councils to be considered as valid governing bodies in their own right has not encouraged the commitment of developmental funds from other sectors of the Canadian business community which is essential if the human and physical potential of reserves is to be fully developed.

It is the minister's proposal that enabling legislation with the object of recognizing the legal status of Indian governments within the reserve communities should be introduced during the coming year. In keeping with the ongoing concerns of the Indian people, this legislation would be optional in nature and only bands wishing to do so need take advantage of its provisions which would recognize the responsibility of bands to be in full control of their own community planning and development.

● (1740)

In addition, this legislation would not propose to diminish the minister's responsibility as it relates to the ultimate questions of protection of Indian lands and the status of Indian people in their special relationship with other Canadians. It would, however, remove many of the barriers which the present Indian Act imposes across the chosen road to self-discovery and self-reliance. It would eliminate the sense of dependency and paternalism which is epitomized in many of the provisions of the present act. With the introduction of this legislation the previously agreed principles of full consultation would still continue. It would be proposed that a parliamentary committee travel across the country to meet with Indian bands and associations to gain their first-hand reactions to the proposed legislation. It would be the intention of the government to listen carefully to the recommendations made by that committee and to try to ensure that the final form of any legislation would meet, in as many ways as possible, the expressed needs of bands which would prefer to be responsible for the development of their own communities under its provisions rather than those of the present Indian Act.

[*Translation*]

Mr. Speaker, the legislation we are proposing will certainly draw the day closer when the autonomy of Indian reserves and bands will be recognized throughout the land. The recommendations we will implement as we pursue our course in coming months were submitted to the previous government which, at the time, chose to ignore them. To my mind, the negative criticism of hon. members for Wetaskiwin (Mr. Schellenberger) and Cariboo-Chilcotin (Mr. Greenaway) are somewhat ridiculous, considering the fact that during the nine months their government was in power they showed very little concern for the problems of the Indians of Canada.

[*English*]

Mr. Lorne McCuish (Prince George-Bulkley Valley): Mr. Speaker, for decades the government seems to have recognized the need for adequate native housing and for health programs, but it has really only recognized the tip of the iceberg.

I believe we have to go back a long time to find out just what did happen to the native people in Canada. We have to go back to the time of Columbus. We came to North America and took North America. It was populated by native people, and we felt we could just convince them that they should come into our life-stream and adopt our life-style. Because of the independence and pride these people felt, they could not accept the way we conducted ourselves. They could not accept the manner in which we lived. Because of that we decided to put them into specific areas and build fences around them. We left them there, possibly hoping that they would go away. Well, they have not gone away, nor have their spirit of independence, their pride and their culture. The only things about the Indian

which have gone away are the rights which are his and which for decades and generations we have chosen to ignore.

I have in my hand a confession of failure. It is a survey put out by the Department of Indian Affairs and Northern Development entitled "Indian Conditions". Because my great concern is about Indian housing and health, I was appalled by what is contained in this book and by the facts to which the Department of Indian Affairs and Northern Development admits. Statistics prove that the department has failed dismally to give Indian people in Canada any semblance of human dignity.

With respect to present housing needs, the number of units needed has risen from 6,000 in 1966 to 11,000 in 1977. In 1970 the then minister of Indian affairs and northern development, the Hon. Ron Basford, made the commitment that he would provide housing for Indian people which, in a period of ten years, would provide them all with adequate living accommodations. He asked for 54,000 housing units over that period of time, and only slightly over 3,000 have been provided by him and his government over that period of time. There was a promise of 54,000 and an accomplishment of 3,000, which I feel is not only appalling but also a real offence.

The book is fraught with comparisons with respect to what Indian people are expected to put up with and what the rest of the Canadian population demands and receives. I have spent sufficient time in municipal affairs to know the demands imposed upon municipalities by provincial governments and imposed by the municipalities on people building homes. Yet we find that less than 55 per cent of Indian homes have running water. Less than 45 per cent have sewage disposal. Fire deaths per 100,000 population number 28 among the Indian population compared with four in the rest of Canada. With respect to fire protection, only on 15 per cent of reserves is there any semblance of fire protection. There is incredible and intolerable overcrowding in inadequate Indian homes. These people do not have a chance if fire breaks out in their homes. There are seven times the number of fire deaths in one segment of our population than in the rest. This segment of our population is being shabbily treated and put down for a long period of time. These are the original people of this continent, and even with all the years behind us we have gone only downward in our efforts to establish them as a nation in their own right. They should be given more opportunities than those of us in the rest of Canada, but we are giving them far fewer.

It is a little known fact that in terms of people per square mile the most densely populated area in the entire world is the west end of downtown Vancouver. By any standard that would be considered a ghetto, notwithstanding the fact that that ghetto is made up of high-rise buildings of recent construction. These buildings are most certainly provided with all the facilities which are demanded with respect to health and living conditions. However, on the basis of people within a room let me give the House another grizzly statistic. In the west end of downtown Vancouver there are 1.2 people to a room. In the Fort Babine reserve in central British Columbia there are 3.8 people to a room. If we compare what our governments have called Indian housing with what we find in a high rise reinforced concrete building with all the facilities, and if the west end of downtown Vancouver is a ghetto, what in hell shall we call the housing found on reserves?

• (1750)

That is precisely what it is; it is hell. I have seen them and I walked away ashamed. The cost of operating the Department of Indian Affairs and Northern Development has been mentioned by my colleagues. Indian people are being provided with money from the taxpayers, but that money has been laundered so much that the Indian people in the end get very little of what the taxpayer is giving. One hon. member in my party made a reference to this, but it was challenged by the minister. According to the information which I have taken from the estimates, the Indian and Inuit affairs program operating expenditures, such as authority for the minister to enter into agreements, amount to $289,069,000. Capital expenditures, such as expenditures on buildings, works, land and equipment, construction and acquisition of houses for Indians, amount to $67,455,000. The total expenditures of the department amount to $809 million. When we find that the cost of operating the department is six times the amount provided to the Indian people for housing, we must come to the conclusion that those disgraceful figures speak for themselves.

No one can deny that our Indian people have suffered through the decades from degradation and deprivation. What a shame it is that they are also being fractionalized now by the politicians and are made the victims of regional disparities and regional pork-barrelling. It appals me that the Indians doubt and mistrust each other, that they look askance at each other.

If I may, Mr. Speaker, I should like to quote some government figures again. For example, the province of British Columbia has the second largest native population in Canada, yet, British Columbia receives the smallest amount of funds from the federal government for native services and programs on a per capita basis. In British Columbia, the individual Indian receives $191.61 a year per capital project as compared with his brother in Quebec who receives $2,198. British Columbia Indians get only 8.72 per cent of what Quebec Indians receive from the department. Quebec Indians receive more than twice the funding per capita that Indians in the province of Saskatchewan receive. It is bad enough that the politicians direct officials of the department in the disbursement of funding to assist native people. No one can deny that it is impossible to do a worse job managing the affairs of the Indians that has been done by the federal government. I am not putting the blame on the hard-working officials of the department nor am I blaming any of the ministers who have been in charge of that department. I put the blame on the Canadian people and their governments which, over the decades, have given no consideration to the rights and needs of the native people. That is why I listen very carefully when I heard my Indian friends talk about Indian government. The money which is being spent on administration is shockingly disproportionate to what eventually seeps down to the native

population, and even that is spent unjustly because favouritism is being shown, and favouritism originates with the politicians, not with the department. The one who suffers from it is the native Indian. There is no way in which we can provide his family with the facilities that are being made available.

I recall receiving a report on conditions in other parts of the world. Part of the report stated the following:

Anyone drinking this water unboiled breaks out with rashes, pimples and sores, especially around the eyes, ears, nose and mouth, but his digestive system also becomes infected with diarrhoea, nausea and worms.

I am not speaking here of central Africa, I am speaking of central British Columbia. I raised this point in the Thirty-first Parliament with Mr. Ivan Head, chairman of the International Development Research Centre. Mr. Head responded in the following way:

—our statute states that IDRC's jurisdiction shall be working in the developing regions of the world. By my definition, there are regions of Canada that qualify. I would like very much, and hopefully with—and it will have to be with—the full support of the Department of Indian Affairs and Northern Development, to try out some of our techniques with the native people of Canada.

He went on to say in part:

—I will insist that we do this with the use of native persons themselves. I will not hire consultants to go and do the work for them. It must be done in the way that we have found successful abroad.

There are two points there, the most glaring one being that a responsible person heading a federal agency recognizes that part of our population is as primitive, filthy and deprived as any in central Africa. The second is that facilities are available within the federal government's structure, use of which could be made by the Department of Indian Affairs and Northern Development but which the department has not chosen to use.

I see that my time has expired, Mr. Speaker. I only urge that the House give consideration to the motion.

The Acting Speaker (Mr. Blaker): It being six o'clock, I do now leave the chair until eight o'clock this evening.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

Mr. Dave Dingwall (Cape Breton-East Richmond): Mr. Speaker, in rising to speak tonight I must say that I appreciate the opportunity to address myself to the issues raised in the opposition motion. It gives members of Parliament an opportunity to discuss the contents of the motion and perhaps to address themselves to some of its substantive parts. Perhaps one could query the sincerity of the motion inasmuch as the opposition benches are practically vacant this evening.

Mr. Clark: But filled with distinction.

Mr. Dingwall: Notwithstanding that, the aspect of the motion to which I should like to refer is that respecting education. Education has been recognized by the Government of Canada and Indians for some time as essential to reduce dependence and increase self-reliance.

Basically the concern of Indians and the government has been twofold: to ensure increased Indian educational achievement, and as a means of accomplishing this, to provide for increased Indian control of Indian education. In relation to the second issue, the principle of Indian control of Indian education has been an objective of Indians and the department since the early seventies. The object of this policy is not simply to transfer to Indian control the direct administration of schools, but to assure that the curriculum and the method of teaching is adapted to Indian needs in a way which will assist Indians in meeting the challenges they will find in the day to day world.

Obviously this is a difficult challenge since Indians must gain their education not only on reserves, but in provincial schools and indeed in post-secondary institutions such as universities and colleges. The first step has been at the band level and has involved the development of support to band education committees which could assume responsibility in the first instance for planning educational activity, and in the second instance, engaging provincial systems to ensure that they provide for the needs of Indian students.

At the moment this policy has reached a critical stage. Now only about 8 per cent of Indian students are in Indian-controlled schools, although about one-third of the education budget, or approximately $90 million, is controlled by Indian bands. During the next three years the department, in co-operation with Indian bands, will attempt to accomplish two things: first, to transfer approximately 50 per cent of Indian education staff now employed by the department to band control, and second, to review and revise joint school agreements with local school boards to provide education to Indian children. Therefore, by the end of the next two to three years Indians will have achieved a comprehensive degree of influence in the education system as a result of this progressively evolving joint policy of Indians and government.

Another indication of the increasing Indian orientation of the education system is the fact that of the 1,800 teachers employed by the department, approximately 500 are native people, 400 have proficiency in native languages and 600 have special training in cross-cultural education. But Indian control must be accompanied by increased participation and quality in order to accomplish the goal of reduced dependence and increased self-reliance. Some of the indicators in this include the fact that the proportion of Indian children enrolled in elementary schools is comparable to national levels; secondary enrollment has more than doubled since 1965 and university enrollment has increased tenfold since 1970.

● (2010)

Mr. Speaker, we readily acknowledge that this performance is not yet satisfactory, although it is particularly heartening to see the increased involvement of Indians, particularly in the post-secondary institutions and the various professional fields. We believe strongly, however, that the key to increased effectiveness and quality in education is Indian participation in

management and planning. Experience has shown in schools in Quebec, in Fort Alexander, Manitoba, and in the Indian Federated College and the Indian Community College in Saskatchewan that Indian control leads to an increase in quality, participation and, above all, a sense of pride.

Indeed, Indians are justifiably proud of these accomplishments since these are the initiatives not of governments but of themselves. For our part the government will continue to support Indian initiatives as we have done in the past. We have done this by providing funding—education accounts for more than one-third of the department's budget. We have done this by providing a special education framework through departmental and band-administered schools. This has been done in the past by our support of Indians in reaching new and revised agreements with provinces and local school boards which meet Indian priorities. It has been done by assisting in the development of Indian-oriented curricula and through cultural support to Indian cultural education centres. It has been done by providing special tuition and living allowances for Indians in post-secondary education.

Mr. Speaker, what I have said answers in part in a very real way the motion now before the House, one which in no way deals with what is actually happening in the field as it relates to Indians and the services available to them. Mr. Speaker, the fact that Indians are taking the initiative within this framework confirms to me, and I believe to themselves and all members of this Parliament, that Indian pride and self-reliance is well established and growing with each passing year.

Right Hon. Joe Clark (Leader of the Opposition): Mr. Speaker, I have always been proud to number among my constituents, in the two constituencies I have represented in this House of Commons, citizens of both status native background and Métis background. I am pleased my colleague from Wetaskiwin (Mr. Schellenberger) has introduced this motion. It has allowed us to recognize today that in an age and in a country of increasing affluence, and at a time when the air is rife with talk of rights, the basic ability to live of our first citizens has been marked by a movement backwards—not by a movement forward.

The figures are stark, they are known and are shocking to all of us who have followed Indian affairs. The life expectancy of native people in Canada is, on average, about ten years less than that of other Canadians. That is a figure which is worse than the figure of ten years ago. We are not moving forward, we are moving backward. Pre-natal and infant mortality is 60 per cent higher among native people than the national average. Again, this is a situation which has not improved over the last nine years. Among the native people the suicide rate is three times the national average. The rate of violent death is also three times the national average. In terms of unemployment, chronically, the figures run to 20 per cent or 30 per cent; at certain places at certain periods of time the figures for unemployment among native people run in excess of 80 per cent. In 1960, 20 years ago, 10 per cent of native housing units were in need of major repairs. By 1977, 24 per cent of native housing units were in need of major repairs. Fire deaths are about seven times the national average.

I was interested to hear the hon. member speak about post-secondary schooling. The fact is that the proportion of Indian children aged 14 to 18 in school has been continually declining, since 1973 to a point at which almost 50 per cent of the Indian children in that age group are no longer in school. That is a dismal and frightening fact. Pre-vocational training attendance is down from 3,400 in 1973 to 1,000 in 1979. Those facts, sir, are all the more damning for this Parliament since the status natives of Canada are the one group of people whom the federal division of powers least affects by statute, treaty and tradition. They are citizens for whom the Government of Canada is particularly responsible. Their education, welfare and rights are indisputably federal responsibilities.

There have been instances when those responsibilities have been shamefully betrayed by their guardians in the Government of Canada, as the native people of James Bay were betrayed when the Liberal government gave only the most limited support in a crucial conflict where Ottawa had absolute and unlimited responsibility. But the deeper condemnation is that at a time when the federal government is trying to extend its powers into fields occupied previously by the provinces and the private sector, the health and the dignity as well as the rights of these people for whom the federal government is now responsible have deteriorated steadily and disgracefully.

Mr. Speaker, I say to you that if the Prime Minister of Canada (Mr. Trudeau) had given the cause of native Indians one-quarter the priority he has given his own personal preferences for constitutional change we would have made more progress as a nation against the shameful spectacle of Indian poverty, suicide, infant mortality and the indignity which has become a part of life for the original citizens of this nation. I specify the Prime Minister because he is the head of the government and his priorities prevail.

But the condemnation, sir, extends to all of us in this House. Most of us have been too ready to allow other priorities to intrude. We have been too ready to turn our eyes away from the problems that the system of dependency on others has incubated among the native people of our land. No realistic thinking person will pretend that these problems are easy to resolve. Those of us who are experienced in this area are more aware of their complexity and difficulty. Those problems began with bad decisions more than a century ago. The reserve system has steadily drained status Indians of initiative and dignity. But the native people themselves have begun to reverse that trend. They have begun to take steps, some of them halting and some of them very dramatic. These steps will enable them to regain their pride and regain their place in Canada. For their pains and the work they have done they have been excluded from the decision about their constitution. They have been confronted with both paternalism and prejudice.

I want to speak tonight about paternalism because it is within the direct responsibility and control of this Parliament. I have particular cause to know that we have excellent people

serving Canada in the Department of Indian Affairs and Northern Development, as we have in the rest of the public service. But federal bureaucrats will always be tempted to think they can make better decisions than the natives can. Occasionally they will be right, but usually they will be wrong. There is no department in the Government of Canada where the temptation to run others' lives is stronger and there is no department where the consequences of succumbing to that temptation are more ruinous for the people involved. When my colleague, the hon. member for Provencher (Mr. Epp), who is now sitting on the constitutional committee, was the minister for Indian affairs we began to implement a deliberate decision to change the direction and orientation of Indian affairs policy across this country, to move more responsibility to the band councils themselves so that native people could grow in responsibility by exercising responsibility. We recognize that the most legitimate organization in the Indian community is the band council. It is a council which is elected by and responsible to the Indian people themselves. We tried to build up the force, the influence, the role, the independence and the autonomy of those band councils. I draw attention to that policy, Mr. Speaker, only because it appears to have been abandoned and replaced by new forms of paternalism.

Under the policy announced by the hon. member for Provencher, when he was the minister, the department would increasingly move back to an advisory role. This new approach would help Indian people carry out the programs that they propose. It would not tell them what to do and control their lives by controlling the purse strings. Three major reforms were announced and were in the process of implementation by the government which it was my honour to lead. First, we made it clear that band councils would be given the power to control their own social and economic development. They would no longer be told so rigorously what to do by the people in Ottawa or elsewhere. Second, a process was being established so that planning and development of programs would begin at the local level. It would start with the band council and not be forced down upon the band council by someone with less knowledge but more authority.

● (2020)

Third, the Indian affairs department would move gradually away from its administrative role and, instead, would provide resources to assist programs begun by the band councils. Regrettably, this new approach which would have broken the cycle of paternalism appears to have been abandoned by the Liberal government. That is a betrayal of the people whose interests that department is supposed to serve.

Whereas self-management and the exercise of responsibilities at the local level were characteristic of our approach to the programs of the department, full consultation and participation was the basis of our approach to constitutional renewal and the role of native people. As prime minister I met with Indian leaders to present our government's view that Indian representatives would participate fully in all deliberations of the consultative committee of ministers on the constitution where there was a clear Indian interest or where the result of such discussions could affect Indian people significantly.

Indian, Inuit and Metis leaders would be called upon to participate in the development of the agendas for first ministers' conferences. We explicitly stated our hope they would join at some very near time with first ministers in the discussion of specific issues. Similarly, last August my party suggested that if the first ministers' conference of September broke down, as in the event it did, a constituent assembly be formed to deal with constitutional renewal. In the event of such an occurrence we made specific provision that native spokesmen be included in addition to members of Parliament and members of provincial legislatures and territorial councils. The president of the National Indian Brotherhood responded to this suggestion stating that it was a very, very attractive progressive proposal.

This record of consultation and participation contrasts sharply with the dramatic events in this city this past week—a constitutional process which, only at the last minute, under duress, allowed for Indian presentations before the special committee on the constitution, a process in which the Prime Minister has refused to meet with the Indian leadership to discuss his constitutional proposals, a process which has so angered and so alienated the Indian people that they have felt compelled to go to the parliament of another country, the parliament of Great Britain, to present their case.

Indian rights and Indian concerns should be debated here in the Canadian Parliament. The Constitution of Canada should be decided here in this country by the people and representatives of this country, and in a way in which all the people of this country can be heard. I raise the constitutional matter because the conditions of poverty and of suffering which we all know to be too real a part of Indian life in this country are linked inextricably to the constitution. While the problems are specific—alcoholism, unemployment, school drop-outs, prostitution, to mention a few—the matter at base comes back to human dignity.

When a community has so essential a sense of the dignity of a people, that is why the constitutional questions which draw native people here from across this country are so central to the human, social, and economic problems which have been discussed throughout this day. The Indian, Inuit and Metis people of Canada regard themselves as being part of a community, with community or tribal rights as well as individual rights. These people cannot be taken out of their history.

Their history rolls out of their imagery, it rolls out of their language and out of their connection with the land which was once theirs alone. To most of us whose ancestors came after the aboriginal peoples, a constitution is a document of convenience, a way of ordering our lives. To the Indian and Inuit people, the Indian Act and the treaties are the only guarantees of their survival against a majority culture which, by threat of arms or guile of argument, took their lands and their livelihood and, inexorably, took their dignity. What they have left as a people is memory and legal claims and status which they feel

are menaced by this constitutional approach. And now, happily, a growing pride and a growing sense of purpose.

I make the point that their documents are more important to them than our constitution is to us. If we say that their rights can wait while language rights are addressed, we are saying that guarantees which are sacred to them are secondary to us. Naturally, for the Parliament of Canada to say this will only breed anger and resentment. But, more dangerous still, that approach could destroy the growing sense of pride which is the only way this original Canadian people can find the will to work its own way back from the despair which causes indolence, alcoholism, prostitution and those shocking facts of infant mortality.

I am no romantic about Indian affairs. The mythical days of Crowfoot and the other ancient chiefs are long gone, together with other myths. But a people remain; a people as innately strong as any other, a people who once owned this continent and managed it well, a people who, like any other, can lift themselves up only if they start with dignity. In his days Chief Crowfoot commanded the plains and foothills where my father and I were born. When I was young and growing up, the people of Crowfoot had fallen from the pride which he symbolized. But in these last two decades, that has changed and the pride and strength that ruled a continent is becoming evident once more. If we worry about young people dying, about unemployment rates that can sometimes be in excess of 80 per cent, and if we want to reverse the shameful legacy of the reserve system then we must encourage that pride and that strength where we find it. We must encourage local native leaders to lead. That is why the tool of economic development exercised with local autonomy is so important, and that is why the rights, the source of identity and dignity of our original people cannot be treated by the Parliament of Canada as something secondary.

In our judgment, particular programs in the Department of Indian Affairs are wrong because they have turned away from the idea, the ethic, that decisions are more effectively taken when they are taken by band councils with local knowledge and local responsibility. But what is most wrong is that the priority we have given the Indian and Inuit people, who are the special responsibility of this Parliament of Canada, is too low. Their standing, in our view, their place in the work that we undertake, the priority which we assign them, is wrong. This must change if we are to accept our responsibilities as a Parliament to the native people of Canada for whom we are the only and ultimate guardians and spokesmen.

Mr. Doug Frith (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, before I go further I would like to comment on some of the remarks made by the Right Hon. Leader of the Opposition (Mr. Clark). The Leader of the Opposition made the allegation in his remarks that this government has changed its view of how it wishes to treat the evolution of the native peoples. I will make clear in my speech that that is not the case. I will point out that regardless of which party has occupied this side of the House our record with respect to the treatment of native people, whether it be with regard to the delivery of health care or with regard to social economic policies, leaves many things to be desired.

• (2030)

Despite all of the dollars we have allocated to many of the problems discussed by members of this House, it must be acknowledged that one cannot, simply by the use of dollars, alleviate the situation which exists for far too great a percentage of the native peoples of this country. I think everyone will agree that the presence of the elders, the chiefs and representatives of the Indian people in Ottawa this week make the subject of Indian affairs an appropriate and a timely topic for debate this evening. That speaks for itself.

The health of the Indian people was made a responsibility of the Department of National Health and Welfare in November, 1945. By order in council, the Indian health services division was transferred to the Department of Health and Welfare from the then department of mines and resources. It is important to note that only the health services were transferred. All other services for Indians, including land, housing, education and welfare, and even what is referred to as hygiene and sanitation, remain with the Indian affairs branch.

This is an important point because responsibility for the provision of many of the services which govern health—I am referring to such things as adequate housing, sewage disposal and safe drinking water—rests with another branch of the government rather than with the ministry responsible for the health of the Indian people.

In 1945, it was estimated that there were only about 125,000 registered Indians in Canada. By 1967 the Indian population had almost doubled. Today their numbers are almost 310,000.

The health of the Indian, and, I may add, of the Inuit people, has always been a focus of concern for this department. When the Department of National Health and Welfare took over Indian health services, Canada's original people were riddled with tuberculosis. Even as early as 1880, reports from Indian agents listed the disease as the major cause of death among prairie Indians. In 1897, for example, the death rate from tuberculosis among one tribe of Indians was reported at 54 per 1,000.

In 1945, when the department took over Indian health services, the Indian tuberculosis rate was over 12 times the national rate and there were 990 Indians in hospital with active tuberculosis. While tuberculosis is still a matter of concern today, the rate for new and reactivated cases is only slightly more than 100 per 100,000 population. While federal health authorities cannot relax their vigilance over tuberculosis, new patterns of mortality and morbidity have emerged that are of far greater concern, not only to the department and the government, but to most Canadians as well.

Despite the improvements that have taken place in the health of Indians since 1945, death rates for Indians in all age groups are two to four times the national average. For example, despite considerable improvement, the death rate for

Indian infants in 1978 was over 76 per 1,000, or twice the national rate. Mortality in the one to four age group is over three times the national rate, as is mortality in the 20 to 44 age group. That statistic is simply not acceptable to anyone who happens to represent the people of Canada in this House.

Over one-third of Indian deaths are due to accidental causes, many of which are preventable and should not occur. In the past decade, trends in Indian mortality and morbidity have shown marked improvements, particularly in the areas of infectious and respiratory disease. But, with the exception of heart disease and cancer, rates exceed those for the general population. One of the main reasons for the lower health status of Canada's Indian people is the harsh social and economic environment in which the majority of Indian people live. Although living conditions on Indian reserves have improved dramatically over the past 20 years, the fact remains that Indian social and economic development have not kept pace with the growth of the population.

In 1977, the Indian affairs branch estimated there was a backlog of 11,000 housing units on Indian reserves, and that to eliminate this backlog and to meet the demand for housing resulting from normal population growth, the current rate of construction would have to be doubled for the next five years.

The majority of Canadians take sewage and waste disposal and a safe and abundant supply of water for granted. Over 95 per cent of households in Canada enjoy these services. Nevertheless, only about half the houses for Indian people are equipped with running water and toilet facilities.

A great deal of catching up must take place in the effort to improve the physical environment on the reserve. As this comes about, there will be some improvement in the health of the Indian people, but the gains will not be dramatic until the Indian socioeconomic situation improves.

Social conditions on many Indian reserves are a major concern of the government and the Indian people. Direct evidence of this can be found in the appallingly high rates of suicide which have reached almost epidemic proportions among the 15 to 24 age group. Suicide accounts for almost 35 per cent of the violent deaths. Let me repeat that statistic; it accounts for almost 35 per cent of the violent deaths among young people, and for over 20 per cent of such deaths in the 25 to 34 age group.

The alcohol and drug abuse situation among the Indian people is another major contributing factor to the low level of physical and mental health experienced in many Indian communities. Health and Welfare estimates that over half of Indian sickness and death is alcohol related. It is estimated that hospital admissions for Indian people related to alcohol problems are five times the national average, and the rate for Indians living on the reserve is over twice as high as that for Indians living off the reserve.

I could continue this litany of health problems faced by the Indian people, but I think the figures I have quoted suffice to show the magnitude of the problem and the concern that this government, and indeed all Canadians, feel for the circumstances surrounding the life of our native people.

I would like now to review the growth of resources which the federal government has made available for Indian health services in the past decade. These figures are for Indians living in the provinces; they do not include the resources spent on health services provided by the federal government for all residents of the Yukon and Northwest Territories.

In the 1970-1971 fiscal year, Indian health services employed 1,588 people in the delivery of health services to the Indian people living in the provinces. Today, Indian health services employ 2,116 people and contract, in addition, for the services of a further 755 Indian and Inuit people through contribution agreements. Operating expenditures which were $29.8 million in 1970 to 1971 increased to over $96.1 million in 1979 to 1980. During the decade, the health and welfare department has expended over $45.4 million on capital projects. It now runs 15 hospitals 95 nursing stations and numerous other services. Nevertheless, as I pointed out at the beginning of my remarks this evening, that despite all the dollars spent on delivery of a health care system to the native people in this country, despite massive increases in this area, our success rate is far from what I think should have been accomplished in the past decade.

A new health policy was implemented for the Indian people. I return to this topic because the Right Hon. Leader of the Opposition (Mr. Clark) mentioned it in his speech this evening. The hon. member for Provencher (Mr. Epp) instituted this policy, so we cannot accept responsibility for it. However, we decided to support the intitiatives which commenced under the jurisdiction of the hon. member. I think it is well known that on this side of the House we have allowed native peoples in local councils, whether in the delivery of the health care system or in the beginning of an education system for their young, to have a say in recommending where federal expenditures should occur, thereby alleviating the system which exists now and is almost a self-perpetuating problem. I hope that at some point we will allow the system to expand so that native peoples can have their own say respecting federal expenditures.

The implications of this policy with respect to delivery of health care are, perhaps, greater than the authors of the policy first realized. I will now outline one of the problems we encountered in 1979-1980.

● (2040)

For example, expenditures on health services, such as glasses, dental care, drugs and medical transportation, which are not covered by provincial medicare plans, have skyrocketed and have reached the point at which over 66 per cent of the operating budget, excluding salaries, was expended on non-insured health benefits in the 1979-80 fiscal year. In dollar terms, the cost of these benefits has increased from $28 million in 1978-79 to an estimated $41 million in this fiscal year. As Indian health services is not a statutory program, the increase

in uninsured costs is putting an enormous squeeze on the funds budgeted for Indian health programs.

The feature of the Indian health policy that we believe has the greatest potential for bringing about improvements to health relates to the federal government's willingness—and the Leader of the Opposition mentioned this—to transfer responsibility for local health care services from the department to the Indian community. Already, a number of transfers have taken place and more are in the planning stage.

For example, in Saskatchewan, the Battlefords Indian health centre is gradually taking over responsibility for health services to nine Indian reserves. In the Pacific northwest, the Nishga tribal council is being funded by the department to plan the establishment of a local health board for the Nass Valley that will run the local health services for both Indian and non-Indian residents. It is interesting to note that the Nishga tribal council has already taken over the school board, and we are confident that they will do a great job running their own local health care delivery system.

There is an important aspect of the Indian health policy that I wish to call to your attention. The policy is careful to state that the health needs of the Indian people are met through services provided by the federal government, by the provincial and territorial medicare and hospitalization systems and by the local community. Health services to the Indian people are, therefore, a partnership between the three levels of government, each of which has a specific role and responsibility for the provision of clinical and preventive health services. This is an important point and I wish to stress that this government does not wish to set up a parallel system of health care of the Indian people which would exclude the full participation of the provincial and private sectors in the delivery of services.

One question, I am sure, is foremost in the minds of hon. members in this House. It is: what is the prognosis for the health of the Indian people in the future? I would like to be able to answer this question optimistically, but there are a number of variables which make it difficult to do so this evening.

On the positive side, greater Indian involvement in health, as part of the federal policy of transferring responsibility to Indian local government, offers considerable promise. Also, Indian people have become more acutely aware of their health needs and responsibilities. On the other hand, the socioeconomic situation of the Indian people leaves a lot to be desired, and one can foresee economic development difficulties in the future, especially on the more isolated Indian reserves.

As long as opportunities for employment are limited to the provision of community services, unemployment on reserves will remain at between 60 per cent to 70 per cent of the work force. Only when there are natural resources in the area, such as fish, lumber or minerals, can an isolated Indian community expect to reach full employment. Nevertheless, the potential for economic development must continue to be exploited and new sources of jobs must be created.

As long as present harsh socioeconomic conditions persist on Indian reserves, it is difficult to see any major reductions in socially-induced mortality and morbidity.

Although the federal government is spending over $7 million per annum on alcohol abuse programs, it is sad to say that there is little tangible evidence that alcohol-related deaths and sickness are being reduced.

In 1978-79, the Department of Indian Affairs and Northern Development spent 43 per cent of federal expenditures for social services on social assistance, most of which went on direct payment of social welfare assistance. Almost 8 per cent of Indian children are in child care. It is not so much the percentage that should say something to the Canadian people, it is the fact that when we talk about the number of native children in child care, it is almost five times the national rate. The number of adoptions of Indian children has increased fivefold since 1962, with an increasing proportion of adoptions to non-Indian parents.

The Indian people have suffered over 200 years of dependency. A major task of the federal government is to help the Indian people break away from this dependent state, and this is the thrust that the federal government is following in its relations with Indian leaders. The light at the end of the tunnel is community self-government, with the Indian people accepting responsibility for the programs and services which are currently being provided directly by the federal government.

Self-government, within the broad framework of Canadian society, and the development of greater economic opportunity is surely the key to the social and cultural survival of the Indian people. This will require increased expenditures for individual and community development, for housing and services, and for economic development. Ways have to be found to make Indian communities sufficient in employment opportunities so that the young people can stay in their communities and not have to migrate to alien Canadian cities, looking for work.

Canadians have an enormous obligation to the original people who inhabited this continent thousands of years before the first white man arrived. The task of all of us is to assist them to establish their place in society where they can feel that their culture and their social and economic development is secure. This places an enormous responsibility, not only on the Indian people, but also on all other Canadians. It will take patience, resources and good will, but if we and the Indian people are determined, we can all look forward to a brighter future.

I say this in a meaningful way. If we look realistically at the future, we realize that despite the enormous amount of resources we are going to devote to dealing with the problems of native people and despite the fact it will take a number of years to occur, we hope that at some point non-Indian people in Canada, will be striving to achieve a level of health and well-being equal to that of the Indian people, rather than the other way around, where they are continually trying to play catch-up with the delivery of health care in the social system we have developed for other Canadians.

Mr. Knowles: Mr. Speaker, I rise on a point of order. My purpose in doing so is to thank the representatives of the other parties for agreeing to our request that instead of our having one more speaker tonight for 20 minutes, we will be given two with ten minutes each and ten minutes only.

The Acting Speaker (Mr. Blaker): I do not think it necessary to seek unanimous consent of the House because the hon. member for Winnipeg North Centre indicated he has already achieved that. Subsequent comments indicated that members of the Liberal party may choose to use the same option, and I will be advised by them. In order to conserve as much time as possible for those who wish to speak, I will recognize the hon. member for Vancouver East (Mrs. Mitchell) and, pursuant to remarks made, it will be ten minutes and ten minutes only.

Mr. Kempling: I want it understood, Mr. Speaker, that we have our full 20 minutes left for our last speaker. If we choose to have two speakers for ten minutes each we will, but we will still have our full 20 minutes left.

Mr. Knowles: Agreed.

The Acting Speaker (Mr. Blaker): Unfortunately, the mathematics suggest that if each and every one of those who choose to speak does so to the extent of the time described, whether it be multiples of ten or 20, we will be attempting to get exactly 64 minutes into the next hour. I cannot give an undertaking to do that. Much as I would like to do so, I am unable.

Mrs. Margaret Mitchell (Vancouver East): Mr. Speaker, the NDP has included living conditions in this amendment because we feel one of the most serious problems facing native people, both in the cities and on reserves, is the appalling housing conditions. This has already been mentioned by a number of speakers.

We know that the housing is not only unhealthy and unsafe, but is without adequate sanitary conditions such as clean water, and is not constructed with a view to fuel conservation. As a result, the young people are leaving the reserves for the cities. The people are living in overcrowded conditions. Women, especially those raising children on their own, are often the last to qualify for the limited housing being built. Housing and the servicing of land is a very important government responsibility and must be given high priority for government funds. It is important to train local people to help make some impact on the terrible unemployment situation on the reserves. It is very important to look at the funding so that people can feel they do not have to go begging but can get adequate mortgages without getting permission from the minister with only a small proportion of the people qualifying. Adequate housing is necessary for families as well as for elderly people. I raise this as a result of conversations I have had with women today respecting the importance of providing adequate housing so that bands will be able to take advantage of the moratorium approved in this House allowing women deprived of their status under section 12(1)(b) to return to reserves. It is understandable that reserves are reluctant to expand when they do not have adequate housing for people already there. I would like to mention very quickly a couple of statistics and then I am going to talk about people. We know that 19 per cent of the on-reserve housing is extremely overcrowded with several families often living in a single house. This would not be so bad except for fact that the housing itself is very poor. This affects 40 per cent of Indian families living on reserves.

• (2050)

Only 40 per cent of on-reserve housing units have adequate water systems: only 40 per cent of the homes have adequate sewage disposal systems. On remote reserves these figures drop to 20 per cent so only one out of five has adequate water supply and sewage disposal. Heating systems are very substandard. As a result of this there are many fires. The rate of death in home fires is 30 per cent higher among Indians on reserves than in the rest of the country. Inadequate heating and very damp weather conditions lead to a much higher incidence of respiratory disease. I know this is the case on the west coast. General unsanitary conditions are a result of inadequate water and sewage systems. Those are some of the statistics.

Let us look at it in terms of real people. Tonight I sat at dinner with ten of the native women who appeared before the committee on the constitution this afternoon. Half of them were from the Indian Rights for Indian Women group. I told these women I would be speaking in the House tonight and asked them to suggest from their experience some of the matters they might want me to raise concerning not only housing but some of the positive things, the kind of projects that develop self-reliance.

I will give the House some of their examples. On the whole question of self-reliance they feel that this not only refers to the autonomy of bands and bands being in control of social and economic development, as the Right Hon. Member for Yellowhead (Mr. Clark) was just mentioning, but also that in our constitution consideration must be given to the third order of government. This is something that is hard for us to understand. I think it is important based on Indian traditions, on aboriginal rights, on the language and culture, and so on. As they describe it, it is more than just geography. They are concerned about the education of their children. If we are talking about housing and better communities on and off reserves we have got to think about the particular cultural needs and desires of Indian and other native people. Schools should be planned and developed by native people themselves having adequate funds for decent facilities and to pay their own people to train for teaching and be hired as teachers.

• (2100)

The same thing applies in the cities. There is a great need for Indian culture to be available to young children, particularly in the cities where in quite a number of cases they have lost their sense of identity.

The women to whom I spoke tonight also felt that multicultural funds for Indian services are not available in the way

they are to other groups, particularly in the cities, and that there is constant buck-passing between departments both in city programs and on reserves.

On the question of self-reliance, these women told me they felt very strongly that much more effort and much more funding should be going into economic development. This refers not only to the development of community development corporations on reserves and, indeed, in cities, some of which might be forms of co-op, but also to the sustaining of these efforts. There have been repeated experiences in which LEAP funds have been used for three-year periods to get something started and to train people, after which there is no way to carry on. LEAP has proved that people have the potential, the desire and the ability to manage their own affairs, but there has to be sustained and realistic funding.

With respect to training they said that everyone on reserves needs training, not just men but women too.

They spoke about a very interesting development on the West Bay reserve on Manitoulin Island. In this case there was a very great lack of housing, and those who were last on the list were single mothers raising children on their own. This is a great example of self-reliance from which we hope most people will not have to follow. These mothers got together, trained themselves and built apartments to house themselves and their children.

We heard also about scattered housing in Thunder Bay which is being bought up. Housing development is beginning with the aid of rent supplements. I visited a Burns Lake native development corporation in northern British Columbia where women as well as men are being trained in the operation of heavy equipment, and they earn a share of the lumbering industry there.

I could go on and on. I have many more points to make, but I see that my time is almost up. Four major problems related to housing have been raised by my colleague, our Indian affairs critic, who could not be here tonight. These four major problems have to do with the government's response to the demand for Indian housing. First, although the minister increased funding by $20 million last July, nothing has been done in a real way to meet the very serious backlog of housing needs. I refer to housing repairs as well as to new housing. As I said before, funds are not available for servicing land and developing the necessary infrastructures such as roads, sewage and water. Federal funding programs for housing on reserves do not provide permanent funding for labour, yet the labour component for housing developments is very important. There is a mish-mash of government buck-passing and no co-ordination, and Indian people get caught in between.

My time is up, but I would like to say again to the House that Indian housing should be given a much higher priority.

[*Translation*]

Mr. René Gingras (Abitibi): Mr. Speaker, the motion of the hon. member for Wetaskiwin (Mr. Schellenberger) before the House this evening is imbued with insulting negativism towards the native peoples of my riding. It is negative not only in spirit but in letter. The motion reads as follows, I quote:

> That this House condemns the continued failure of the government to promote Indian self-reliance and the continued failure to protect the culture, language and health of Canada's Indian peoples.

This afternoon, the hon. member spoke of his many years as a member of the Standing Committee on Indian Affairs and Northern Development. He could not say that the government continued to discourage self-reliance among the Indians, to destroy the culture, language and health of the Indians of Canada because his words would have been contrary to the truth. I am sure, Mr. Speaker, that the motion means the same thing.

Last week, I went around my riding. I shall speak to you about its Indian population. Toward the south, in Abitibi, 1,135 Attikamegues live at Obedjiwan and 920 Algonquins live at Pikogan and Lake Simon. In the mid-north, south of the 55th parallel, 7,129 Crees live divided into eight bands. Further north, 3,535 Inuit share nine villages. In all, Mr. Speaker, in the riding of Abitibi, 12,719 Indians and Inuit live in 19 separate bands, which I endeavour to represent well in Ottawa. I am sure Chiefs Richard Kistablish of the Algonquins, Billy Diamond of the Crees and Charlie Watts of the Inuit would be furious if they knew what the Progressive Conservatives think of them as expressed in the motion.

Mr. Speaker, the facts deny this motion according to which the government failed to protect the culture and the language of the Indians of Canada. The last decade has been noted for our native people's increasing awareness of their identity. The expressions of the native character, whether it be Inuit or Indian, can assume various forms but, at school, they are usually identified with the spiritual or artistic worlds. Still, it must be remembered that the way the Indians chose to express themselves this week in protecting and demanding their rights gives us the true measure of the dynamism of their culture.

Since 1970 the government has granted over $6 million to native organizations to enable them to take part in the review of the Indian Act and the constitution. The financing of research for claims during that same period has now reached over $30 million. At present, native political organizations are receiving over $20 million a year for their administration, research on claims, review of the Indian Act, consultations and development of their political platform.

Those points allow us to assess the continuous commitment of the government to assist and support the natives' efforts to protect, develop and express their cultural identity. We should also remember that the key concepts of that relation are assistance and support since it would be entirely unadvisable for the government to try to assume prime responsibility in that area. Moreover, the Indians would not appreciate such intrusion. Indeed, it is obvious that they would not tolerate it.

In 1971 the government developed a program to set up cultural and educational centres to assist the native people to

develop, preserve and appreciate the numerous aspects of their culture. The program provides financial support or other assistance to the Indians and Inuit to allow them to set up and operate cultural and educational centres contributing to make education meet their needs as they perceived them. In those centres, educational programs based on the language, the culture and the Indian and Inuit heritage are organized and made available. Those programs are drawn up and carried out by them.

Programs offered in these centres cover areas related to specific needs, such as the rehabilitation of traditional techniques, research on culture, language research and learning, the development of study programs, the training of native teachers and services aimed at Indian communities. These include programs of activities for the reserve such as leader training workshops, libraries, publications, information bulletins, development courses, radio programs, advisory services for band councils and schools and services for non-Indian communities. The latter include activities for increasing understanding and relations between Indians communities and others.

These programs also provide for liaison services with organizations and teaching institutions, cultural resources for provincial schools, museums and cultural exhibitions, cultural programs for tourists, cultural programs and public relations through community television, radio programs, newspapers and magazines. At present, there are 59 educational and cultural centres across Canada, which between all of them receive $5.3 million. Since 1972 the government has spent $37 million for those centres.

The variety and scope of the programs offered by these centres depend on the number of people who use them. For example, the Saskatchewan Indian Cultural College receives a grant based on the range of services offered to the entire Indian population of Saskatchewan. Indeed, it receives over $1 million a year and administers a whole variety of programs. However, several centres serve only one band and the scope of their programs is necessarily more limited.

I should also mention, Mr. Speaker, the cultural grants program. Under this program, the government gives grants to Indian artists to help them learn new techniques and advance in their career. The objectives of this program are the preservation, promotion and expression of traditional Indian culture through music, dance, theatre, drawing, painting and sculpture, the promotion and expression of contemporary Indian culture through the same media and the promotion and expression of traditional and contemporary culture together.

The grants are given to Indians to help them make their mark in these areas. With these grants, they can pay for tuition fees and the tools, instruments and supplies that they need and meet the costs related to artistic shows and exhibitions, native artists sometimes even use the money from these grants to pay for the basic necessities of life so that they can show or exhibit some of their work instead of having to sell it immediately to survive.

This program has a clear and positive effect on the whole range of cultural activities of the Indian people. We have only to look at the imposing number of Indian artworks both in private art galleries and in the theatres across Canada.

In the last few years, the existence of native culture has been increasingly recognized in the teaching programs of the schools administered by the Indians, the federal government and the provinces. This recognition is reflected in many aspects of the programs and generally comes directly from the initiatives of local communities which want teaching services capable of strengthening their cultural identity and their pride in their heritage to be offered to Indian children. In the areas where native children attend provincial schools, the department has supported the efforts made by the communities to enrich the teaching programs with publications on the native cultures and has also contributed to the production of these publications. It should be noted that these publications greatly enrich the non-native children who attend these schools. The series on people of native origin produced for the Ontario schools is a good example of the progress which can be accomplished through the co-operation of the Indians, the federal government and the provinces.

In the last 14 years, the percentage of Indian administrators and teachers in federal schools has tripled and has now reached nearly 30 per cent. This is due to an increased interest in teaching on the part of the native people and to a greater awareness on the part of the teaching institutions of the need to train specialists in the area of intercultural education. The native people are making their presence felt in education in a great variety of roles. They control their own schools as members of the school boards. They act as consultants in planning curriculums, strengthening the critical home and school relationship as cultural co-ordinators, consultants and teaching assistants. Finally, as language teachers, they promote the survival and perfecting of native culture.

With regard to curriculums, the native culture is perhaps more prominent in the training material developed to be used throughout the country. The curriculums have also been improved through the introduction of courses in traditional music methods, physical education, nature classes as well as art and craft courses.

The position held by elders in native societies is reflected in the contribution that many of them make to syllabuses and, less officially, in other areas as well. There is a very close relationship between culture and language, and the use of native languages has increased significantly over these last few years. During the school year 1978-79, more than 29,000 registered students out of some 78,000 were using classrooms where a native language was either the medium of communication or a curriculum study matter.

Mr. Speaker, Indian peoples are legitimately proud of their achievement in promoting the development and use of their old languages and culture, which have much to offer to Canada. I would like to indicate once more that this government will continue its efforts to support such achievements, so that new generations may point to their heritage as a continuing confirmation of their identity within the over-all Canadian society. For these reasons, I shall vote against the non-confidence motion.

• (2110)

[*English*]

Mr. Doug Anguish (The Battlefords-Meadow Lake): Mr. Speaker, I too would like to address this motion which was moved by the Conservative party and amended by the New Democratic Party. However, before I start my comments I should like to thank the hon. member for Vancouver East (Mrs. Mitchell) for allowing me a portion of the time allotted to her to address this very important issue this evening.

I find it somewhat strange that the Conservatives would move such a motion in view of the way in which they have treated Canada's native people in the past. Since the beginning of confederation the Liberals have held government for over 60 years and the Conservatives for over 40 years, but neither of those parties has treated the Indian people with any degree of respect until now, so I do not know why the Indian people should believe they will be treated fairly by either of these parties in the future.

Although some of the things which the parliamentary secretary said has happened on Indian reserves sounds fine, I know that it is not so. My wife and I lived on an Indian reserve for two years where I taught adult upgrading at one time and I know conditions have not changed a great deal since the time we lived there. In the area which I now represent as a member of Parliament for The Battlefords-Meadow Lake there are 17 separate Indian reserves and the living conditions in every one of them is, to say the least, not the same as those which exist in some of the white or Metis neighbouring communities.

I should like to refer to an article in a newspaper which states that the Indian people do not want to be dependent on handouts from some bureaucrat. They have problems with alcoholism, welfare dependence, crime and suicide. I agree with what this article says—

Toward this end, the land claims must first be settled.

I think Indian people must be given a greater degree of control over their own affairs. I hope they will be equipped with the tools and resources which will assist them in achieving self-government. I sincerely hope the government will pay attention to the recommendations of the first nations' conference which was held here in Ottawa, and that it will listen for a change to what the Indian people want. I hope the government will listen to what they want so far as sovereignty is concerned to make them an independent nation, and they should be recognized as such. This has not been the case until now.

I should like to quote from another article on the organization of the Government of Canada in 1980. It has a couple of headings, one of which is "Education and Skill Development Branch". The aim is to ensure good education, according to this article. This looks fine on paper, but let us examine the reality. The reserve at Waterhen was promised a gymnasium for its school as far back as 1975, but today the project is still being delayed. Now they are told they might get it in 1984 or later. The parents at the Indian reserve at Dillon have stopped their children from going to school this year for a period in excess of a month because of the deplorable conditions at the schools on that reserve. The Thunderchild reserve has been promised a school for a number of years. That request, although approved by the Department of Indian Affairs and Northern Development, was being stonewalled by the Treasury Board. Because of the bureaucratic bungle and hassle here in Ottawa they could not have a school until the issue was raised in the House of Commons.

Another area in which problems have arisen is the community services branch. They are supposed to provide housing, electricity, community buildings, water and sewers. I want you to know, Mr. Speaker, that not one of the 17 reserves in the constituency I represent has running water or sewage facilities, and I think that is a darn disgrace. Although conditions have improved somewhat this year, the Liberal government and the Tory government which has preceded it have done nothing much. They gave Indians $12,000 to build a house. What kind of a house can you build for $12,000 today? There is a problem with community services on the Thunderchild reserve where they are trying to put in sewers and running water. The Department of Indian Affairs and Northern Development of the Department of Supply and Services, whichever is responsible, has not been able to have a well dug, so they dug a trench from a water supply over a mile away until they ran out of money and could not afford to complete the work to provide running water. That is a disgrace.

The biggest laugh of all is the economic and employment development branch. I should like to relate to you the case of the Moosomin Indian reserve in my constituency. They ran a successful farming operation which they developed in spite of the Department of Indian Affairs and Northern Development. They had cattle, machinery and land which they were farming. They happended to have a chief who performed some sleight of hand with a pencil, and a council member, both of whom were prosecuted for fraud. They ended up in jail, but the case did not stop there. To pay off the debt which the chief had incurred, the department came in and seized all the machinery, took away the cattle, and thus completely destroyed the economic base of the reserve. Then they said, "That is not enough to pay off your debts, you bad Moosomin Indian reserve, you will have to pay the rest of the debt". How can they pay off their debt when this government, through the Department of Indian Affairs and Northern Development, has seized their only means of existence, their only viable economic base?

I should like to recount another instance concerning a contractor from the English River band at Patuanak. The department says it wants to promote the Indian people and help them get into business. In spite of the Department of Indian Affairs, this individual became involved in the contracting business. He went away to trade school and became a journeyman tradesman. He started a company in northwestern Saskatchewan, and he wanted to bid on building and Indian school on an Indian reserve for the Department of Indian Affairs. The department indicated the following to him: "You cannot do it unless you have a bid bond to cover the entire job". Although the minister has the ability to waive that condition and recommend an Indian to do the work on an Indian reserve for the good of the Indian educational system, he would not waive that condition and has not waived it up to now. That is no commitment to those people living on Indian reserves who are trying to develop an economic base.

• (2120)

This happens on many reserves. Indians in places like Fond du Lac, Canoe Lake and English River have tried to raise money in order to build recreational facilities on their reserves. I have before me a directive from the assistant deputy minister of Indian Affairs to all regional directors-general and regional directors of the Department of Indian Affairs in Canada. It indicated that $100,000 was available for Indian reserves to build recreational complexes. Many of the 17 reserves in my constituency applied for that funding, and they did not receive even a response from the Department of Indian Affairs as to whether the fund existed. Well, it must exist because I have the directive here, but when Indian bands try to get money from the department they are faced with a great many problems. There are inconsistencies from one reserve to another. If there is a problem on the Joseph Bighead reserve near Pierceland which is identical to a problem on the Witchekan reserve, there is no assurance that those problems will be handled in the same manner. They could be handled very inconsistently, with a different solution to each.

In conclusion, I should like to say that 16 treaties have been signed in Canada since September 7, 1850, when the first was signed with the Ojibway Indians. Almost all those 16 treaties were signed under Liberal governments; two were signed under Tory governments. I have seen no commitment by either the Tories or the Liberals to the native people of the country. They do not listen to them in constitutional terms. They have not done a darn thing for them in terms of building economic bases. They have made those people live in disgrace. The only help of any substance Indian people have received up until now has been from a few provincial governments. Of course, there were people who had the desire to leave the reserves and build futures on their own. I ask the government to take a different direction in the future.

Some hon. Members: Hear, hear!

Mr. Jack Shields (Athabasca): Mr. Speaker, I should like to take only a moment, because that is what it deserves, to comment on the contribution of my hon. friend in the New Democratic Party and his verbal diarrhea.

Mrs. Mitchell: That is a terrible thing to say.

Mr. Shields: I listened very carefully. I wanted to hear one constructive suggestion in the last ten minutes, but I am sorry to say that I did not.

The hon. member mentioned in constitutional terms that the Liberal government and the Conservative party had sold out the Indian people. My party is on record; we would like to have the constitution brought home to Canada, amended here in Canada, with the participation of Indian people. We were sold out by the coalition of the New Democratic Party and the Liberal party, the Liberal party with the NDP rump.

Some hon. Members: Hear, hear!

Mr. Shields: Also I should like to point out that it was John George Diefenbaker who brought the vote to the native people of Canada. Up to that time I do not remember any member of the NDP running around the country saying anything about the downtrodden, voteless native persons of Canada.

I should like to tone down my remarks somewhat. I hope hon. members will give me their attention because I have had the good fortune of living in northeastern Alberta and working with native people on and off reserves for 25 years. I should like to relate a story about the very first trip I made to the Janvier reserve which is east of Fort McMurray. I toured the reserve and I saw the poverty which existed. I saw the poor living conditions and all the things to which many people have alluded today. Also I saw a tractor and a seed drill. Obviously those pieces of machinery had been sitting there for many years, because it was an old tractor with lugs. I inquired how this had come about, and I found out that the seed drill and tractor had been brought to the Janvier reserve as an economic development program probably in the early 1950s. Someone got the brainwave that an economic development program could take place on that reserve. It was decided, outside the reserve and without any consultation with the band or the Indian people of that reserve, that the economic development program would be a farming one. A tractor, a seed drill, some seed and a couple of ploughs were delivered to the reserve, and the Indians were told to plough up the land and start farming; then the department officials left.

Of course we know what happened. The weeds started to grow around the tractor and the seed drill. Their whole approach to assistance in the economic development program has been modelled along those lines. Many good ideas come from the Department of Indian Affairs. Many good ideas come from the reserves which are accepted as viable economic development programs in which to invest money. But what happens is classic—the money is invested, the equipment is bought, and then everyone leaves. They leave behind people who have never attempted business before, they leave behind unskilled workers with no training; they leave behind people who are expected to do an accurate accounting of what they are doing with no training. Absolutely no thought has been

given to the backup system which must be in place when an economic development program is launched on a reserve. There are private corporations in northeastern Alberta which are attempting to assist in the economic development of the reserves in many ways. They are also attempting to assist in affirmative action programs which will allow the native person to train so that he may work in the work force. Many companies have tried, but they all seem to fall by the wayside. There are reasons for this, and some of those reasons are very obvious. I find it incredible that our government will not recognize what the problems really are.

● (2130)

For example, I would like to talk about a family in which the man is approached and asked to take part in a training program because of an oil sands plant going up in Fort McMurray, which means steady employment and good wages; the man will be able to educate his children and hold up his head. The man agrees that is what he wants. He goes to the work site with absolutely no counselling whatsover, and his family is left behind. In many cases the company says he must wait for 30 days before he can be paid. He cannot wait those 30 days. How will his family survive when he is not there? He goes to the company and asks if he can move his family. They say that he cannot because he does not qualify for housing until he has worked for three months. All those obstacles are put in his way, but from the company's point of view they are sensible. Someone coming to one of the oil sands plants in Fort McMurray, from Ontario or Saskatchewan, someone who is used to the Protestant work ethic, will understand that he will live in camp, that his family will remain behind and that in three months he will qualify for housing under the company plan. He understands this and knows that he can pick up the phone and talk with his family. That is not the case with native people. When you go to Janvier and to Chipewyan lake and pull a man out of an isolated reserve, he leaves his family there and he does not know whether they are surviving or not. He has no means of communication with his family. Have we never heard of a family counselling program? Have we never heard of bridge financing? We use the term all the time when we are talking about industry but we do not use it when we are talking about people. These are some of the things which are needed in the area of economic development. We have the resources.

The native people have expressed a desire on many occasions to participate. They come in with a plan. Let us follow a plan through for a moment. A man writes to his member of Parliament. He has an excellent idea. There is a brand new highway going through his community where there has never been one before. He does not have much experience in business but he has fooled around with cars a bit, he knows how to change oil and repair tires and he would like to set up a service station. He will employ four people. There is not to be a gas station within 50 miles on either side of his proposed site due to the kind of traffic in the area. In other words, he has got it made. This man writes to his member of Parliament—in this case it happens to be me. He asks where he can get some financing and some assistance to get this business going. He thinks it is a good idea—indeed, it is an excellent idea. There will not be another gas station within 50 miles on either side of his site, a main highway will be running through and he will employ at least four men. Speaking for myself, if I was putting up this service station I would employ many more people because I would add a restaurant on to it—he has not thought of that yet, but it will come.

I phoned the Department of Indian Affairs and Northern Development with respect to his proposal. They told me to write a letter and send with it a copy of his letter, which I did. I wrote to the Minister of Regional Economic Expansion (Mr. De Bané) and I received a reply back from him. I wrote to the Minister of Employment and Immigration (Mr. Axworthy) and the Minister of State for Small Businesses (Mr. Lapointe). In all, I wrote about six letters. I received a reply back from each one indicating the types of program each department had available. But they were all very discouraging. I sent all the information I had obtained to this gentleman. I even talked to him on the phone this morning. He has given up the idea because it is all too complicated. The government has made it too complicated for him.

The other day I asked in committee about the Economic Development Fund which is not being used. Obviously it is not being used because there have been a number of failures. Programs have been funded which have all been failures which makes people a little excited and a little frightened. After all, it is risk capital that we are talking about. Of course there will be failures. Because you have one failure does not mean the supply must be cut off. Each application should be judged on its merits.

More important, with regard to the funding available from the Department of Immigration, Small Businesses and the Department of Indian Affairs cannot an agency be set up to co-ordinate it? Or would we rather take a community development project funding, for example, $350,000 or $400,000 in my area alone, and blow it on make-work jobs which will last for only three months? It is like a pacifier which might keep them quiet for a while. Why not take $300,000 and fund a program like the one I have described? The *pro forma* itself indicated the man would make a healthy profit and he would employ four people. Those four people he would employ would be taken directly off the welfare rolls. This represents a saving to the Government of Canada of something in the range of $50,000 per man, if he is married and raising a family. Just two years and you would have the return on your investment.

Every time we attempt to use a program, particularly as it relates to economic development, it falls down because we do not provide the backup which is required. Backup is needed not just in the business sense but in the training of the individual who will work in that community or that job. It is a case of having the backup in management and accounting skills.

● (2140)

Another example is a sawmill which was set up in my constituency and funded to the extent of $500,000. Once the machinery was set up and operating, everybody took off for the high hills and left the Indian people, who were not skilled and who did not understand the operation of the business, to function on their own. They survived for a year and now the mill is idle. It is idle because they were not given the necessary training, the necessary backup or the necessary counselling. The whole situation was ridiculous and a total waste. The mill employed 14 family men and meant a saving to the Government of Canada of $50,000 per family.

All such projects have not failed. Some communities in my riding, with the help of industry more so than the help of government, have made projects work by finally realizing that we must begin to carry out what we have been talking about. A laundry was built on the Goodfish reserve, and it brought down the unemployment figure on the reserve from 95 per cent to 40 per cent. This laundry plant has also caused some spin-offs. Because of it, a little store was built and because of the little store a recreation complex was built—all because funds were created as the result of this plant and circulated in the community.

All of what I have described came about because one company had the foresight to approach the band at Goodfish reserve and say, "Look, we will assist by giving you our laundry contract for all the coveralls, overalls and sheets if you will employ a couple of men to deliver as well as do the laundry". I would like to show hon. members what can happen when a little bit of foresight, guidance and backup is used and money is invested in an economic development program.

We are not giving the native people the proper backup. We are not giving the communities which receive economic funding the proper counselling and guidance. When there is a failure the bureaucracy feels it must pull back since one project failed and money was lost. Certainly, some areas will be high risk, but we must invest in the native communities because they want the pride of participation and they want for their children exactly what you and I want for our children. I wish we could get on with the job.

Mr. Bill McKnight (Kindersley-Lloydminster): Mr. Speaker, I appreciate that there are only 30 seconds left in this debate but I would like to make an appeal on behalf of the Lucky Man band in my constituency which has waited 101 years for a reserve. I do not mean all their entitlements, I mean a reserve. This band signed a treaty with the Government of Canada and to this day they have not received one acre or one square inch of land. I condemn all governments, including the government of my province which, according to the 1930 Natural Resources Transfer Act, is committed to assisting in completing the entitlements of the native people of Saskatchewan.

The Acting Speaker (Mr. Blaker): Order, please. It being 9.45 p.m., it is my duty pursuant to order made Tuesday, April 29, 1980, to interrupt the proceedings and put forthwith every question necessary to dispose of the amendment and the motion, the main estimates and the first and second reading stages of the bill based thereon. The question is on the amendment by Mr. Keeper. Is it the pleasure of the House to adopt the amendment?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Blaker): Those in favour will please say yea.

Some hon. Members: Yea!

The Acting Speaker (Mr. Blaker): Those opposed will please say nay.

Some hon. Members: Nay!

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

And more than five members having risen:

The Acting Speaker (Mr. Blaker): Call in the members.

The House divided on the amendment (Mr. Keeper) which was negatived on the following division:

● (2150)

(*Division No. 37*)

YEAS

Messrs.

Althouse
Andre
Anguish
Baker (Nepean-Carleton)
Beatty
Benjamin
Blaikie
Blenkarn
Bradley
Broadbent
Clark (Yellowhead)
Clarke (Vancouver Quadra)
Coates
Cooper
Crombie
Crosby (Halifax West)
Crouse
Dantzer
Darling
Deans
de Jong
Dinsdale
Domm
Ellis
Elzinga
Epp
Forrestall
Fretz
Friesen
Gamble
Greenaway
Gurbin
Gustafson
Halliday
Hamilton (Qu'Appelle-Moose Mountain)
Hargrave
Hawkes
Hees
Hnatyshyn
Hovdebo
Howie
Huntington
Ittinuar
Jarvis
Jewett (Miss)
Keeper
Kempling
Knowles
Lambert
Lewis
Lewycky
MacDonald (Miss)
Malone
Mayer
McCuish
McDermid
McKenzie
McKinnon
McKnight
McLean
Mitchell (Mrs.)
Mitges
Munro (Esquimalt-Saanich)
Murta
Neil
Nickerson
Nielsen
Nowlan
Nystrom
Ogle
Orlikow
Paproski
Parker
Patterson
Rae
Reid (St. Catharines)
Riis
Robinson (Burnaby)
Roche
Rose
Sargeant
Schellenberger
Scott (Victoria-Haliburton)
Shields
Stevens
Stewart
Taylor
Thacker
Thomson
Towers
Vankoughnet
Waddell
Wenman
Wilson
Wise
Wright
Yurko—97.

NAYS

Messrs.

Appolloni (Mrs.)
Axworthy
Bachand
Baker (Gander-Twillingate)
Beauchamp-Niquet (Mrs.)
Bégin (Miss)
Berger
Blais
Blaker
Bloomfield
Bockstael
Bossy
Breau
Bujold
Bussières
Campbell (Miss) (South West Nova)
Chénier
Chrétien
Collenette
Comtois
Corbin
Corriveau
Cosgrove
Côté (Mrs.)
Cousineau
Cullen
Cyr
Dawson
de Corneille
Demers
Deniger
Desmarais
Dingwall
Dion
Dionne (Chicoutimi)
Dionne (Northumberland-Miramichi)
Duclos
Dupont
Dupras
Duquet
Erola (Mrs.)
Ethier
Evans
Ferguson
Fisher
Fleming
Flis
Foster
Fox
Francis
Frith
Garant
Gauthier
Gendron
Gimaïel
Gingras
Gray
Henderson
Herbert
Hervieux-Payette (Mrs.)
Hopkins
Hudecki
Irwin
Isabelle
Johnston
Joyal
Kaplan
Kelly
Killens (Mrs.)
Lachance
Lajoie
Lalonde
Lamontagne
Landers
Lang
Laniel
Lapointe (Charlevoix)
Lapointe (Beauce)
LeBlanc
Leduc
Loiselle
Lonsdale
Lumley
MacBain
MacEachen
MacGuigan
Mackasey
MacLaren
MacLellan
Malépart
Maltais
Massé
Masters
McRae
Munro (Hamilton East)
Nicholson (Miss)
Olivier
Ostiguy
Ouellet
Penner
Pepin
Peterson
Pinard
Portelance
Prud'homme
Regan
Reid (Kenora-Rainy River)
Roberts
Robinson (Etobicoke-Lakeshore)
Rompkey
Rooney
Rossi
Roy
Savard
Schroder
Simmons
Smith
Stollery
Tessier
Tobin
Tousignant
Turner
Veillette
Watson
Weatherhead
Whelan
Yanakis—127.

● (2215)

Madam Speaker: I declare the amendment lost.

Amendment (Mr. Keeper) negatived.

Madam Speaker: The question is now on the main motion in the name of the hon. member for Wetaskiwin (Mr. Schellenberger).

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

Some hon. Members: Yea!

Madam Speaker: All those opposed will please say nay.

Some hon. Members: Nay!

Madam Speaker: In my opinion the nays have it.

And more than five members having risen:

Madam Speaker: Shall we dispense with the ringing of the bells?

Some hon. Members: Agreed.

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

(*Division No. 38*)

YEAS

Messrs.

Althouse
Andre
Anguish
Baker (Nepean-Carleton)
Beatty
Benjamin
Blaikie
Blenkarn
Bradley
Broadbent
Clark (Yellowhead)
Clarke (Vancouver Quadra)
Coates
Cooper
Crombie
Crosby (Halifax West)
Crouse
Dantzer
Darling
Deans
de Jong
Dinsdale
Domm
Ellis
Elzinga
Epp
Forrestall
Fretz
Friesen
Gamble
Greenaway
Gurbin
Gustafson
Halliday
Hamilton (Qu'Appelle-Moose Mountain)
Hargrave
Hawkes
Hees
Hnatyshyn
Hovdebo
Howie
Huntington
Ittinuar
Jarvis
Jewett (Miss)
Keeper
Kempling
Knowles
Lambert
Lewis
Lewycky
MacDonald (Miss)
Malone
Mayer
McCuish
McDermid
McKenzie
McKinnon
McKnight
McLean
Mitchell (Mrs.)
Mitges
Munro (Esquimalt-Saanich)
Murta
Neil
Nickerson
Nielsen
Nowlan
Nystrom
Ogle
Orlikow
Paproski
Parker
Patterson
Rae
Reid (St. Catharines)
Riis
Robinson (Burnaby)
Roche
Rose
Sargeant
Schellenberger
Scott (Victoria-Haliburton)
Shields
Stevens
Stewart
Taylor
Thacker
Thomson
Towers
Vankoughnet
Waddell
Wenman
Wilson
Wise
Wright
Yurko—97.

NAYS

Messrs.

Appolloni (Mrs.)
Axworthy
Bachand
Baker (Gander-Twillingate)
Beauchamp-Niquet (Mrs.)
Bégin (Miss)
Berger
Blais
Blaker
Bloomfield
Bockstael
Bossy
Breau
Bujold
Bussières
Campbell (Miss) (South West Nova)
Chénier
Chrétien
Collenette
Comtois
Corbin
Corriveau
Cosgrove
Côté (Mrs.)
Cousineau
Cullen
Cyr
Dawson
de Corneille
Demers
Deniger
Desmarais
Dingwall
Dion
Dionne (Chicoutimi)
Dionne (Northumberland-Miramichi)
Duclos
Dupont
Dupras
Duquet
Erola (Mrs.)
Ethier
Evans
Ferguson
Fisher
Fleming
Flis
Foster
Fox
Francis
Frith
Garant
Gauthier
Gendron
Gimaïel
Gingras
Gray
Henderson
Herbert
Hervieux-Payette (Mrs.)
Hopkins
Hudecki
Irwin
Isabelle
Johnston
Joyal
Kaplan
Kelly
Killens (Mrs.)
Lachance
Lajoie
Lalonde

Messrs.

Lamontagne	Massé	Robinson (Etobicoke-Lakeshore)
Landers	Masters	Rompkey
Lang	McRae	Rooney
Laniel	Munro (Hamilton East)	Rossi
Lapointe (Charlevoix)	Nicholson (Miss)	Roy
Lapointe (Beauce)	Olivier	Savard
LeBlanc	Ostiguy	Schroder
Leduc	Ouellet	Simmons
Loiselle	Penner	Smith
Lonsdale	Pepin	Stollery
Lumley	Peterson	Tessier
MacBain	Pinard	Tobin
MacEachen	Portelance	Tousignant
MacGuigan	Prud'homme	Turner
Mackasey	Regan	Veillette
MacLaren	Reid (Kenora-Rainy River)	Watson
MacLellan	Roberts	Weatherhead
Malépart		Whelan
Maltais		Yanakis—127.

● (2220)

[*Translation*]

Madam Speaker: I declare the motion lost.

[*English*]

MOTION FOR CONCURRENCE IN MAIN ESTIMATES

Hon. Donald J. Johnston (President of the Treasury Board) moved:

That the main estimates for the fiscal year ending March 31, 1981, laid upon the Table, Tuesday, April 22, 1980, less amounts voted in interim supply, be concurred in.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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

Some hon. Members: Yea!

Madam Speaker: All those opposed will please say nay.

Some hon. Members: Nay!

Madam Speaker: In my opinion the yeas have it.

Some hon. Members: On division!

Madam Speaker: I declare the motion carried on division.

Motion agreed to.

Mr. Johnston thereupon moved that Bill C-47, for granting to Her Majesty certain sums of money for the Government of Canada for the financial year ending March 31, 1981, be read the first time and be printed.

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

[*Translation*]

Madam Speaker: When shall the bill be read the second time?

Some hon. Members: Now.

Mr. Johnston moved that Bill C-47, an Act for granting to Her Majesty certain sums of money for the public service for the financial year ending 31st March, 1981, be read the second time and referred to Committee of the Whole.

Motion agreed to, bill read the second time and referred to Committee of the Whole.

Madam Speaker: It being 10.25 p.m., the House stands adjourned until two o'clock tomorrow afternoon, pursuant to Standing Order 2(1).

At 10.25 p.m., the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Wednesday, December 3, 1980

The House met at 2 p.m.

● (1405)

ROUTINE PROCEEDINGS

[*English*]

PUBLIC SERVICE

CAFETERIA AND LAUNDRY WORKERS—MOTION UNDER S.O. 43

Mr. Walter McLean (Waterloo): Madam Speaker, I rise under the provisions of Standing Order 43. In light of the benchmark decision of the Canadian Human Rights Commission six months ago which ruled that 3,000 federal employees, mostly women cafeteria and laundry workers, were found to be victims of equal pay law violations, in light of the government's stated commitment to justice and opportunity for women in the workplace, and in light of the open defiance of the President of the Treasury Board (Mr. Johnston) in his refusal to implement the historic decision of the Canadian Human Rights Commission and the failure of the minister responsible for the status of women to persuade his colleagues to comply, I move, seconded by the hon. member for Rosedale (Mr. Crombie):

That this House express its abhorrence at the refusal of the government to implement an equal-pay-for-work-of-equal-value settlement with its female cafeteria and laundry workers, and instruct the President of the Treasury Board to comply with the decision of the Human Rights Commission.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

UNITED NATIONS

CONDEMNATION OF HUMAN RIGHTS VIOLATIONS IN EL SALVADOR—CALL FOR SUPPORT—MOTION UNDER S.O. 43

Mr. Douglas Roche (Edmonton South): Madam Speaker, I rise on a matter of urgent and pressing necessity under Standing Order 43. In view of recent reports of the assassination of six members of the opposition democratic revolutionary front in El Salvador, adding to the estimated 8,000 victims of political violence in that country in 1980, and in view of the fact that the United Nations is considering a motion on the human rights situation in El Salvador, I move, seconded by the hon. member for Waterloo (Mr. McLean):

That this House urge the government to approve action at the United Nations condemning recent violations of human rights in El Salvador.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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LABOUR DISPUTES

B.C. TELEPHONE COMPANY—CALL FOR MINISTERIAL INTERVENTION—MOTION UNDER S.O. 43

Mr. Mark Rose (Mission-Port Moody): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. In view of the fact that the B.C. Telephone Company has ignored in turn three consecutive reports, those of Justice Henry Hutchins, commerce dean Noel Hall of UBC, and finally the minister's own chief conciliation commissioner, Mr. Ed Peck, and since during the months of futile bargaining subscriber service has deteriorated to the point where phone bill strikes are being seriously contemplated in that province, I move, seconded by the hon. member for Nanaimo-Alberni (Mr. Miller):

That this House condemn B.C. Telephone's intransigence in settling with its employees and call upon the Minister of Labour to intervene personally and directly so that a fair and just settlement can be achieved forthwith.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

NATIONAL UNITY

CALL FOR RESIGNATION OF LEADER OF THE OPPOSITION—MOTION UNDER S.O. 43

Mr. Michel Veillette (Champlain): Madam Speaker, I rise under the provisions of Standing Order 43 to ask for the unanimous consent of the House in order to move a motion on an important matter.

S.O. 43

In view of the laudable objectives pursued by the government to strike an equitable balance between all Canadians at the social and economic levels and thereby preserve national unity, I find unacceptable the attitude taken by the official opposition, especially its leader, who are encouraging divisiveness by constantly speaking, both inside and outside the House, of "a feeling of alienation", "growing separatism", "western frustration" and God knows what else. Such statements do not foster good will and unity in this country.

Since such conduct by a so-called national party and by its leader is totally opposed to the basic philosophy which we should all share, I move, seconded by the hon. member for Témiscamingue (Mr. Tousignant):

That the House demand the immediate resignation of the Leader of the Official Opposition because of this conduct which is unsuitable for a true Canadian.

* * *

● (1410)

[*English*]

CANADA MORTGAGE AND HOUSING CORPORATION

MORTGAGE GUARANTEES FOR HOMES ON INDIAN RESERVES—MOTION UNDER S. O. 43

Mr. Bill Yurko (Edmonton East): Madam Speaker, in view of the fact that there is a need to improve the quality and quantity of housing on Indian reserves in Canada, that the federal government is the custodian of all reserve lands in Canada, and that direct capital allocation by the federal government for native housing is constantly inadequate, under the provisions of Standing Order 43, I move, seconded by the hon. member for Central Nova (Mr. MacKay):

That the Canada Mortgage and Housing Corporation and/or the federal government provide mortgage guarantees on homes and infrastructure on Indian reserves in order to allow the provincial governments and the private sector to provide the mortgage financing which would enable the private sector to undertake directly the construction of homes under band council direction and supervision, thereby relieving the federal government of the responsibility for some of the capital costs. This type of action by the federal government would support and accelerate the process of self-reliance by the native people of Canada.

Madam Speaker: Presentation of this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

REGIONAL ECONOMIC EXPANSION

APPLICATION OF INVESTMENT TAX CREDIT—MOTION UNDER S.O. 43

Hon. J. Robert Howie (York-Sunbury): Madam Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43. A press release issued by the Department of Regional Economic Expansion on the government's new special investment tax credit program for areas of greatest disparity outlines the areas where the incentive will be applicable but does not indicate the data base for the selection of these areas, and this information is not available upon request. Therefore, I move, seconded by the hon. member for Hillsborough (Mr. McMillan):

That the Minister of Regional Economic Expansion be requested to table forthwith the data base and any other information used to determine the areas where the new special 50 per cent investment tax credit will apply.

Madam Speaker: Presentation of this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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[*Translation*]

EXTERNAL AFFAIRS

ALLEGED REPRESSION IN HAITI—CALL FOR GOVERNMENT INTERVENTION—MOTION UNDER S.O. 43

Mr. Svend J. Robinson (Burnaby): Madam Speaker, under the provisions of Standing Order 43, I request the unanimous consent of the House to present a motion dealing with an important and urgent matter.

Considering the imprisonment to which are subjected members of the opposition and representatives of the independent information media in the Republic of Haiti, and considering the fact that 25,000 Haitian refugees in the Bahamas are threatened with expulsion, I move, seconded by the hon. member for Winnipeg-Birds Hill (Mr. Blaikie):

That the House request that the government intervene with the Haitian authorities to obtain that the rights of man be respected in Haiti and political prisoners released.

Madam Speaker: Under Standing Order 43, such a motion cannot be put without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*English*]

PETRO-CANADA

PROPOSED ESTABLISHMENT OF INTERNATIONAL COMPANY TO DISBURSE FOREIGN AID—MOTION UNDER S.O. 43

Mr. Dave Nickerson (Western Arctic): Madam Speaker, I rise under the provisions of Standing Order 43. Whereas the chairman of Petro-Canada announced in Montreal on Monday that Petro-Canada International was to be set up with an

initial allocation provided by Canadian taxpayers of $250 million, with the idea that "it will increase the level of Canada's foreign aid", I move, seconded by the hon. member for Bow River (Mr. Taylor):

That the government cease to use Petro-Canada as a mini-CIDA, and that any tax dollars used for foreign aid be clearly identified as such in the estimates rather than being funnelled, in disguised form, through Petro-Canada or similar agencies.

Madam Speaker: Presentation of this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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INDIAN AFFAIRS

TAX-EXEMPT STATUS OF OIL AND GAS PRODUCTION ON INDIAN LANDS—MOTION UNDER S.O. 43

Mr. Jack Shields (Athabasca): Madam Speaker, I rise under the provisions of Standing Order 43. In light of fears expressed by the Saddle Lake band that oil and gas production on their reserve will be taxed under the federal budget despite the band's tax-free status, I move, seconded by the hon. member for Kindersley-Lloydminster (Mr. McKnight):

That a federal policy statement confirming the tax exempt status of oil and gas production from Indian lands be made as soon as possible and that the Minister of Indian Affairs and Northern Development, following his meeting with a delegation from Alberta reserves, use his good offices with his cabinet colleagues to hasten such a statement of policy.

● (1415)

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

IMMIGRATION

PUBLICATION OF GUIDELINES FOR ENTRY OF INTERNATIONAL ARTISTES

Hon. Bill Jarvis (Perth): Madam Speaker, my question is for the Minister of Employment and Immigration. I am sure he will not be surprised to learn that my questions relate to what has been Canada's most prominent and heretofore most successful theatre, Stratford's Shakespearean Festival. I refer particularly to the minister's recent decision with regard to an application for a work permit for an artistic director. Nor do I think the minister will be surprised to know that I made a

commitment some weeks ago to conflicting groups not to raise this, particularly as a partisan issue, because it did not appear to me at that time to be in either the interests of the festival or in the national interest to do so.

Having been released from that commitment I now ask the minister of immigration whether he intends to publish definitive guidelines with which internationally renowned artistes, directors, producers and so on will have to comply before coming to Canada. I specifically ask for these guidelines because I say with regret that under the present apparent policy even William Shakespeare himself would not be allowed into this country to produce one of his own plays.

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, I would like to begin by thanking the hon. member for his assistance in the past. We have had several interesting conversations about the situation at Stratford and I want to express my appreciation for the many helpful words of advice he has provided.

I do want to suggest to him that his question is phrased in the wrong way. It is not a question of which guidelines apply to international directors; the question is which guidelines apply to companies, groups or organizations in Canada in terms of their hiring policy. As the hon. member well knows, the Immigration Act very clearly states that the primary objective is to ensure that Canadians have first opportunity at any positions which are available in this country. There is a responsibility on the part of any employer to ensure that proper and extensive searches are made to make sure that Canadians do have that opportunity of access to those jobs.

My decision was made purely on the ground that the board of directors of the Stratford Festival had not conducted their search in a way which would make that position available to qualified Canadians. I have no interest in keeping out qualified people, but I do have a responsibility under my ministry to ensure that qualified Canadians at least have a chance at those jobs.

Some hon. Members: Hear, hear!

Mr. Jarvis: Madam Speaker, one wonders whether the minister required the same kind of search be conducted for a kooky expert on LSD of Canadian nationality before Timothy Leary was admitted to the country.

Some hon. Members: Hear, hear!

Mr. Jarvis: Madam Speaker, my concern is that immigration policy and decisions are being created in a vacuum without regard to other considerations. Were the Secretary of State responsible for cultural affairs in the House, I would have directed the question to him, since he gave a very well-reasoned response some weeks ago with respect to Canada Council's involvement with the Stratford Festival.

In his absence I direct my supplementary question to the minister of immigration, who knows that despite being 98 per cent Canadian the Stratford Festival is not now, if it ever was, simply a regional Ontario theatre but rather one

of the two or three most renowned theatres in the English-speaking world. Because of the cultural impact that is inherent in the implementation of immigration policy taken in a vacuum, I ask the minister whether the Secretary of State and Minister of Communications was in accord with this decision, were his recommendations and those of his officials sought and, if so, what were those recommendations to the Minister of Immigration?

● (1420)

Mr. Axworthy: Madam Speaker, there is a certain logic in the hon. member's question with which I am not certain I agree. While I agree with his statement that Stratford is a renowned and internationally famous institution of theatre, I disagree with his suggestion that there is no Canadian capable of filling the position.

Some hon. Members: Hear, hear!

Mr. Axworthy: We administered the act according to the sphere in which it was passed by Parliament, namely, to make sure that when a choice is made Canadians are given the opportunity to make application and to have access to that employment. That is the only criterion. I repeat, the board of directors of Stratford did not live up to that criterion, and that is the basis upon which the decision was taken.

Mr. Jarvis: Madam Speaker, I have no quarrel whatsoever with what the minister has just said. My quarrel is that I believe the immigration policy is operated in a vacuum without proper regard to the enormous cultural and economic impacts which were attendant upon the implementation of the immigration policy. That was the point I was trying to make.

Again in the absence of the Minister of Industry, Trade and Commerce, who is responsible for Canadian tourism, I ask my final supplementary of the Minister of Employment and Immigration.

Mr. Lalonde: The Secretary of State is here.

Mr. Jarvis: I will stay with the Minister of Employment and Immigration. I believe that the minister will be aware that, of the hundreds of millions of tourist dollars generated each year by the Stratford Festival, some 40 per cent of those dollars come from non-Canadian tourists—mostly from the United States, but also from many other countries around the world. Having regard to this enormous economic impact and, in particular, the amount of foreign currency flowing into the country through the festival, would the minister tell the House whether the Minister of Industry, Trade and Commerce, in his capacity as minister responsible for tourism, was consulted and, if so, what were his recommendations; and was he in accord with the minister's decision?

Mr. Axworthy: Madam Speaker, once again, I suggest to the hon. member that the concern he has expressed is misplaced and misdirected. The decision with regard to the economic impact of the appointment of a director should fall squarely upon the board of directors of that institution. If that board would take the decision to start a search for available candidates, including Canadians, then there would be no problem in terms of economic impact; they could get on with the appointment of a director and the play could go on.

RECOMMENDATION RESPECTING APPLICATION OF JOHN DEXTER

Mr. Chris Speyer (Cambridge): Madam Speaker, my question is also directed to the Minister of Employment and Immigration. Within the context of the John Dexter decision, and as a result of press inquiries, will the minister advise this House whether the recommendation of his officials, after conducting an extensive investigation, was to accept or refuse Mr. Dexter's application and, further, was a cabinet decision taken with respect to this particular decision?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, clearly in this case it is the responsibility of the minister to consult with a wide variety of sources. The decision is solely mine, and I will take full responsibility for it.

Mr. Speyer: Madam Speaker, for the fourth time in a row the minister has refused to answer a question which has been directed to him. My supplementary is to the same minister. In light of one of the intentions of the Immigration Act, namely, to promote and support the free movement of exceptional international talent, will the minister explain the criteria whereby John Dexter can be denied a work permit and yet Peter Ustinov can be granted such a permit to act in King Lear? Finally, using the rationale explained by the minister, would he please tell the House whether he is prepared to deny work permits to non-Canadian sporting figures in circumstances where they are in competition with Canadian sporting figures? I am thinking in particular of the Jamie Bone situation.

Mr. Axworthy: Madam Speaker, the hon. member, who, I gather, is supposed to have the responsibility of providing criticism respecting the Immigration Act, would be well advised to read that act more carefully. What the hon. member is asking amounts to a difference between someone who is coming into the country on a permanent basis and someone who is coming into the country under a visa for a short-term engagement. There is a singular difference there in the kind of application which is submitted. The same thing is also true in relation to athletic performers or those who are in different kinds of competitions. There are agreements, and as the hon. member might know—

● (1425)

Some hon. Members: Oh, oh!

Mr. Axworthy: I would like to be able to continue answering the question, Madam Speaker—

Mr. Baker (Nepean-Carleton): Why don't you begin?

Mr. Axworthy: —rather than hearing from the bleachers over on the other side. There are already agreements between different athletic leagues for the exchange of players and athletes in these areas because none of them is taking up permanent residence. If an athlete wants to apply to become a resident of this country, then he must go through the same procedures as anyone else.

* * *

ENERGY

IMPERIAL OIL LIMITED COLD LAKE PROJECT—COST TO TAXPAYERS

Mr. Edward Broadbent (Oshawa): Madam Speaker, I have a question for the Minister of Energy, Mines and Resources. If he has sufficient energy, he will be back in his seat by the time I ask the question.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Broadbent: I am not sure he will be happy when he is back in his seat. My question concerns the statement made by the president of Imperial Oil on two important points, as reported in today's press. First, he says that his company controls the technology necessary for the development of the Cold Lake project. Second, he indicated that the $40 million hand-out already provided by the government and the taxpayers of Canada is not sufficient for Imperial Oil to proceed with this important project.

My question to the minister is this. Considering that he is now in possession of a copy of a letter sent to me recently by our friend "a concerned citizen", who has previously supplied some very accurate information, in which it is stated that the taxpayers of Canada have already provided a minimum of $30 million in one year to Imperial Oil for the Cold Lake project, will the minister tell us exactly how much the Canadian taxpayers have provided to Imperial Oil for the development of this technology? Second, is the company right when it says that we are totally dependent on the company to develop this project?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, as far as the technology is concerned—and I stand to be corrected on this—I believe the technology that has been developed for heavy oil was developed by Exxon and not by Imperial Oil in Canada. I believe that is the situation.

An hon. Member: How do you know that?

Mr. Lalonde: What are you talking about over there? Take it easy; let us get at the facts.

Mr. Nielsen: We will wait a year for that.

Some hon. Members: Oh, oh!

Mr. Lalonde: As for the argument that the $40 million advance which has been given to Imperial Oil is inadequate to make the project go, I do not believe anyone in Canada ever thought that $40 million would be enough to proceed with this project, which will cost closer to $10 billion and probably even more. So I am not surprised at that statement. What that advance does is that it ensures the 500 engineers and technicians will be kept working on the project for the next six months while we have discussions with the government of Alberta in an attempt to arrive at an arrangement.

As to the amount of taxes provided by Canadian taxpayers in terms of income tax write-offs, obviously I do not have that figure at hand. However, I will be happy to try and get it for the hon. member. If he puts his question on the order paper, we will provide him with a written answer.

Mr. Broadbent: Madam Speaker, the minister in that rather long answer inadvertently, I am sure, managed to miss answering the relevant question. Did he tell us that Imperial Oil, which did the research in this part of the country for the development of this particular oil product, was indeed a subsidiary of Exxon and, therefore, because of the government's failure to have control over patents, he is now saying that the control really does reside with Exxon? If that is so, then we are in a virtual blackmail position with the Exxon corporation for the development of our own resources and we cannot go ahead on our own unless we pay to Imperial Oil whatever that company demands. Is that what the minister is saying?

• (1430)

Mr. Lalonde: No, Madam Speaker, that is not what I am saying. I am sorry if somehow I did not provide the answer the hon. member was looking for. What I believe I said is that the technology has been developed outside of Canada by Exxon. As the hon. member knows, Exxon spends about $450 million a year in research and development. Imperial Oil in Canada spends about $35 million to $40 million. If I remember well, I believe that that technology was developed by Exxon outside of Canada and belongs to Exxon. That does not mean it is impossible for Canada to develop heavy oil projects by technology which belongs to companies other than Exxon, or by technology that we develop ourselves over the years.

There is a particular technology at the present time which has been developed by, and belongs to, Exxon, but I suspect there are other ways of achieving it. Obviously, one could even purchase a licence from Exxon, if they were ready to sell us that technology. But I repeat, I do not think that technology was developed inside Canada; we have to borrow it from outside.

Mr. Broadbent: I suggest to the minister that he is wrong. I ask him to check with Petro-Canada to confirm that Petro-Canada has in fact developed in Canada research of precisely the kind that is required. Not only does Petro-Canada have that kind of technical capacity, but the research undertaken by the Alberta government's petroleum research centre is of a related kind to that done here in Canada. I also say to him

that Imperial Oil did the research which he is talking about in Canada. If it is the case that Petro-Canada has the technical capacity, as well as the Alberta government facility, will the minister make a commitment today that the Government of Canada will use Canadian sources to develop this project and not rely on Imperial Oil?

Mr. Lalonde: Madam Speaker, I was very cautious in saying I was speaking from memory with regard to the development of technology. It may well be that it was developed by Imperial Oil. I want to check the facts on that. I seem to remember that it had been developed by Exxon, but it may have been developed by Imperial Oil. If that is so, the technology belongs to Imperial Oil, and Imperial Oil belongs to Exxon.

Mr. Broadbent: So do you.

Mr. Lalonde: The Leader of the New Democratic Party refuses to see the reality. Assuming that this technology has been developed by Imperial Oil, it belongs to Imperial Oil, which belongs to Exxon. That technology is there. I have indicated to the hon. member that there are other technologies. He referred to the technology of Petro-Canada. Our intention is to ensure that these projects go ahead. Whether they are developed by a Canadian company owned by Canadians, such as Petro-Canada, or by other companies which have their own technology, what is important is that all those projects proceed in the next few years. That is what we are going to work on.

* * *

NATIONAL ENERGY PROGRAM

ELIGIBILITY FOR EXPLORATION GRANTS

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, my question is also for the Minister of Energy, Mines and Resources. At the end of last week the Petroleum Monitoring Agency released the long awaited rules on measurement of Canadian ownership of the oil industry in Canada. It appears from these rules that companies like Dome Petroleum, which the Minister of Labour recently described as a good Canadian company, are being put in a position, because of their success which has attracted large amounts of foreign individual shareholders, where they will not be eligible under the new rules for exploration grants under the new energy program.

Will the minister explain why these good Canadian companies which are caught in this situation are now to be in the position of having to hire auditors, accountants and lawyers to dream up the various expensive ways of getting around these rules so that they can become eligible for the exploration grants?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, the hon. member has not read carefully "The National Energy Program". If he will do that, he will realize that all companies are entitled to some incentive grants. Some will get higher grants than others, depending on the amount of Canadian ownership. Dome Petroleum, like any other company, will be eligible for grants from the people of Canada, through the Government of Canada, on the basis of their Canadian ownership. If they succeed in reaching the level of 75 per cent Canadian ownership and control, they will be eligible for grants of 80 per cent of the cost of exploration provided by the Canadian taxpayers. I think that is a pretty good deal.

Mr. Wilson: Madam Speaker, the minister is very cutely sidestepping the issue. It is quite clear that good Canadian companies like Dome Petroleum are being forced to go through all sorts of legal and accounting machinations to become eligible for the exploration grants for conventional oil exploration in Canada. He has not answered the question why these companies should be put to that extra work and diversion of management activity.

I would appreciate if the minister would answer that question, as well as my supplementary, which is this: During the course of the preparation of the budget, did the minister give thought, with his colleague, the Minister of Finance, to developing some incentives for Canadians to purchase the shares of companies like Dome and others, so that there would be an incentive to purchase? The concern I have is that a company like Dome Petroleum may, through no fault of its own, see many of its shares owned by non-residents, and therefore become ineligible for the exploration grants.

Mr. Lalonde: Madam Speaker, I am surprised that my friend believes that Dome Petroleum cannot afford a lawyer or accountant to prepare the very simple form that will be required to determine Canadian ownership. A company is either Canadian owned or it is not. The formula is very simple. A grade 3 student could fill out the form. They will be eligible for the grants in proportion to their Canadian ownership like any other Canadian company, or any company for that matter operating in Canada.

As far as the incentives given to Canadians are concerned, I remind the hon. member that a Canadian who happens to be in the 60 per cent tax bracket is going to get back 92 cents out of every dollar invested. If he is in the 40 per cent tax bracket, he will get back about 88 cents out of every dollar he is going to invest. I challenge him to find anywhere else in the world schemes as generous as those being put forward by the Canadian government.

JUSTIFICATION FOR FORECAST OF INCREASED PRODUCTION

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, my question is also directed to the Minister of Energy, Mines and Resources. One of the elements of the new energy policy announced by the Minister of Finance was that there would be a shift of emphasis to the frontier areas and away from the conventional areas of western Canada. On the basis of the assumptions and the supply forecasts the minister has made, such as the September 1978 NEB report and figures put forward by our government, that the bulk of the production would come from western Canada up to the 1990s, surely the

minister must be aware of the very substantial shutdown that will take place in exploration activity in Canada next year, between 25 per cent and 30 per cent. How does the minister justify his forecast that there will be increased production in western Canada as the basis of this whole policy?

● (1440)

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, there is little doubt that the large increase in production over this decade is going to come from three main sources, the tar sands and heavy oils, the Arctic resources and offshore resources. As a good authority for this, I have a speech made as recently as a few days ago by the senior vice-president of Imperial Oil. He quotes those three areas as being the main sources of future resources. We agree on that estimate. I want to stress to the hon. member that in our own projections we have not included any oil coming from offshore or from the Arctic. Essentially, all resources are based on the developments that are going to take place in the west and out of tar sands and heavy oil. Any additional resources that will be discovered and developed offshore or in the Arctic within the next few years are going to be additional to our forecast and will strengthen the objective of oil independence in this country during this decade.

Mr. Hnatyshyn: Madam Speaker, the fact is, as I have indicated to the minister—and he has not responded to this—that there is clearly an indication of a substantial cutback in exploration in western Canada. The oil sands and heavy oil projects are in serious trouble in this country. Even the aide-de-camp of the minister, the president of Petro-Canada, in a speech over the weekend, indicated that we are going to face shortages and shortfalls of production and supply in this country, that we cannot rely on offshore oil. Who are we to believe, the minister or the president of Petro-Canada, with respect to the shortfall possibilities in this country? I want the minister to address himself to the issue and not try to equivocate.

Mr. Lalonde: I would invite my hon. friend to read the speech by the president of Petro-Canada in Montreal early this week. He will find that he has misrepresented the statement of the president of Petro-Canada. We have indicated we will have a shortfall between domestic production and demand over the next few years. However, we have indicated that this country could reach independence in oil supply during this decade and the president of Petro-Canada is in full agreement with that forecast.

As for the potential reduction in activities in Alberta next year, I recognize that this is indeed a possibility. We hope that once the industry has had time to look carefully at the program and budget implications, and once we have reached further agreement with the government of Alberta, which I hope will be possible, I believe the problems now raised by my hon. friend will be non-existent.

EXPORT AND IMPORT PERMITS ACT

CHARGES RESPECTING EXPORTATION TO PAKISTAN OF ELECTRONIC EQUIPMENT

Mr. Mark Rose (Mission-Port Moody): Madam Speaker, my question is directed to the Minister of External Affairs. It concerns Canada's complicity with the government of Pakistan in obtaining Canadian knowledge and expertise in Pakistan's and other Islamic countries' goal to develop a nuclear bomb. Can the minister inform this House why no serious charges, other than minor customs violation charges, have been laid against three individuals for attempting to export from Canada to Pakistan certain electronic equipment, similar, I might add, in nature to those inverter components banned from export from Britain in 1979? Why is it that these things, which are to be used to develop nuclear potential or a nuclear bomb in Pakistan, have not been exposed and discredited, as explained on the exposé on "The Fifth Estate" last evening?

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, a police investigation of a shipment of general electrical components was seized by the police and, as a result of that, charges were laid under Group 9 of the Export and Import Permits Act. The police laid what charges seemed appropriate to them after the investigation, and it is not for the government to suggest to the police what charges should be laid. The act provides that equipment originally imported into Canada from the United States cannot be re-exported without a permit, and the charge was laid under that provision.

I should like to add that we broke off nuclear co-operation with Pakistan in December, 1976, because the Pakistan government was unwilling to give us the non-proliferation guarantees that we sought, and it has not since that time entered into the nuclear non-proliferation agreement. Our decision on that is quite firm. We have received assurances from the Pakistan government that nuclear material from the existing Canadian reactor in Pakistan will not be used for any purposes of a warlike nature.

Mr. Rose: Madam Speaker, since the minister has told us that Canada has broken off relationship in this regard with Pakistan since 1976 because Pakistan has refused to sign the nuclear non-proliferation treaty, I wonder if he could explain to the House why Canadian visas were given to atomic energy officials of Pakistan to come to Canada to organize a conspiracy to export these components, to export nuclear technology to Pakistan; and further, why has the Government of Canada not protested in the strongest possible terms this entire matter, which is so dangerous to the peace of the world? Why has there been a cover-up of this whole thing on the part of the Government of Canada?

Mr. MacGuigan: Madam Speaker, this is a matter which is in the courts and it seems to me that we ought to allow it to be decided by the courts. Those Pakistani officials to whom the hon. member refers were not given this permission, as I recall. My hon. colleague, the Minister of Employment and Immigra-

tion, may want to comment on this, but my recollection is that they sought admission to Canada for an entirely different purpose. There certainly was no approval given to them by the Government of Canada to enter for a purpose of the kind suggested by the hon. member. It is the courts which will determine whether the charges which are laid against these people in Montreal will be sustained or not.

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REGIONAL ECONOMIC EXPANSION

DATA BASE FOR INVESTMENT TAX CREDIT

Mr. Eymard Corbin (Madawaska-Victoria): Madam Speaker, in view of the motion under Standing Order 43 put earlier today by my friend and colleague from New Brunswick, the hon. member for York-Sunbury, I should like to ask the Minister of Regional Economic Expansion if he would be prepared to publish the base data used in the establishment of the special 50 per cent investment tax credit program in designated regions. Could he also confirm that the program is being put forward as a pilot endeavour for the next year?

Hon. Pierre De Bané (Minister of Regional Economic Expansion): Madam Speaker, I was absolutely shocked by the statement made by the member and which, of course, reflects upon the integrity of both my department and the Department of Finance. I take full responsibility for the designation. The criteria are public. I have sent them to every member. They are based on official statistics furnished by Statistics Canada. Of course, I would have never dared make those designations either on gut feeling or arbitrary decision. They are census divisions. I took the 5 per cent of Canadians who are in most need, and in no province could I designate more than 40 per cent. All the statistics have been made public, and I cannot accept such an irresponsible statement.

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● (1450)

ENERGY

OIL—STEPS TO ENCOURAGE DRILLING IN CANADA

Mr. Len Gustafson (Assiniboia): Madam Speaker, I have a question for the Minister of Energy, Mines and Resources. In light of the most recent forecast by the Canadian Association of Oil Drillers that 66 rigs will be moving to the United States in the next few months, the fact that 79 rigs have been idle through cancellation of long-term agreements and that 50 additional rigs have been cancelled due to winter cancellations, can the minister inform this House what steps his department is prepared to take to encourage Canadian companies to drill for oil in Canada for the Canadian people?

[*Translation*]

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, such action has already been announced in the budget and in "The National Energy Program".

[*English*]

Mr. Gustafson: Madam Speaker, a couple of weeks ago, in answer to a question in the Standing Committee on National Resources and Public Works, the minister informed the Canadian public that there were too many rigs built in Canada, that the industry had over-built. Will the minister apologize to this House and take steps to assure that Canadian rigs will have work in Canada next summer?

Mr. Lalonde: Madam Speaker, the information I gave to the committee came from the officials of the drilling association themselves, who said that indeed there had been over-building in the industry over the last few years.

Mr. Wilson: Totally misrepresented.

* * *

PETRO-CANADA

PURCHASE OF FOREIGN-MADE DRILLING RIGS

Mr. Harvie Andre (Calgary Centre): Madam Speaker, my question is also directed to the Minister of Energy, Mines and Resources. I am informed by sources in Edmonton—

Some hon. Members: Oh, oh!

Mr. Clark: They laugh at the mention of the region.

Mr. Andre: I am informed by private sources in Edmonton that Petro-Canada has ordered four new drilling rigs, three from United States manufacturers and one from Japan, even though there are several drilling rig manufacturers in Edmonton who are amongst the best in the world and could easily fulfil this contract. I wonder if the minister could confirm that information, and could he tell the House just what policy directives he has given to Petro-Canada with respect to purchases such as this?

[*Translation*]

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): No, Madam Speaker, I cannot confirm that. Furthermore, the general guidelines given to Petro-Canada are that this corporation must indeed, whenever possible, as far as competition and prices are concerned, encourage Canadian manufacturers. That is the policy which Petro-Canada consistently follows.

[*English*]

Mr. Andre: Madam Speaker, Petro-Canada has hired a Bermuda company to design its logo and a New York company to find it office space, and has contracted with a Liechtenstein company to construct an office building. The minister is writing a letter to Petro-Canada ordering it to give $40 million to Imperial Oil, a multinational which, incidentally, found a Canadian company to develop for it an office building

in Calgary. I wonder if the minister could attach a paragraph or a P.S. to that letter asking Petro-Canada, the national oil company, to see if it cannot find some Canadians with whom to do business.

Some hon. Members: Hear, hear!

Mr. Lalonde: Madam Speaker, the position of the Tory party on Petro-Canada is well known, and I see that it has not changed. I invite my hon. friend to look at the role played by Petro-Canada since it has been set up.

Mr. Andre: Answer the question.

Mr. Lalonde: The Conservatives are like the old Tories in England in the last century; they learn nothing from history or from election defeat. Petro-Canada has been doing a first-rate job in this country in terms of helping Canadian companies and working with Canadian companies, and it is doing everything in its power to expand its activities with Canadian companies and with the support of Canadian companies.

* * *

IMMIGRATION

RECOMMENDATION RESPECTING ENTRY OF JOHN DEXTER

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, I would like to ask the Minister of Employment and Immigration whether his officials recommended allowing John Dexter to enter Canada.

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, as the Leader of the Opposition should know, in making a decision like this we consult a number of sources, including a wide variety of officials. That is advice which I take as being my position and my judgment. As I said earlier to another hon. member, I make the judgment in my ministry, not the officials.

INQUIRY WHETHER MINISTER CONSULTED

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, I would like the minister to answer the question, although I think we can probably take it from his refusal for the fifth time today to answer a question on this matter that his officials recommended against the action he took.

Let me ask his colleague the Secretary of State and Minister of Communications, presumably the minister responsible for cultural policy in this country, whether he was consulted with regard to the Dexter decision by the Minister of Employment and Immigration prior to that decision having been taken.

Hon. Francis Fox (Secretary of State and Minister of Communications): Madam Speaker, I was indeed consulted by my colleague. He and I share the view that the Stratford Festival is indeed a national institution. Both of us are very concerned about the situation which has developed. Both of us are very interested in seeing the Stratford company perform again during the course of next summer.

The minister discussed the matter with me. I am in full agreement with his position as, as a matter of fact, are Actors Equity, ACTRA and most of the people on the board of the Canadian Conference of the Arts with whom I had the opportunity to discuss this matter last week.

Mr. Clark: Madam Speaker, my question was whether the consultation occurred before the decision.

Mr. Fox: Madam Speaker, the answer is yes.

* * *

ATOMIC ENERGY OF CANADA LIMITED

DISPOSAL OF NUCLEAR WASTE

Mr. Bill Blaikie (Winnipeg-Birds Hill): Madam Speaker, my question is for the Minister of Energy, Mines and Resources, and it relates in particular to the issue of the experimental underground vault for nuclear waste at Lac du Bonnet, which I have mentioned before in this House, and in general to the whole question of AECL's policies with regard to nuclear waste disposal. I have with me a copy of an internal AECL report concerning the nuclear fuel waste management program which advocates changes in the process of obtaining community approval of such undertakings. It states that initiatives are being taken to avoid having local councils express their opinions by way of resolution of these projects.

My question for the minister is whether he approves of this attempt by Atomic Energy of Canada to solve the problem that it has been unable to sell its projects by circumventing the democratic process and the local communities affected by these projects.

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I have not seen the document to which the hon. member refers but, as the hon. member knows, there have been constant consultations with the government of Ontario. The federal government and the government of Ontario are both elected democratically.

As to the procedure which should be followed in this respect, a decision has been taken jointly by the two governments to examine possible sites and to make surveys of possible sites on Crown land, unincorporated land, so as to avoid possible conflicts with local authorities or councils who may not wish to have any such surveys taken inside their areas of jurisdiction. All the democratic processes have been respected and followed, as far as I can assess. No survey will be taken inside municipal territory without consultation and the agreement of local authorities.

Mr. Blaikie: Madam Speaker, Lac du Bonnet is in Manitoba, and the fact remains that these dump sites are now intended to be put into place over the heads of local communities, which have, through the democratic process, rejected this.

My supplementary question to the minister has to do with the whole question of nuclear power and the fact that the national energy program indicates a further commitment to nuclear power. Can the minister tell us whether the government has finished its so-called internal review of nuclear power, or can he tell us that there never really was one; and would he confirm to this House and to the Canadian people that we are now committed to going ahead with nuclear power and that the public will never have an opportunity to debate, discuss and publicly present their views on this crucial and, I think, unfortunate energy decision by the government?

Mr. Lalonde: Madam Speaker, the answer is no.

* * *

EXTERNAL AFFAIRS

EXPORTATION OF NUCLEAR TECHNOLOGY—PART PLAYED BY PAKISTANI OFFICIALS

Hon. Allan Lawrence (Durham-Northumberland): Madam Speaker, if I may, I would like to revert to the certainty that Pakistan is close to making a hydrogen bomb using the enriched uranium method, partly as the result of past Canadian government policies. Canadians have recently been involved in, and Canada has been a shipping point for, prohibited nuclear and military technology exportation to Pakistan. My question is for the Secretary of State for External Affairs, who has been involved in ministerial discussions about this very matter.

Is the Government of Canada considering any protest to the Pakistani government or the embassy here in Ottawa about the part played by Pakistani government or embassy officials in this matter?

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, during my meeting with the Pakistani foreign minister a month or two ago I made very strong representations to him on behalf of our government with respect to our feelings as to the development of nuclear explosive devices. I received from him an absolute commitment that Pakistan was not engaged in the development of such nuclear explosive devices and, in addition, that no Canadian nuclear material or technology was being used in this respect.

● (1500)

It seems to me that we have a case before the courts here. It involves materials and components which can be used for a range of purposes, not solely for a purpose connected with nuclear technology, and we should allow this case to be decided by the courts.

EXPORT AND IMPORT PERMITS ACT

INQUIRY WHY MINOR CHARGES LAID

Hon. Allan Lawrence (Durham-Northumberland): That is a devious answer, Madam Speaker, because the minister knows that it is not Canadian technology which is being exported, it is American technology.

My supplementary question is to the Solicitor General who was also involved in these ministerial discussions which have resulted in the watering down or diluting of the charges laid by the RCMP and the security service. My question to the Solicitor General is this. Why were minor charges simply laid under the Customs Act relating to customs offences in this matter rather than the more serious charge of dealing and trafficking in military and nuclear technology to a banned or prohibited country? Why were more serious charges not laid in this matter after the ministers discussed it?

Hon. Bob Kaplan (Solicitor General): Madam Speaker, I am not prepared, and neither was the hon. member in the former government, to confirm or deny the particular details of an investigation or case which was being viewed by the security service, and I am not prepared to do that in this case.

I repeat the clear policy of the Canadian government, that Canada would not contribute its products, its resources or its technologies to the preparation by any country of nuclear weapons. It is the object of the security service to perform surveillance to counter and to deter any attempt by foreign agents to do so. That is the policy of the security service, and apart from repeating the policy, I do not think it is in the national interest to give details of the operations of the security service in any particular case.

* * *

EXTERNAL AFFAIRS

CLOSURE OF POLISH BORDER—POSSIBLE THREAT TO WORLD PEACE

Mr. Jesse P. Flis (Parkdale-High Park): Madam Speaker, I have a question for the Secretary of State for External Affairs. In view of the fact that the Soviet Union has ordered the East German-Polish border sealed off, and in view of the fact that the Democratic Republic of Germany and the Soviet Union have moved military forces along the Polish border, thus threatening world peace and jeopardizing further East-West detente, would the minister please brief this House on what steps the government plans to take to convince the Soviet Union and the Democratic Republic of Germany to keep their armies out of Poland and to respect the principles of the Helsinki Final Act?

Some hon. Members: Hear, hear!

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, the Government of Canada regards the border situation around Poland with utmost seriousness. As the hon. member himself has mentioned in his question, it

would not be compatible with the Helsinki Final Act for any country to use force or even to threaten to use force against another country. It is the opinion of our government that it is extremely important that the Polish question be settled by the Poles themselves and by no one else.

The Government of Canada is taking certain initiatives with respect to this crisis, but I think it would not be in the international interest to reveal those at the present time.

* * *

PETITION

MR. DOMM—INTRODUCTION OF METRIC SYSTEM

Madam Speaker: I have the honour to inform the House that the Clerk of the House has laid upon the Table the thirty-third report of the Clerk of Petitions, stating that he has examined the petition presented by the hon. member for Peterborough (Mr. Domm) and finds that it meets the requirements of the Standing Orders as to form.

I have notice of a question of privilege from the hon. member for Kootenay East-Revelstoke (Mr. Parker).

* * *

PRIVILEGE

MR. PARKER—ANSWERS GIVEN BY MR. LALONDE

Mr. Sid Parker (Kootenay East-Revelstoke): Madam Speaker, I rise on a question of privilege concerning answers given to me on two separate occasions by the Minister of Energy, Mines and Resources (Mr. Lalonde) and with regard to a statement released by the minister's office last Monday and carried by the Canadian Press wire service. It is my contention that the minister has seriously misled both me and this House, and furthermore that he has challenged my privilege as a member of Parliament by correcting these misleading statements in the press before doing so in the House. With your indulgence, Madam Speaker, I should like to recount briefly the history of this matter.

On Friday, November 21, I first asked the minister whether he would be willing to take action to assist four of my constituents whose land had been summarily expropriated under the antiquated provisions of the Railway Act. At that time the minister assured me that:

> As far as we are concerned, we have succeeded in obtaining a commitment from the builders that they will settle on the basis of the rules put forward in a bill in the Senate by Senator Olson which represented a significant improvement on the old legislation. Unfortunately this bill has not yet been passed by the House, but the applicants are ready to consider themselves bound by it.

I found that answer surprising, Madam Speaker, so I asked the minister to clarify it, and he assured me as follows:

> —we have succeeded in reaching a situation whereby the private companies building the pipeline agree to be bound by the particular bill introduced by Senator Olson in the Senate. So in effect, the people concerned can benefit from the provisions of the bill which unfortunately has not yet been passed by the House.

At the time I knew the information was incorrect because I had copies of writs issued under the provisions of the Railway Act to four of my constituents. So, knowing it was incorrect, I gave the minister yet another opportunity to correct the record. On Wednesday, November 26, I offered him exactly that option. His answer was the following:

> I have told the House, however, that Foothills had indicated that, as far as compensation is concerned, Foothills is ready to work out compensation arrangements on the basis of the bill introduced by my colleague, Senator Olson, which has not yet been passed by Parliament. Foothills voluntarily agreed to follow the rules proposed in that particular bill. As far as I can see, nothing has happened which is contradictory to what I indicated to the House or what Foothills had indicated publicly before.

I could not believe this answer, Madam Speaker, since it was directly contradicting what was taking place with regard to my constituents. So I gave the minister one last chance to correct his statement, and once again he said:

> —my information is to the effect that the company has indicated they are ready to pay compensation on the basis of Senator Olson's bill. I fail to see the problem raised by my hon. friend if the company has agreed to pay compensation on the basis of the bill proposed by Senator Olson.

Quite frankly, Madam Speaker, I was dumbfounded because I knew the minister was not telling the truth. I had given him four opportunities to correct the record on the floor of this House, and four times he had repeated the same incorrect answer.

Some hon. Members: Order.

Mr. Parker: As a backbench opposition member I had already imposed too heavily on my party's meagre allotment of questions and I had failed to get the minister to correct the record. Despite my attempts to raise this obvious bending of the truth with the national media, the minister refused to budge even slightly. Feeling a great deal of displeasure at the way I have been treated by the minister, I decided I could not pursue the issue any further. Then, to my absolute horror, I saw the CP wire story on Monday, December 1. I should like to quote extensively from this story, Madam Speaker, because I think it says better than I ever could how the minister misled this House.

> Energy Minister Marc Lalonde forgot to mention a key bit of information about procedures being used to expropriate land in southeastern British Columbia for a pipeline, a spokesman for the minister said Friday. Lalonde assured the Commons earlier this week that Foothills Pipeline (Yukon) Limited, now expropriating land for the Alaska highway natural gas pipeline, would use new rules to determine the compensation paid to landowners affected. But the spokesman for the minister said Friday he should have added that the new rules contained in a bill that has never been passed by Parliament won't come into effect until the legislation is approved. That means that expropriation and compensation will continue to be determined by the 1919 Railway Act, the law now in effect.
>
> Lalonde had said that while the Railway Act is the law now and must be used for obtaining court orders, Foothills had agreed to follow the terms of the new act in determining compensation.
>
> But his spokesman said the minister should have added that Foothills has said it would make adjustments that reflect the new approach only after the new act is approved.

• (1510)

It is unbelievable. On four separate occasions the minister stood in the House and told me that this "wonderful" agree-

ment with Foothills will solve all the problems of my constituents. He even went so far as to practically insult me for making outrageous statements. Then, when all the furore died down, he got some unidentified flack to go to the press and tell them he forgot to mention that all Foothills agreed to do was to follow the law, if and when it is ever changed. By the way, it is really marvellous that Foothills has assured the minister it will abide by the law. I wonder how much he had to give into them in order to get such a strong assurance.

In conclusion, I should like to sum up the reasons I feel that I have a prima facie case of privilege. First, the minister has seriously misled both myself and the House on four separate occasions. As I have shown, this is not a debatable point. There is no question that what the minister told me on four separate occasions was not correct as it was later determined. Second, and more important was the way in which the minister set the record straight. Since this is where the incorrect statement was made, it seems to me this is where it should have been corrected. Surely the minister owes me, as a member of Parliament, at least that much. Before having some unidentified aide correcting his statements in the press, surely the minister has enough respect for me and for Parliament to rise in his place and correct his statement on the record in my presence.

For these reasons, if Madam Speaker finds that there exists a prima facie case of privilege, I am prepared to move that this entire matter be referred to the Standing Committee on Privileges and Elections.

Some hon. Members: Hear, hear!

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I have listened with interest to the comments of the hon. member. I appreciate the fact that we had an opportunity to speak about it last night. I want to assure him that if he has been misled in any way, certainly it was not intentional and I would have no problem apologizing for it whatever.

But I should like to put the record straight. First of all, I did not ask any unidentified aide to make any particular statement. Some member of the press probably asked for further information, and it was provided when requested. If the hon. member knew that the answer was incorrect on November 21 and on November 24, I am surprised he did nothing about it until today. But, leaving that aside, I want to say there is nothing in my answer which I believe misled the House.

I indicated that Foothills was willing to pay compensation on the basis of a new bill which had not yet passed the House. In answer to a question by the hon. member on November 26, as reported at page 5089 of *Hansard*, I said:

> I certainly have no power or authority to instruct any of my colleagues, but I will be very happy to raise the problem which my hon. friend has pointed out with Senator Olson.

Also I indicated that there was no way I could force that particular company to do anything other than act under the existing legislation, that is, the Railway Act. But the fact is that the company gave a commitment to pay compensation on the basis of the new legislation. It is true that it will only be able to do this once the bill is passed, but it is ready to do it not only with all the people whose property has been expropriated, but with the people with whom it made deals in the past. This is the information I have. So, there is an opportunity for all people who will make settlements with Foothills to come back at a later stage once the bill introduced by Senator Olson in the other place is passed. Senator Olson and I have indicated our support for this type of legislation. We appreciate the fact that Foothills has agreed to be bound by that legislation once it is passed.

Mr. Deans: They have no choice.

Mr. Lalonde: My hon. friend from Hamilton is always going through the roof without listening to the facts. The company will not be bound by that rule unless it is made retroactive, but it appears that it agrees to be bound retroactively with the piece of legislation.

Mr. Deans: That is not what was said the other day.

Mr. Lalonde: I think my friend should keep his cool and realize what is the situation, but I will deal with my hon. friend from British Columbia who is much cooler.

As soon as the bill is passed and if it comes into law prior to the completion of the Alaska gas pipeline project, Foothills has indicated that it is prepared to make adjustments which reflect the new approach provided under Bill S-12.

I regret if there has been any misinterpretation, or if my friend feels that he was misled in any way, shape or form. There was nothing in my answers which indicated any such intention to mislead, or any statement which was wrong or false. Also as reported at page 5089 of *Hansard*, I indicated:

> There is no way by which Foothills can act other than under the provisions of a law which is in effect in this country, namely the Railway Act.

I think I have made the record pretty clear. If there has been some confusion, I apologize. I am happy to have had the opportunity today to clarify this matter on the record so that there will be no confusion.

Mr. Parker: A point of order—

Madam Speaker: No, the hon. member for Kootenay East-Revelstoke (Mr. Parker) cannot speak twice on this question of privilege.

Mr. Parker: Madam Speaker, I should like to raise a point of order with regard to the minister's answer.

Madam Speaker: It is the same question. The hon. member cannot transform it into a point of order. Does the hon. member for Vancouver-Kingsway (Mr. Waddell) want to speak on this same question of privilege?

Mr. Waddell: Yes, Madam Speaker.

Madam Speaker: Will the hon. member resume his seat? It is quite obvious to me, having heard the hon. member for Kootenay East-Revelstoke, that there is no question of privi-

lege in the matter he raised. That is quite clear to me, just having heard him. So, I do not feel I can allow any other interventions in a case which is already clear.

The hon. member for Kootenay East-Revelstoke said that the minister misled him. If he did, the minister quite clearly apologized for it. I believe we are faced with a different interpretation of facts.

Article 19 of Beauchesne says that a dispute arising between two members as to allegations of fact does not fulfil the conditions of parliamentary privilege. The failure of a minister of the Crown to answer a question may not be raised as a question of privilege. Statements made outside the House by a member may not be used as the basis of a question of privilege. So, that is quite clear in this particular case. Therefore, for that reason I will not hear any other interventions on this question of privilege.

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POINTS OF ORDER

MR. HOWIE—STATEMENT MADE BY MR. DE BANÉ DURING QUESTION PERIOD

Hon. J. Robert Howie (York-Sunbury): Madam Speaker, just a few moments ago the Minister of Regional Economic Expansion (Mr. De Bané) suggested that my motion under the provisions of Standing Order 43 today reflected upon the integrity of his department. My motion was not accusatory, nor was it intended to be. Unlike Canada Works and similar programs, the data base for the minister's program to which I referred is not available to me. I do not have it. I cannot get it, and I want it. If the minister would simply table it or tell me where I can get it, he will meet the thrust of my motion.

Hon. Pierre De Bané (Minister of Regional Economic Expansion): Madam Speaker, I should like to indicate that whatever decision is made, of course it is open to debate. I would never say that a decision I made is perfect. I already committed myself when I appeared before the Parliamentary Committee on Regional Development that, during the year, I would try to refine the designation to try to correct it as such.

● (1520)

What I would like to emphasize is that those designations were not made on arbitrary, gut feeling criteria. The Department of Finance, jointly with DREE, asked Statistics Canada to designate the different census divisions which met the following three criteria: the highest family unemployment rate in Canada, the lowest per capita income, and an isolation factor. In no province should the regions designated cover more than roughly 40 per cent of the population of the province, otherwise there would be no incentive. I would gladly supply those economic indicators from the different census divisions to the hon. member. Again, I will never pretend that there is no room for improvement. I have already committed myself to see if in the next few months we should not try to refine and do it better. I want to assure him there is no arbitrary designation here.

Mr. Howie: I would like to thank the minister very much for the information he has supplied. I will be making some very constructive suggestions in the days to come.

MR. WADDELL—STATEMENT MADE BY MR. LALONDE

Mr. Ian Waddell (Vancouver-Kingsway): Madam Speaker, I rise on a point of order. My point is simply this: in the interests of fairness could the Minister of Energy, Mines and Resources (Mr. Lalonde) clarify to this House, and especially to the residents of southeastern British Columbia, just exactly what is his position with respect to the expropriation? He said clearly in the House that company, Foothills, would pay compensation with respect to Senator Olson's bill. He has now said today that the company will pay for compensation for the expropriation with respect to Senator Olson's—

An hon. Member: Order!

Mr. Waddell: If you will give me a moment I will come to the point. It is very important for the residents. They will pay retroactively. I think the minister should inquire of the House, if he is indicating to the House that, in fact, that bill will be brought to the House, as we may never—

Madam Speaker: Order, please. I was listening to see what the hon. member had in mind. He can ask for a clarification but he cannot refer at all to the ruling I have just made. I understand that he wants to ask for a clarification but he has transformed it into a question, which seems to me is prolonging the question period.

Mr. Waddell: On a point of order, Madam Speaker, this is a crucial question for our people in southeastern British Columbia. I ask the minister to clarify that point, which is whether he is bringing in legislation to cover what he just said today in the House—

Madam Speaker: Order, please.

* * *

PRIVILEGE

MR. MALONE—ALLEGED LAUGHTER BY MR. LALONDE

Mr. Arnold Malone (Crowfoot): Madam Speaker, I rise today with hesitation, on a question of privilege. I feel there is some purpose in my rising to deal with the behaviour of ministers of the Crown in relation to how they respond as much non-verbally as verbally in this House. I am referring to the Minister of Energy, Mines and Resources (Mr. Lalonde).

Madam Speaker, as we know, with respect to questions of privilege we are talking about the equality of our ability to participate in the House of Commons. That equality must be accorded, no matter where a member comes from in the country. In the attitude of the minister of energy I detect a

reflection downwards on those people who come from the province of Alberta. I refer to an instance earlier this week when a member posed a question beginning "In quoting from a Calgary newspaper . . ." and there was a loud guffaw from the minister of energy. Today the hon. member for Calgary Centre (Mr. Andre) raised a question in which his very first words were, "In quoting from an Edmonton source . . ." and the minister of energy again burst into laughter. Surely we must ask why a minister of the Crown who associates with the Prime Minister (Mr. Trudeau), who says he speaks for all of Canada, degrades some part of this region.

I rise on what I know, and what you will soon find out, is not a question of privilege. I rise simply to raise this grievance. I am in agreement with you, Madam Speaker, that a point of order can only deal with the procedures of the day, and a question of privilege can deal only with that which allows reflection upon how one participates in the House. There is a hiatus created, and this House should find a method by which these grievances can be dealt with, because they offend me deeply as a member of Parliament. I resent the behaviour of the Minister of Energy, Mines and Resources when he degrades a region in an attempt to make political gain elsewhere in the country.

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I do not want to waste the time of the House on this issue which the hon. member has raised. My only comment to him is that he is obviously sick and he needs some rest.

Mr. Beatty: That is irresponsible.

Mr. Lalonde: If the hon. member was in the House at the time, he must have seen there was general good humour and laughter all around the hon. member, on the Tory side. I saw many members from Alberta laughing as well. The laughter had nothing to do with the subject matter under discussion, but it was the way in which the hon. member prefaced his question which exposed him to laughter from his own colleagues. So I suggest that the hon. member should go home and rest for a few weeks before coming back feeling a little better.

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, I hope the minister of energy will reflect upon the quality of the response he has just made with respect to this matter. It is not conducive to what we are trying to achieve in the House of Commons. This House is supposedly representative of a place of understanding where members from all parts of Canada can represent Canadians, in both languages, and where there are no differences in so far as regions are concerned. That is the essence of Canada. If I may say so, with great respect, the minister ought to apologize to the hon. member.

Mr. Lalonde: He should be the one to apologize.

Madam Speaker: I cannot hear the hon. member for Crowfoot (Mr. Malone) twice on the question of privilege.

Mr. Malone: It is a new question.

Madam Speaker: As a matter of fact, the hon. member for Crowfoot has assisted me in the ruling I am about to make. He has already told me that he did not think he had a question of privilege. I agree with him and I thank him for assisting the Chair in determining whether or not it was a question of privilege. At last here is a member who is addressing himself to that very specific and important point. That is something hon. members do not always do. The hon. member has touched on those reasons himself. Some hon. members feel there are not sufficient occasions to air grievances in this House. The Standing Orders do provide for times when hon. members may air grievances, and I need not mention those to the hon. member. I am sure he is as familiar with them as I am.

I must tell him that facial expressions are not dealt with in the Standing Orders. I am at a loss to rule on a facial expression which might have been made by any hon. member. The hiatus to which the hon. member referred could be dealt with in the Standing Orders if all hon. members agree. This would enable hon. members to air grievances rather than raise questions of privilege.

• (1530)

MR. MALONE—NOTICE OF INTENTION TO RAISE QUESTION OF PRIVILEGE

Mr. Arnold Malone (Crowfoot): Madam Speaker, I am rising on a new point, and to say that I want to reserve my right—

Madam Speaker: Order, please. The hon. member would help me if he made it clear whether he is rising on a point of order or whether he wants to speak again on the question of privilege. Would he make it clear?

Mr. Malone: Madam Speaker, it is not a point of order and it is not in reference to my previous question of privilege. It is a new question of privilege and it arises from the very derogatory remarks, which reflect on me as a member of this House, made by the Minister of Energy, Mines and Resources (Mr. Lalonde) when he made the comment that he thinks that I am sick. At this time I merely want to reserve my right to raise that question the next time the two of us are in the House together.

ROUTINE PROCEEDINGS

[*Translation*]

HEALTH, WELFARE AND SOCIAL AFFAIRS

First report of Standing Committee on Health, Welfare and Social Affairs—Mr. Roy.

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

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 1,503, 1,532, 1,534, 1,538, 1,618 and 1,659.

[*Text*]

SMALL BUSINESSES LOANS ACT—ANNUAL REPORT

Question No. 1,503—**Mr. Huntington:**

For the total amount 1961 to 1979, as described in table 1 of the 1979 annual report of the Small Businesses Loans Act, what were the claims paid under the act, not recovered by (a) lending institutions (b) the province?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): In so far as the Department of Industry, Trade and Commerce is concerned:

(a) Claims paid under the act between 1961 and 1979 amounted to $5,841,561. This figure, as allowed for in the act, includes legal cost, administration expenses, and accrued interest as well as principal owing. Figures of amounts recovered by lending institutions prior to a claim being submitted for payment are not available.

(b) Provinces do not recover loans made under the Small Businesses Loans Act.

REGIONAL AIR CARRIER POLICY—MINISTER OF TRANSPORT'S POSITION

Question No. 1,532—**Mr. Mazankowski:**

1. What is the Minister of Transport's position with respect to regional air carrier policy?

2. What is his position on allowing regional carriers limited access to transportation centres, such as Toronto or Montreal, outside their designated area of operation?

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): 1. The minister intends to seek cabinet approval to release for public comment a proposed new domestic air carrier policy, which will concern, in part, the role of the regional air carriers.

2. The proposed new domestic air carrier policy will address the question of regional air carrier access to centres outside their designated area of operation.

SEAWAY ADVISORY BOARD

Question No. 1,534—**Mr. Mazankowski:**

1. Does the Minister of Transport intend to create a Seaway Advisory Board to enable industry, labour and communities affected by the seaway to have a say in its operations?

2. Is the government planning a further increase in tolls on the Welland Canal and/or the seaway and, if so, what level of toll increases is planned and over what period of time?

3. Will the minister guarantee that full consultations will be held with all interested groups before any commitments are made with respect to toll increases?

Order Paper Questions

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): The St. Lawrence Seaway Authority advises as follows: 1. For the present the minister has endorsed a more informal consultative mechanism than the advisory board concept. Two "Information Sessions" have been held attended by the administrator of the Canadian Marine Transportation Administration, seaway officials and representatives of the users of the seaway. This approach was well received and may prove more productive than a formal structure. The concept of a board of directors or an advisory board is, therefore, being deferred for the time being.

2. According to an exchange of notes on March 20, 1978, between Canada and the United States there is to be a mandatory review of the seaway tariff of tolls every four years, beginning in 1981, for "the purpose of achieving, through the tariff of tolls and revenue sharing arrangements, economic viability for each section of the seaway based upon recovery of annual operating costs and equitable return for depreciation and capital investments, having regard to the need to encourage the optimum utilization of the existing seaway facilities". Decisions on the future toll levels on the seaway will be made in the context of this mandatory review.

3. The minister will ensure that consultations are held with major seaway interest groups during the course of the 1981 review of the tariff of tolls, and prior to any commitments being made with respect to toll increases.

GRAIN—EXPORTS TO U.S.S.R.

Question No. 1,538—**Mr. Mazankowski:**

1. In each of the past ten years, what were the level of grain exports sent to the U.S.S.R.?

2. For the same years, what was the average annual export of grain to the U.S.S.R.?

3. What level of exports to the U.S.S.R. is considered "normal" by the government in reference to the statement made by the minister responsible for the Canadian Wheat Board with respect to his decision to end Canada's participation in the grain embargo?

4. What is the minister's reasoning behind his definition of "normal" if it exceeds the yearly average?

5. Does the minister feel that more than the embargo limit of 3.8 million tonnes of grain could have been sold and delivered to the U.S.S.R. in the last crop year and, if so, on what does he base his assumption?

6. Does the government intend to compensate farmers for losses incurred due to the embargo and, if so, when will this be paid and in what manner?

7. Does the minister agree with the steps taken in response to the Soviet invasion of Afghanistan and does he support the United States in its efforts to ensure that such communist aggression is not ignored?

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): In so far as the Canadian Wheat Board is concerned:

1.	1970/71	328,964 tonnes		1975/76	4,662,598 tonnes
	1971/72	3,460,256 "		1976/77	1,164,671 "
	1972/73	5,017,046 "		1977/78	2,398,995 "
	1973/74	1,125,985 "		1978/79	1,554,657 "
	1974/75	351,532 "		1979/80	3,795,600 "

2. 2,386,030 tonnes.

3 and 4. It has been normal for Canada, as the only country which has exported grain to the U.S.S.R. every year since 1963, to sell at levels in relation to Canadian supplies, transportation capability, and world and U.S.S.R. demand.

5. No.

6. Yes. An interdepartmental committee is currently preparing a report for cabinet on the extent of losses suffered by Canadian farmers. A decision covering timing and manner of payment will be made following consideration of this report by ministers.

7. Yes.

ADMIRAL FALLS' GRAND PIANO

Question No. 1,618—**Mr. Cossitt:**

1. With reference to the answer to question No. 1,205 which stated in part, that the government purchased a Yamaha grand piano for the residence of Admiral Falls in Brussels at a cost of $4,057, in what country was the piano made?

2. Is the government aware that the Heintzman Piano Company in Canada is closing down due to the lack of business and, if so, for what reason was the piano not purchased from the company in order to assist in Canadian jobs?

3. (a) What are all of the reasons that the taxpayers have paid for a piano for Admiral Falls and, specifically, is he personally a pianist (b) what are the names of all persons making use of the piano?

Hon. Mark MacGuigan (Secretary of State for External Affairs): 1. In so far as the Department of External Affairs is concerned, the piano provided Admiral Falls' official residence in Brussels was purchased from Yamaha Canada Music Ltd. of Scarborough, Ontario at a cost of $4,057, with a promised delivery of three months. The piano was manufactured in Japan.

2. At the time of purchase the government was not aware that the Heintzman Company was closing down. However, they were asked to submit a quotation on the piano. The Heintzman Company confirmed that the smallest grand piano manufactured by them would cost $7,900 and the delivery would be six to eight months. The decision to purchase the Yamaha piano rather than the Heintzman piano was based on these factors:

(a) The cost differential of almost 100 per cent;

(b) The smaller size of the Yamaha piano could be better accommodated in Admiral Falls' house;

(c) The earlier delivery promise of Yamaha permitted us to consolidate its shipment with the other Canadian manufactured furniture, thus resulting in a significant saving in its shipping cost.

3. (a) and (b) Admiral Falls does play the piano; however, the provision of the piano was based on representational requirements not the personal factors. Representational functions at which the piano is to be used include recitals of visiting Canadian artists and social functions.

TRANSPORT—BROCHURE—THE CANADIAN AIR TRANSPORTATION ADMINISTRATION

Question No. 1,659—**Mr. McKinnon:**

Did the Department of Transport authorize the printing of a brochure entitled *The Canadian Air Transportation Administration* and, if so (a) on what date was it printed (b) how many copies were printed and at what cost (c) to whom was it distributed (d) for what purpose?

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): Yes.

(a) On or about November 22, 1978;

(b) 258,525 copies, $65,029 (including $6,750 federal sales tax);

(c) The brochure was distributed to Transport Canada headquarters and to the six regional offices of Transport Canada (Air) to be used in a potential market of approximately 250,000 persons, both internal and external to Transport Canada. The market was seen to be the general public, specifically the air passengers; the aviation industry; the 650 (approx.) licensed air carriers in Canada; pilots and air crew; aviation associations; suppliers; provincial aviation councils and their support employees;

(d) To describe the role of the Canadian Air Transportation administration.

[*Translation*]

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

Madam Speaker: Shall the remaining questions stand?

Some hon. Members: Agreed.

* * *

MOTION FOR PAPERS

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, notice of motion for the production of papers No. 24 is acceptable to the government.

Madam Speaker: Shall notice of motion for the production of papers No. 24 be deemed to have been adopted?

Some hon. Members: Agreed.

[*Text*]

CANADIAN MEDIA CORPORATION—CONTRACT—AGENCY OF RECORD

Motion No. 24—**Mr. Beatty:**

That an order of the House do issue for a copy of the contract entered into between the government and the Canadian Media Corporation to perform its duties as Agency of Record for the government.

Motion agreed to.

[*Translation*]

Mr. Collenette: I ask, Madam Speaker, that the remaining notices of motions be allowed to stand.

Madam Speaker: Is it agreed?

Some hon. Members: Agreed.

Madam Speaker: In accordance with Standing Order 54, I now leave the chair so that the House may go into Committee of the Whole.

GOVERNMENT ORDERS

[*Translation*]

BUSINESS OF SUPPLY

APPROPRIATION ACT NO. 2, 1980-81

House in Committee of the Whole on Bill C-47, for granting to Her Majesty certain sums of money for the Government of Canada for the financial year ending March 31, 1981—Mr. Pinard—Mr. Ethier in the chair.

The Deputy Chairman: Under the provisions of the order passed on Tuesday, April 29, 1980, the Committee of the Whole will proceed today with consideration of the estimates under the item transport of the schedule to Bill C-47, an act for granting to her Majesty certain sums of money for the Government of Canada for the financial year ending March 31, 1981.

DEPARTMENT OF TRANSPORT:

Vote No. 1

Mr. Pepin: Mr. Chairman, I thought that I could use the opportunity given to me, that is, the consideration of my departmental expenditures to mention some progress made in the transport area, more especially some achievements in which I have been involved since my appointment to Transport Canada in March last. My speech will be deliberately and openly optimistic because I feel that once in a while one should point out what is going well especially in a country like ours where we tend, too easily perhaps, to be pessimistic. Besides, one can be optimistic without being complacent, smug and self-satisfied. I shall have to recognize, in the next two days, that many things still have to be done, which we will do. The beauty of Canada is that most of its problems can be solved, or at least I think they can.

Mr. Chairman, I hesitated before deciding whether I would present my few observations by mode of transport, that is, air, sea, or land, or else, by area, that is the west, the east and the centre. I opted for the latter, but I shall often have to switch from one to the other. I trust I shall be forgiven for doing so.

[*English*]

Let us look first at what is happening in western Canada. Economic growth in that region has been greater than in the rest of the country as a whole since 1971. This trend is expected to continue throughout the 1980s. Of course, it will have major implications on the transportation system. The federal government is resolved that the transportation capacity in western Canada will be equal to increasing traffic demands.

Let me give some illustrations of that determination. I would like to recognize once and for all the work which has been done by my predecessors and by other members of this House. It is sometimes advantageous to be at the end of a story, rather than at the beginning, which will be the case in some of the instances I will mention. I say that so that I will not have to repeat it too often as I go along.

Mr. Mazankowski: You're trying to get us off our guard.

Mr. Pepin: I am trying to butter you up. The first subject is ports on the west coast. Last summer three major issues were resolved. Hon. members will remember that the Roberts Bank port development had been held up because of a federal-provincial dispute over ownership of the bed of Georgia Strait. The agreement was signed in August by the Hon. Don Phillips, representing the government of British Columbia, and myself on behalf of the federal government. Under this agreement the province provides for the transfer of land and water lots to the National Harbours Board without prejudice to the final resolution of legal ownership. This allows the National Harbours Board to proceed with the development of three additional terminal facilities. An amount of $47 million has been allocated to the project by the port of Vancouver, of which Roberts Bank is an integral part. By 1985, an estimated 25 million tons of coal will be shipped from Roberts Bank annually, compared to the present shipments of 11 million odd tons.

The second accomplishment which I would like to underline is the project taking place at Ridley Island at Prince Rupert. On the grain side, in line with the memorandum of understanding signed by my predecessor in July, 1979, agreement was reached with the grain consortium last September. Three or four contracts for ground preparations have already been allocated and work has begun. The federal contribution to this part will be approximately $22 million. As everybody knows, a grain elevator worth about $200 million and a dock worth $12 million to $14 million will be constructed by the consortium of grain pools and grain companies.

On the coal side, negotiations are now in their final stages with the Japanese. Perhaps I should not say that, because negotiations such as these can have temporary interruptions. I understand that things may not be concluded. At any rate, the federal government has committed itself to $3 per ton rate at the port which, as far as one can determine at this time, would be equivalent to a grant of some $15 million to $20 million.

The third piece of good news is in relation to Duke Point at Nanaimo. Last August I had the pleasure of signing another agreement with the B.C. government and the Nanaimo Harbour Board, committing $6 million to this $21 million project

which will make Duke Point the major lumber port on the west coast.

I must mention in all this good news, another agreement, which has not received too much attention in the press and which I signed, also in August, with the hon. Mr. Fraser for the government of British Columbia, dealing with a joint marine terminal study to determine what facilities will be needed on the west coast to the year 2000. This agreement should be an important instrument in policy formulation in the coming years.

The major remaining port problem on the west coast has to do with the status of the port of Vancouver. For a number of years now the Vancouver port community has requested more autonomy in the management of its business. During the last election, the Prime Minister made a positive commitment to that effect. The subject is also of interest to many other ports, if not all of them, under the authority of the National Harbours Board.

● (1540)

As my hon. friends know, this subject of port management has been the object of three bills in the last five years. The debate has been going on for a decade. Bill C-50, which was the last incarnation of that debate in the House of Commons, was not generally supported.

I have had many meetings throughout the summer with members of the Vancouver Port Authority and other port authorities. Together with my distinguished marine administrator, we looked at the whole issue. As a result of these meetings, the marine administrator has now prepared a position paper in consultation with port authorities. This paper is almost ready for presentation to the cabinet committee. I can indicate the general lines of that position paper. They are very practical ones. We recognize the different categories of ports, although most of the attention goes to the National Harbours Board Act. The idea will be to develop two types of ports and to establish a relationship between the two. In the internal jargon, we call them "mini" and "maxi" corporations. The Harbour Commissions Act of 1964 would not be changed in any substantial fashion.

The legislation will be practical. As I understand it, this is in keeping with what interested parties involved in port administration want, as well as the people of Canada.

With respect to grain handling and transportation in western Canada, I have made a couple of speeches recently on that subject.

The Canadian Wheat Board says that annual grain exports could grow by 50 per cent by 1985, and farmers have accepted this challenge. The Canadian government has accepted the challenge of providing the best transportation facilities. As everyone knows, the government record is pretty good if one considers that in the last decade it has invested a sum of about $1.3 billion in improving the western rail transportation system, although I might add that the hon. member for Medicine Hat, others and myself, say that it is still not good enough yet.

Mr. Hargrave: Amen.

Mr. Pepin: There is still a lot to be done even when one admits that quite a lot has been accomplished in the last decade.

To correct this situation, that is, make the system as good as it should and could be, most people agree that there are two major areas to tackle. One is the upgrading of the railway facilities. The other is the modernization of the Crowsnest Pass freight rate. It is possible that my parliamentary secretary, the hon. member for St. Boniface, will want to say more about that. However, I will be in a position, I hope, in the upcoming discussion to answer most of the questions as to what is taking place now by way of branch line rehabilitation, boxcar rehabilitation, branch line subsidies, the grain transportation co-ordinator, and so on.

During the summer I had the good fortune to see CN and CP equipment in the mountain region. At the time federal and provincial ministers saw new signalling equipment, new tracks being laid by extremely modern means, hot box detectors linked with electronic equipment. It was very impressive. I think CN and CP are now quite proud to show the progress which has been made.

I will not repeat speeches I have made about the Crowsnest. I will just say that more and more people agree that some change must take place. On November 15, 1979, my predecessor, the hon. member for Vegreville said the following as reported in *Hansard* at page 1359:

> Not everyone agrees with the solutions and not everyone agrees with the diagnosis of the problems that are before us.

He went on to say:

> —there are different views as to how we might best turn the system around.

Partly through his efforts, and partly through the efforts of the previous minister of transport, and also through the efforts of a number of leaders in that industry in western Canada, I think one can say that the consensus on the need to modernize has grown substantially in the last year. On December 1, 1980, the hon. member for Medicine Hat was saying just about the same thing. As reported in *Hansard* at page 5219, he said:

> There are many farmers in western Canada who do not completely understand what is behind the Crowsnest Pass freight rate and what it does—

And I want to emphasize the words "and what it does". The hon. member went on to say:

> —to the total agricultural economy and the total Canadian economy.

Many other people and I have been saying that, and I just want to associate a westerner with an easterner in saying those things, to strengthen my credibility on the matter.

In any event, I spent a lot of time, not as much as I would have liked to last week in Calgary and the week before in Regina, discussing those matters with leaders in the industry and farmers. I have been trying to express my great desire about contributing to the modernization of the western grain handling and transportation system.

There is a passage in the budget speech concerning the Western Development Fund which attracted the attention of a

lot of members when it was read by the Minister of Finance. Like everyone else, I hope this fund can be helpful in solving or improving upon the Crowsnest situation at this time.

Both inside the department and outside we have worked hard on this subject. We have produced a position paper which is in the decison-making pipeline. As the hon. member for Medicine Hat has promised his support in advance, in due course I will be looking for the support of all members on all sides of the House on the initiatives which will be taken.

I would like to mention something else concerning western Canada. It has to do with the bilateral air agreement with the United Kingdom, signed in September last. A number of people wrote telling me how important this bilateral agreement was to western Canada in its air relationship with Europe, in particular, and also in its air relationship with the Far East, by way of Vancouver and Hong Kong. When this agreement was signed, unfortunately not too many people wrote to say they were pleased. However, I guess that is the story of our lives. It is good news to me, and I hope that my western friends share in that sentiment.

There is also the search and rescue program which is of interest to western Canada. The opposition increased the budget last year when they were in government. We have gone further this year for next year. The coast guard base was opened during the summer and four new ships have been assigned to the west coast.

● (1550)

I would have liked to have talked about the CN rail relocation in Regina and the multimodal station. I presume my friends will raise some of these subjects.

With respect to central Canada, I am very much aware of the preoccupation of some members regarding the lack of visible progress on a number of very ticklish issues. I refer to the sale of Nordair to the private sector, the transfer of air routes from Dorval to Mirabel, the Toronto-Ottawa-Montreal STOL project. All of these are very difficult problems. In my view progress is being made, particularly in the last mentioned one. I hope to be in Toronto in the coming days to meet with all interested parties, and that further progress will be accomplished.

I have more good news. The seaway made a profit for the first time. The port of Thunder Bay is thriving. The port of Montreal is doing very well. A decision on a third terminal at Malton will be made soon. The first steps have been taken on the expansion of the Hamilton airport, etc., etc., etc., as the Minister of Agriculture would say.

I would like to single out two progress areas, one being VIA Rail and the other the coming agreement with Quebec on Montreal urban transit.

VIA is a great challenge. There is no doubt about that. As my note says, it is nothing less than a reversal of historic trends of declining clientele, of increasing operating deficits, of deteriorating facilities and equipment. It is a great challenge, but again progress is being made. It is not at the speed at which the hon. member for Regina West would like, but nevertheless it is progress.

Mr. Roberts, the president of VIA, said that the number of passengers was up by 41 per cent since 1976. The load factor this year to date has been 50 per cent compared to 35 per cent when passenger transportation was handled by the railway companies. One way of looking at the progress of VIA is that they are not losing as much money as the railways say they would have lost had they continued to operate the passenger service.

A number of new initiatives are currently being undertaken. I can only tick off what they are: first, a major capital investment program to refurbish old equipment and replace it, as necessary, with new equipment. Hon. members know about the purchase of $90 million worth of Light, Rapid and Comfortable equipment. There is the computerized reservation system, Reservia, introduced in April, 1980. This has been an improvement. In its first days I received a tremendous amount of mail, as I am sure other members did. The fact that I no longer get any is a clear indication of an improvement. It is better than a Gallup poll.

[*Translation*]

The Deputy Chairman: Order. I am sorry to interrupt the minister but his time has expired. However, he could continue with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

[*English*]

Some hon. Members: No.

The Deputy Chairman: I heard some noes.

Mr. Mazankowski: Mr. Chairman, I am sure the minister will have ample time to conclude his remarks throughout the course of today and tomorrow. I thank him for his summary. I note his degree of optimism in his review of progress that has been made. I suppose I could make the comment that in his review he merely recapped a number of the initiatives that had been started. What has transpired over the last nine months is essentially a recycling of a number of programs, perhaps dressed up in Liberal wrapping and Liberal press releases, especially when he suggests that Prince Rupert and Roberts Bank are great achievements. I am sure everyone knows those projects were well under way to being concluded at the time the minister took over this office.

The minister talked about the desire and the necessity of increasing transportation capacity in western Canada. I thought he would seize upon that opportunity to outline some new initiatives on how that would be achieved. He merely mentioned it in passing, and went back to reviewing some of the projects that have been before us for some time. I am rather disappointed that the minister did not come forward today and announce some new initiatives which we would welcome. Perhaps, if they were substantive, we might even conclude this debate earlier than originally anticipated.

The minister talked about grain, and here again he reviewed the past. He did not announce anything for the future in terms of what may be done with respect to the port of Churchill. I sense that that port is no longer a priority. As a matter of fact, we were told that the MV *Arctic* was going to return to Churchill some time in the month of November.

Mr. Pepin: It has. That is public knowledge.

Mr. Mazankowski: I am not sure whether it is going to come in January, or later on in December. I hope that Churchill is still a very important component in the movement of grain for export.

Reference was also made to the fact that a paper has been prepared on the statutory freight rate. Naturally, we will await that with interest. It will no doubt be the subject of some very interesting debate. I hope that members of Parliament, and hopefully the committee, will have an opportunity to examine in detail some of the options and the direction in which he intends to move.

Our party chose the subject of transportation for the express purpose of reviewing progress or lack of progress in a number of areas. It is a very important element in this country. We sense that because of the government's preoccupation with constitutional and energy matters, some of the very basic bread and butter issues related to transportation have been relegated to the back burner. The government has now been in office for some nine months. I think I am fair in saying we regret very much the lack of progress and of any new initiatives being undertaken by this administration and this minister.

I am going to raise a couple of points. Hopefully the minister can respond. My colleagues will be opening up a number of other areas. The hon. member for Dartmouth-Halifax East will be dealing primarily with marine issues, an area in which he has long held a very attentive interest that has contributed very much to the development of policy in this country.

I want to deal first with rail passenger policy. I am pleased that the minister included VIA Rail in his remarks. We had the good fortune of having Mr. Roberts, the president of VIA Rail, before our committee in the past week or so. I think all members of the committee were pleased with his enthusiasm, notwithstanding the very difficult job and the challenges which he faces. However, there are some areas which require government attention and some improvement.

● (1600)

The president of VIA Rail, Mr. Roberts, pointed out the difficulty that VIA Rail is having with respect to the open-endedness of the contracts that have been signed with the two respective railroads and the fact that there was an additional $30 million supplementary estimate which now increases the subsidy toward rail passenger service to the amount of some $455 million. He indicated it was because of additional charges that were levied by the railways, notwithstanding the fact that a contract had been entered into.

The contract that is in existence is open-ended so that the railways can come back a year or so later and bill VIA for additional charges. That makes it very difficult in terms of planning and in terms of route structure and cash flow. Naturally, VIA Rail has filed a dispute with the CTC. Because of the lack of disclosure of cost information data they must rely upon others, so the matter has been referred to the CTC. If we look at past history, it will not be dealt with for perhaps two or three years. That makes it very difficult in terms of their being able to plan ahead.

Mr. Chairman, I am sure the minister will agree with me there has to be some move towards a fixed price contract for at least a 12-month period. That has to be put in place. While the minister may not be directly involved, I would hope that he would provide the necessary moral support to VIA Rail in order that that might be achieved.

Notwithstanding the fact that this element does create difficulty in long-term planning, we asked the president of VIA Rail to provide the committee with a five-year plan and submit it to the committee so that we could look at it, analyse it, and ask some questions on it. In doing this it would give us some indication of where VIA Rail intends to move over the next five-year period. The president indicated he was unable to provide a five-year detailed plan. He said:

> There is a cabinet document that has been put together by Transport Canada that will be going to cabinet in the near future, and that will show what is contained in our five-year plan, and when that is approved then we will have—we want to make sure that five-year becomes a public document so everybody knows exactly where we are going.

The fact of the matter is, according to Mr. Roberts, that Via Rail is unable to provide the minister and indeed the committee with a five-year plan because there is no long-term policy developed. I know from past experience that much has been done in terms of developing a long-term rail passenger policy. There has been a tremendous amount of detailed and background work done by Transport Canada officials. Unless there have been some dramatic shifts, or unless there is a dramatic alteration in government policy, it would seem to me that it would be only sensible that this discussion paper and formulation of a cabinet document which was put in place during the time of our administration in December, 1979, should be moved forward. Perhaps there are some details that should be changed. I find it very disturbing that this has been neglected and not proceeded with.

I should like to ask the minister, given the fact that he has had access to the discussion papers, the background information, and the very comprehensive analysis provided by his officials, why the delay? Why the foot-dragging? Why do we not have a comprehensive rail passenger policy so that VIA can conform to that policy and we can have some long-term planning?

It seems to me that it is the only sensible way to go and thereby eliminate some of the ad hocery that takes place. Can the minister answer that question and, at the same time, give some indication to us of what his initial reaction is to the recent study that has been provided for Transport Canada by the Canadian Institute of Guided Ground Transport, Queen's

University? It seems to me this is a forward-looking document which may very well provide the impetus for some revolutionary changes in terms of our transportation industry, and particularly with respect to rail passenger service in terms of rationalizing all modes of transportation. I hope that the minister might answer those two or three questions without utilizing the balance of my 20 minutes so that I may get on to a couple of other subjects.

Mr. Pepin: On Churchill my hon. friend would love to know, I am sure, that the MV *Arctic* has been there last month to pick up 25,000 tons of wheat for Italy. I tried to provoke a question in the House at the time but I could not get anybody to ask it. It is good news, and the opposition is not normally as interested in that as in the bad news.

On the subject of the Crow modernization, I recognize that I talked mostly about the paper now in front of cabinet committee. In my recent speeches in the west I went further than that and did say a number of things about the spirit of the exercise we had been conducting during the summer and about the procedure that will be followed. I happen to believe that a negotiating commission would be helpful. There is common ground between the western agricultural conference and the commodity coalition—a number of common elements—but my view is that it would be very useful if this, as I said in Regina, were "massaged" further and carried as far as possible. Then the government would state its position on the modernization of the Crow. I can see very well that the transportation committee will want to give the bill, when it comes, a lot of attention.

As far as the railway-VIA pricing agreements are concerned, indeed one cannot be too satisfied with the system that exists now. I have referred to it as the Japanese thirteenth month, that is, the possibility of adding to the 12 payments. VIA is charged by CN and CP on the basis of the famous costing order R6313. As my hon. friend said, it is slightly open-ended. The current contract between CP, CN and VIA is in the process of being renegotiated. VIA hopes very much to improve the situation when a new agreement takes place next April, and my department and myself will certainly support the interest of VIA in this matter.

● (1610)

The five-year plan was prepared by VIA in the framework of its capital budget. The five-year plan is being reviewed now. It has been reviewed by the department, of course, and will be reviewed by cabinet in January as part of the long-term options on VIA. I hope to share with hon. members that review once the cabinet has expressed its own beliefs on the matter. In considering all this, my hon. friend, others and I should be conscious of the fact that VIA has really been moving for only two years, so we are still at the origin of this transformation, and consequently I do not feel uneasy about not having talked in clearcut terms about the VIA experience and about where VIA will be going from now on. In other words, the phenomenon is still quite new.

On the subject of the institute study I am sorry to say that I have not read it. Consequently an expression of views on the subject would be a straight transfer of the views of my officials, and I do not think hon. members are interested in that.

Mr. Mazankowski: Mr. Chairman, given the urgency of developing new public forms of transportation, particularly in the rail passenger sector, as a result of the energy crisis and a number of other influences which have come about since the adoption of VIA, I wonder if the minister would not consider it of paramount importance that a long-term strategy be developed and clearcut government policy be developed.

I know from experience that a lot of work has gone into that, and I think it would really benefit this House and Canadians at large to hear a clearcut statement of government policy with respect to the future of rail passenger service, the rationalization, what particular area it will be deemed to serve the best, and where we might be able to rationalize and develop a truly integrated intermodal system in this country because, in my view, that happens to be the best way to approach this whole subject. I urge that the minister indeed reconsider the importance of the adoption of a long-term policy so that we can have it and judge the performance of the minister and of the government commensurate with that stated policy.

I hope the minister will also respond with respect to urban transportation policy. Here again we have an absence of a comprehensive and clearcut urban transportation policy, which is something which has been lacking for many years. The whole approach to urban transportation seems to be based on ad hoc decisions rather than on any global approach.

I know that there has been a very comprehensive document prepared by the minister's officials which clearly sets the stage for the evolution or development of a comprehensive urban transportation policy. The document sets out the current setting, provides alternatives, discusses those alternatives, and sets out the various implications and the effects they might have. I would like to ask the minister whether this work has been ignored. Is it being utilized? Has it been scrapped? Is it being upgraded? In short, what is happening?

When we look at the budget and the energy policy, we really do not see any clear indication from the government with respect to providing any funding for the encouragement of new forms of public transportation, particularly surface public transportation both in urban centres and intercity. I wonder why there has not been any advancement in that area as well. I know there have been negotiations over the years with the province of Ontario, the city of Montreal and the province of Quebec in relation to some rather comprehensive schemes for urban transportation.

It seems to me that the time has come for us to deal with this in terms of establishing an over-all urban transportation framework. We recognized this when we were in office and attempted to work toward not only the establishment of a comprehensive policy, but also within the framework of that

anticipated policy, meeting some of the ongoing needs of the respective cities. For example, the city of Hamilton—

The Deputy Chairman: Order, please. I regret to interrupt the hon. gentleman, but his allotted time has expired.

Mr. Benjamin: Mr. Chairman, I am sorry that the limit of 20 minutes places some severe strictures upon the minister, the hon. member for Vegreville, myself, and all the rest of us in this kind of debate. However, hopefully over the next 12 hours on this particular department many members will have an opportunity to question the minister, the minister will respond, and perhaps some of us will even get a chance to rise a second or third time. I hope government members will raise the questions they want to raise where they might have the best chance of success. I wish them well in their own caucus and in a few other places, but we do not have access to the minister in those places.

Mr. Collenette: We are all equal, Les.

Mr. Benjamin: I want to raise a matter which I am sure will generate some sympathy and agreement from the minister and from the hon. member for Vegreville, who was the previous minister. Besides the Minister of Transport, the President of the Treasury Board and the Minister of Finance should really also be sitting here. Whether I or anyone else agrees with the programs, commitments and policies of the present minister, his predecessor and the one before, is not the point; they are repeatedly turned down by the cabinet or the Treasury Board on the ground of what I still call the mindless Proposition 13 syndrome about too much government, cutting back and reducing expenditures. The programs which are still waiting to be implemented would not be expenditures. They would be investments, and the return on those investments to the Canadian economy and to provincial, municipal and federal governments would more than recover the costs.

I have listened to this minister and four of his predecessors since I came here, and I must say that I give this minister first place for announcing the things he will look into and is still looking into. Questions are asked by me and by other members, including some on the minister's own side of the House. He is going to look into a number of things, including the Crow rate. He is still doing that. There never has been any argument that a change in the system has to be made. The argument is only about how the change should be made, not that a change should be made. That is agreed to by everyone in the country.

The minister and his two predecessors refused to listen to a commission appointed by his government several years ago. Mr. Justice Emmett Hall made a definitive analysis, the best ever done before or since. If the minister would just implement Mr. Justice Hall's recommendations there would be no fight left out in western Canada regarding the Crow rate. However, the minister is still looking into it.

The minister is the greatest looking-into minister I have ever known. He is going to look into the airport issues in Toronto. They are still being looked into, yea, these many years. He will look into the number of safety inspectors. That is still being looked into. He will look into the question of asbestos tailings being used in ballast on railway lines. That is still being looked into. He will look into short takeoff and landing. That is still being looked into. It has been looked into for 11 years. He will look into rail line relocation, airport terminals, multimodal transportation centres. These have been looked into until hell won't have it.

The minister and his predecessors say they agree that they want to do a certain thing, they make announcements and commitments and come to agreements with provincial governments and municipalities, but when it comes to getting the money put on the barrelhead for federal participation, the provincial governments and municipalities are turned down. Then they come back to the House of Commons or they go out to the people with whom they made agreements, or to whom they made commitments, and say, "Well, the Treasury Board has turned us down," as though they were helpless.

• (1620)

I want to suggest to the Minister of Transport that in view of the number of things he wants to do, with some of which I and other hon. members agree, it is about time he went to the Treasury Board and said, "Look, this is our government's policy. This is the commitment we made, these are the agreements we signed. You will either put up the money or I quit." It is about time that he had some guts in dealing with the people in his own outfit. This does not just apply to this minister; it applies to several others. We have had four successive announcements and press conferences in Regina, from three ministers of transport, about rail line relocation and commitments and agreements on cost-sharing.

I should like the minister to make note of one question which I shall put to him, and I hope I will leave him some time to answer it. If not, I will send him a letter. Is it true that Saskatchewan has agreed to use $3 million of the funds allocated to that province under UTAP, which is really supposed to be for grade separations, and the whole $9 million is supposed to be spread around the whole province? Is it true that Saskatchewan has agreed to use $3 million of the $9 million for phase I of the Regina rail line relocation? If it is true, then when the hell will he get the other $40 million out of Treasury Board? We must get started on it. We have been waiting four years and a host of other things have been held up. It is a commitment and a promise of government policy. When in God's name will he do it?

The minister mentioned that he would deal with issues on a regional basis. Since I only have a few minutes left and my colleagues will be raising numerous items in this discussion, I should like to raise a couple of other matters. The minister spoke about the sale of Nordair. Let me remind the minister that Air Canada had no choice. In fact they were given two choices: it was either compulsory or they had to do it. When PWA and Transair were provided with prairie routes into Winnipeg and in the prairies, Air Canada had to give up $12

million worth of passenger revenue and two flights a day in and out of Regina and Saskatoon, and Edmonton-Calgary.

Air Canada was replaced by Pacific Western and, according to the agreement, in exchange the $12 million would be picked up by Nordair flights between Winnipeg and Toronto. If the minister approves the sale of Nordair, the whole $12 million of lost revenue given up by Air Canada will go down the drain. This is damn strange when it comes to developing a regional air policy under the so-called private enterprise competition theory. After Air Canada has built up its routes with the taxpayers' money, as soon as it starts making money, here come the free enterprisers. Where the hell were they when we needed them? The money-paying routes are taken away from Air Canada, which prevents it from providing reasonable service to people in isolated parts of Canada where they lose money. As a result there is a reduction of services in small and medium-sized cities and in the isolated parts of Canada. Surely that requires a fundamental change in the air policy of this country, and I hope the minister will comment on that.

The minister has mentioned VIA Rail. It did not have a good beginning with all the handicaps which plagued it at the start. It was started in exactly the same way as Canadian National was in 1923. It has a debt load which it will not live long enough to pay off unless a subsequent Parliament, years from now, writes it off or transfers it into shares. VIA Rail was stuck for $70 million in equipment from CN and CP which it should have had for $1 a car. Both CN and CP received great benefits in tax write-offs and depreciation. For that equipment they did not deserve more than $1 a car. That is the kind of thing with which VIA Rail started off. It will be held up as a terrible example of a rail passenger service which does not work, or of a corporation that is no good. If you started off in that kind of situation, what the devil can you expect? I am amazed at the good job they are doing, given the circumstances and the framework under which they have to work.

The operating agreement between VIA Rail and CN-CP is one in which the minister and the Canadian Transport Commission have to intervene. They must make available to VIA Rail the unit cost which CN and CP use. VIA Rail does not have a clue as to what the devil it is paying for. It does not know how much it is being charged for the use of a railway station, hot water, steam, or whatever. All this information is kept confidential by the railroads. It was turned over to the Canadian Transport Commission and to the minister, but they will not turn it over to VIA Rail, and VIA Rail has to negotiate an operating agreement blind. Surely that must stop.

When it comes to operating trains in Canada, the kind of operating priority that CN and CP can give to a unit coal train, unit grain train or any kind of unit freight train, is amazing. The minister and the CTC have to require both CN and CP to give the same kind of priority to a unit passenger train. We should be able to move people in this country as fast as we can move pigs.

On the matter of STOL, Mr. Chairman, this is an elitist, bourgeois operation for deputy ministers, business executives, and members of Parliament to fly between Ottawa, Toronto and Montreal. That is not what we need from short takeoff and landing aircraft. We need them on our east and west coasts, we need them in the north in the territories, and we need them in the northern parts of our provinces where it is not necessary to build big airports and where all the little isolated communities can be provided with a decent service. You can land and take off on a gravel strip or a beach, if you have to. That is where you put STOL aircraft. We can say to the workers and to the manufacturer, "We will need more of STOL aircraft for that purpose than we would for some elitist service out of Toronto Island." It is a total waste and total duplication.

Perhaps the minister would care to read the study which he commissioned from the Canadian Institute of Ground Transportation. We need a fundamental change in policy. We need people in the Department of Transport who do not have propellers or jet engines for brains. We can move people from Toronto to Ottawa and to Montreal in that triangle, let alone to Quebec and Windsor, at speeds of up to 160 miles an hour and at a cost recovery price of $22 a person, versus $55 cost recovery per passenger, on average of conventional air travel and STOL. That $55 cost per passenger does not include airport costs; those are still handled by the taxpayers.

This nation must develop something that all of Europe, Japan, Australia and New Zealand have done, that is, the electrification of the urban transit system and railway lines. The Soviet Union has electrified 100,000 kilometres of railway track in the last 25 years. If you were to electrify 10,000 miles of lines in Canada, that is just 20 per cent of our trackage, to handle 75 per cent of our freight and passenger traffic—I wish the Minister of Energy, Mines and Resources were here—the amount of diesel fuel saved in one year would be enough to seed and harvest many crops in the three prairie provinces. We are up to here in electricity and we will have a surplus of it. We will start exporting even more electricity to the United States. It is not a case of just the production of energy; it is making better use of our energy resources. We can be electrifying urban transit systems.

● (1630)

As I say, we can electrify 20 per cent of our main rail lines, and if they transfer just 20 per cent of the increasing volume of traffic from air and road to electrified rail, the amount of diesel fuel saved would be enough to seed and harvest 12 prairie crops in one year; it would be enough to run all interprovincial buses in Canada for 25 years; it would be enough to heat hundreds of thousands of Canadian homes, the ones stuck with heating oil because natural gas was unavailable to them. Surely this is a sensible and rational way in which to reorganize the transportation system. It requires a fundamental change in present and past government policy.

I will sit down in a minute and let the minister reply in whatever time I have left, but I want to assure him that if I and my colleagues have another chance to raise this matter and other items today and tomorrow, we will do so. We will

continue to do so on every other available occasion until there is some new direction and new national purpose, because one of the best contributing factors to national unity is transportation. All we have to do is read what Sir John A. Macdonald and Sir Wilfrid Laurier had to say.

Mr. Pepin: Mr. Chairman, the hon. member for Regina West is well known for his dedication to railway transportation. He is not alone. No doubt there is a future for railway transportation. What I have said about the progress of VIA is in line with his conviction, but occasionally I think he goes too far. The other day in committee he more or less invited me to stop all contribution to any other mode of transportation, and to concentrate all the money which could be found in the Department of Transport on railway transportation.

Mr. Benjamin: No, I did not say that. I said that you should be a little more even-handed about it.

Mr. Pepin: The idea of coming out after the government review of the VIA plan with some paper, be it white, green, yellow or whatever, submitting it to the Standing Committee on Transport and hearing witnesses, is quite attractive to me. I concede that the members of that committee are somewhat frustrated and might occasionally prefer to spend their precious time thinking in wider terms than questioning me only on relatively small matters. I share that conviction, and I believe the hon. member has known me for a long time. I go along with the suggestions of the two previous speakers, but first I should like to talk about air transportation.

The hon. member expressed his disgust for the STOL concept; that is a matter of taste.

Mr. Benjamin: Only in Toronto.

Mr. Pepin: It seems to me there might be a place for STOL in the particular context in which it is being studied now—Toronto-Montreal-Ottawa—and in other situations as well. Just throwing it out the window and calling it elitist is not a great contribution.

Mr. Benjamin: It is wasteful.

Mr. Pepin: I remember travelling from Ottawa to Montreal when I worked in the private sector. For a long time I used that mode of transit and found it extremely useful and money-saving. Consequently, this is the approach I took to it. If the proper financing facilities can be found, in conjunction with Ontario metropolitan cities, certainly I will have a more positive look at it than my hon. friend.

The member referred to the transfer of Air Canada routes to PWA. If I may say so, it is part of the division of routes in Canada to accommodate national, regional and local travel. If one goes back to the origin of air travel in Canada, Air Canada had everything. Hypothetically Air Canada could be the single airline. A number of people believe that regional and local airlines could do a better job than Air Canada. So, there is a balancing act at three levels, and even at the top level, and there is a distribution of responsibilities and benefits between Air Canada and CP Air.

Mr. Benjamin: We have worse service now with two airlines than we had with one.

Mr. Pepin: It does not shock me that there is a movement of routes between airlines in the manner described. As a matter of fact, this is somewhat the name of the game.

On the subject of a regional air policy, I am sorry the hon. member said that I too often announce studies and decisions to come. Well, I will be there to see the decision; it takes time to get these things through. We have produced a revised regional air policy which will go to cabinet very soon. There is only—

The Assistant Deputy Chairman: Order, please.

Mr. Benjamin: Give him another minute.

The Assistant Deputy Chairman: I should like to take a moment to advise hon. members that I think the best procedure is if I am rigid on the matter of the 20 minutes, so that the procedure will be equally fair to each and every member. I regret to interrupt the hon. minister, but I will treat all hon. members equally.

[*Translation*]

Mr. Deniger: Mr. Chairman, I am very happy to be able to speak after people as knowledgeable in the area of transport as the Minister of Transport, the hon. member for Vegreville and the hon. member for Regina West. I particularly appreciated the comments of the minister because he gaves us a list of all that is going on in the Department of Transport. Unfortunately, he was not allowed to complete his remarks.

However, I agree with the hon. member for Vegreville that, in the nine months we have been in power, the Department of Transport has not had such a high profile as it should have had and as the hon. member and myself might have wished. This is because our government has dealt mostly with the constitutional and energy policies. Nevertheless, Mr. Chairman, the Standing Committee on Transport, under the able leadership of the hon. member for Northumberland-Miramichi (Mr. Dionne), has been one of our most active committees and has heard a great many witnesses. Because of this, all members of the House have been able to participate and to understand fully the decisions that the government must now make in Canada.

During the 20 minutes allotted to me this afternoon, I would like to concentrate strictly on air transport, and especially on two aspects of this means of transport: First the absence of policy concerning regional carriers, and second, the Nordair file. The minister said that he had nearly completed or was about to present to the cabinet a policy paper on second level carriers, and I am happy about this because the present situation in Canada is quite impossible.

The most recent policy concerning second level carriers goes back more than ten years. This was when Don Jamieson was transport minister and at the time he had divided Canada in five regions. Since then, the Canadian Transport Commission has had to make several rulings on this policy, and because this is provided in the legislation, several of these judgments had been appealed to cabinet. In fact, Mr. Chairman, cabinet recently reversed the ruling of the Canadian Transport Commission concerning an application and a decision of the commission involving CP Air and Eastern Provincial Airways. CP Air had applied for permission to go as far as Halifax and Eastern Provincial Airways for permission to go to Toronto.

● (1640)

Without passing judgment on whether or not the decision of the cabinet or the Canadian Transport Commission is justified, it is now obvious that any regional carrier application to the CTC for any route whatsoever in Canada is now useless, except to get a decision that will be appealed, because the policy, which in fact no longer exists, unfortunately, is such a mishmash that I wonder sincerely what the commission will do in a few weeks when it studies the application of Québecair for landing rights in Toronto. If we go back to the policy of Mr. Jamieson, we realize that granting Québecair access to that area, that is, to Toronto, would be contrary to that policy. And if it is in fact contrary to that policy, then the CTC should say no. So, considering the irregularities or weaknesses in the policy as it now applies, the ruling of the CTC is absolutely useless because a final decision will come from cabinet which, once again, on an ad hoc basis will indicate to the Canadian people what its policy is with regard to regional carriers.

Mr. Chairman, I am happy to see that the minister is about to submit a policy to cabinet because the examples I have just given really prove the dangers of a lack of policy, for which I do not blame him because he inherited it, but still, a lack of policy just the same. I feel it is imperative for the CTC to have, the sooner the better, specific instructions so that all Canadians and all carriers who need permits, who need routes, can go before the commission knowing that it has a policy to apply, and how cabinet will react under normal circumstances.

I should now like to deal with the Nordair file. When one is a member of Parliament the best way to make headlines is to say that the government is trying to put one over the province you represent. The best way to make sure that you will be seen on television in the evening is to attack the government. The best way for the hon. member for Joliette to make the headlines in the evening is to state, in his unique style, that Quebec is being conned. And that is what they say about the Nordair file. Furthermore, I would have liked the former transport minister, the hon. member for Vegreville, in the few minutes he had, to tell hon. members of the House what was the solution he put forward in the Nordair file because, as we know, he was about to submit such a solution to cabinet, and according to what I heard in the department, I tend to believe, Mr. Chairman, that the hon. member for Joliette perhaps would not have been pleased with the decision of the hon. member for Vegreville when he was minister of transport.

I would have liked him to tell us that but, of course, he did not say a word about his policy on Nordair. The hon. member for Joliette has told me that he intends to participate in the debate tomorrow. Therefore, I am looking forward to hearing what he is going to tell us, and I also hope that he is going to repeat that at the Progressive Conservative caucus when they meet, because I agree with him.

The last thing I want to see happening is for Quebec to be gypped and I am convinced that such is not the case but I would not feel so certain if the former government were still in power. Mr. Chairman, let us take a closer look at this file as it is and I do not want to indulge in petty partisanship in this respect. I do not want to say that because Nordair is actually located in Montreal all interests in this company should be held by Quebeckers. Perish the thought, Mr. Chairman. However, I do say that the minister has been presented with two serious applications, one from the Lizotte group and the other from the Desjardins group. The expertise of these two groups in aeronautics is outstanding; it is a well-acknowledged fact. Both have current expertise in aviation. Therefore one can say that they are both equally qualified. Both groups have attracted various investors, co-op style groups or certain other elements that do not necessarily happen to be located in the province of Quebec.

And it was precisely toward a majority share in the Lizotte or Hamel—also called Desjardins—interests that the department's policy seemed to be directed. Even though the matter seemed to be progressing fairly well, there was a certain uncertainty; both parties wanted a quick decision, they wanted the minister to skip a few steps, but I think he was wise in waiting because the situation was not ripe. I agreed with the minister's view. But I became concerned when the newspapers reported that the minister wanted a 40-40-20 division, with 40 per cent of the interests in Ontario, 40 per cent in Quebec and 20 per cent to Air Canada.

I would first like to comment on Air Canada's equity. Basically, I see no problem because in any investment scheme Air Canada would bring a certain wisdom, a financing capacity, and an unquestionable expertise. But in a 40-40-20 scheme, effective control goes to Air Canada, in cases of controversy between the two groups, and I am not sure that I would want to give that power to Air Canada, because, as we all recall, the government policy was to save Nordair by asking Air Canada to purchase it and to sell it off afterwards to the private sector, and that policy, as far as I know, remains unchanged. But if Air Canada retains control by having the number of shares necessary to vote in cases of controversy, then I see problems. Without being against Air Canada having equity, I want to make sure that the distribution of Nordair shares would not allow Air Canada to exercise such power.

But I see especially serious problems in the 40-40 Quebec-Ontario split because I do not think that, in air transport specifically, decisions should be based on a geographical map, and that is precisely what the minister's advisers are trying to achieve. The worst thing that could happen to Nordair—and I do not dare think that it may happen—would be splitting the company into "Air Ontario" and "Air Quebec". I think that would constitute a major step backwards in Canadian air policy. I realize that some ultra-nationalist groups would like you to do so, but they ignore the basic facts of the air industry in Canada and they serve very short-term and nationalist purposes when advocating a policy which would be prejudicial to Canada. Indeed, Mr. Chairman, the best and most basic aspect of any air policy is that no province is involved and that it has no frontier.

So I think the minister ought to avoid a 40-40-20 split. I consider that such a distribution is senseless. However, as I said earlier, it does not mean that I would remove any minority or majority interest of a few provinces or businessmen within those provinces. Far from it. But an arbitrary 40-40-20 split as suggested would give rise to some serious problems. Is Nordair a Quebec or Ontario carrier? Mr. Chairman, I refuse to answer such questions because how can we identify a Quebec or an Ontario company when most of its flights are between Montreal and Ottawa, Montreal and Hamilton, Montreal and Pittsburgh and Toronto and Pittsburgh? What happens then? Is it an Ontario, a Quebec or an American company? It is above all a Canadian company and this is the fact that should not be forgotten. Basically, Nordair must remain under Canadian ownership.

● (1650)

There are now suggestions that most of Nordair's business, the major part of their traffic is not in eastern but central Canada. As far as Nordair is concerned, people who analyse the matter—and I am sure the hon. member for Vegreville will agree on this—those who look at the routes realize that the $15 million invested by Nordair in those passenger routes have not been recovered yet and that in effect, in terms of return on dollar investments, its passenger traffic is in the red. It must be realized that Nordair's profitable routes are not the passenger ones but the northern routes serving the Dew line, defence bases, the Inuit and the Indians. That is where Nordair is making its money. For that reason I refuse to identify Nordair in a 40-40-20 per cent split. So there are these two groups, the Desjardins group and the Lizotte group. I suggest we should use an approach along the lines of Solomon's judgment. I suggest we take the most favourable aspects of both applications.

Unquestionably, the best element on the Lizotte group side is employee participation. This is something that I, as a member of Parliament, would like to see more often in our Canadian corporations. It could go as far as having one or two employee representatives on Nordair's board of directors. Mr. Lizotte himself does not preclude the possibility, were his group's application to be turned down, of joining forces with the Desjardins group, with employee participation. I read this in a report by Claude Beauchamp in the Montreal journal *Les affaires*. Mr. André Lizotte said so in so many words. I am not making this up. The best aspect of the Lizotte group being employee participation, let us now apply that to the other group, the Desjardins group. We see that the Desjardins group is made up by Alfred Hamel and the Provost family who are without doubt known in Quebec as the leaders in transportation in that province and whose expertise is established in multimodal transport by road or by air, Mr. Chairman.

As we are clearly dealing with strong personalities, with Mr. Lizotte on one side and Mr. Hamel on the other, the solution would then be to regroup all that under an umbrella which could be the Desjardins Investment Company. Again, the reputation of this financial institution is well established, its vitality is well-known and it is led by respectable Quebeckers one of whom we met recently, Mr. Guy Bernier, the president of that company.

I would therefore suggest that the leadership be given to the Desjardins group which could combine the best aspects of the Lizotte group, employee participation, Alfred Hamel and Mr. Provost. We would then have a very dynamic team. But the reason for a decision must be taken into consideration.

When the government took over Nordair, it was fully aware of the economic problems the regional carriers were facing at that time. Therefore, we must clearly remember that any regional policy in Canada must stem from an attempt at rationalization. We must make sure that both companies are healthy and that our goal is not to cause competition between them but to combine their organizations, and I know you will agree with me on what both Quebec and Canada want, regional carriers in good standing.

[*English*]

Mr. Forrestall: Mr. Chairman, I do not want to interrupt the minister if he wishes to respond to that eloquent plea, most of which I think we can agree with although I would remind the hon. member that it was the government which caused the problem in the first place. There are many items which will be raised over the course of today and tomorrow while we are on estimates. I myself have some 13 points to raise, and I wish that we had twice the length of time that is allotted to deal with the matter. I will touch on my points briefly and then I will narrow in on specific areas with questions to the minister.

I will talk about pending legislation on matters with which we can deal. I would like to discuss the sense of commitment of the minister with respect to the export of our raw resources, specifically, coal on the west coast, and the requirements for imported oil to the west coast. These points will be raised in the context of the commitment which was firmly entered into by the previous government, and by the government prior to that, with respect to the re-establishment of Canada as a cargo shipping or deep-sea shipping nation.

In connection with this matter I will deal with the minister's attitude with respect to cargo preference laws, particularly in the bulk trades. I want to know what the minister has done or intends to do about closing the waters north of 60 degrees, including Ungava Bay, Hudson Bay and James Bay. I would like to discuss safety at sea and the current emphasis on education. I want to discuss the upgrading and expansion of certain of our Canadian coast-guard facilities. I would like to know from the minister the government's direction with respect to our shallow water ice-breaking capabilities, and I again want to emphasize my growing concern about unprotected bridge piers in navigable waters in Canada.

I want to continue the philosophizing which the minister initiated late one afternoon in committee on the propriety of Canadian National investing, through order in council, in Cast Shipping sufficient moneys through the purchase of class A preferred shares to the extent that—I presume at its will—it can take up the option of full management and control. In that regard I will put a specific question to the minister as to whether or not he continues to believe it is proper for Crown corporations such as Canadian National to invest taxpayers' dollars in companies which are essentially foreign owned. For example, Cast Shipping is registered offshore in tax havens. This company does not employ Canadians and, indeed, provides very little residual economic benefit to our country.

Perhaps in another context later on the minister could give some indication as to when the St. Lawrence River will close, and some indication of the anticipated onboard grain storage on the lakes this winter. As I indicated, those are some of the general areas with which I would like to deal.

I would like to come back to Cast Shipping for a moment. I would like the minister to give the chamber the benefit of his expertise in this area and tell us exactly how much money the government has authorized for investment in that company. Would he tell the House what percentage of the class A preferred shares of that company were purchased by Canadian National? Also, it is my understanding that in some 13 or 14 months Canadian National will have to indicate its intention to the government. I would like to know generally what the minister's attitude is concerning this, specifically, whether or not the government is in agreement.

● (1700)

In today's *Globe and Mail* we notice that Cast, which is a foreign company, although it is owned by Canadians domiciled in Europe, is moving to acquire the St. Lawrence Stevedoring Co. of Montreal together with major bulk cargo handling facilities at Montreal and Quebec City. Cast uses Canadian tax dollars. Its profits go offshore. Consequently the company is not properly taxed here in Canada. Its ships' crews are foreign. Therefore, no tax dollars accrue to the Canadian government.

It would seem that Cast, with CN's AAA credit rating is about to run around the country and buy everything up hoping, I suppose, to avoid the objections of Canadian National doing this openly and under its own name. By using Cast, CN, when it has purchased and taken control of those facilities in its immediate interest, could then exercise its option for class A preferred shares and take over full management and control of that company. As I have said, this is a company whose basic corporate structure lies outside Canada. I am somewhat disturbed by it. I am a little frustrated that we have not had quite as much openness with respect to this matter as would seem to be appropriate. I would like to know where CN is going and to what degree it intends to use Cast to do things CN otherwise is not prepared to do.

For many years another area of continuing concern to me has been the redevelopment of a Canadian merchant marine. I see distinguished members of the National Harbours Board are with us today. It was not necessarily the age of the Canadian merchant fleet in the late 1940s which caused its demise. It was not necessarily high crew costs. It was not directly "labour" which led to the very drastic reduction in the number of Canadian-owned and registered ships on the oceans of this world. It was not those factors alone. Indeed, the greatest factor was the deliberate decision by government to unload the old Park Steamship Company. With that and the government's deliberate decision—not an accidental one at all—not to lend assistance which would have enabled the private sector to replace that capacity, this contributed, in my opinion, to the loss of Canada's presence on the high seas. At that time Canada's shipping fleet was among the top seven or eight in the world.

Today, while we may have 100 or 120 Canadian-owned ships offshore, they are not registered in Canada. In some cases they carry some Canadian crew but in other cases they carry no Canadian crew. These ships are registered, without exception, in so-called countries of convenience for tax purposes. That has been the situation. Government by its deliberate policy has supported that position, believing that Canada was well served and continued to be well served by foreign shipping.

In the last three or four years, and I am sure the minister is aware of this, the situation has changed. No longer are the forces of shipping nearly as dependent upon market forces as they are on the forces and influence of government, in other words, political forces. That has changed the scene. From Mr. Howard Darling, we have a caution. We had signals that we should be changing our direction, that we must look at our sovereignty and that we must not act necessarily as other countries do, but we must act in our own best interests if we want to continue to enjoy the assurance of being able to move our goods.

The $3 billion to $4 billion that we now pay to foreign cartels is inexcusable. This situation should be turned around. We have the capacity in Canada. We have the trained seamen. Crew costs are now no longer a major factor. I doubt if 10 per cent separates the highest paid and lowest paid crews of any flag in the western world. The cost of fuel oil has been the great reducing force. It has been the great leveller. All of these things brought together have created an atmosphere in which

countries, such as Canada, should move toward the development of their own fleets.

The former minister of transport, the hon. member for Vegreville, went very far in pursuing active conversations with the interested community and with Canadians generally. Had we carried on in government I am sure at this point in time we would have had before the Canadian public not only the framework within which to redevelop the Canadian presence on the oceans of the world, but we would have had a fair amount of meat on that framework.

Perhaps the minister could deal with the Cast situation and then give us some idea concerning a Canadian merchant marine. Perhaps he could tell us where these plans start. So that he will not think that I am after him too much and once we have seen on paper what is being proposed with respect to changes in the ports act, if there is nothing hidden in it and it is a straightforward attempt to correct a very serious situation, he will find that over here we are, most of the time, a co-operative and friendly group and we will be prepared to deal with it quite quickly.

Mr. Pepin: Mr. Chairman, there are so many questions, one has a choice. The hon. member for Dartmouth-Halifax East has mentioned Cast and the deep sea fleet. First, I might say with regard to Cast that CN acquired 18 per cent of that company in 1976. In July, CN moved to invest $7 million to maintain that 18 per cent position. Now, with the approval of cabinet, CN has invested $42 million in the project by way of preferred shares. These preferred shares can be converted at a later date—I do not remember the date exactly, but I think it is in 18 months. However, the decision has not been made. In the meantime, CN will have to answer a number of questions and explain to me, as Minister of Transport, and to my colleagues, the desirability of continuing or getting further into this project.

To conclude, the most recent decision does not affect the percentage ownership of CN in Cast. It does not prejudge either on this being or not being a contribution to the development of a deep sea fleet in Canada. In other words, it is a temporary situation. My colleague saw it as a good investment for CN, and I believe it is. The hon. member keeps saying that Cast is foreign owned. My information is that it is a Canadian company.

● (1710)

There is no doubt that the CN investment in Cast raises a number of questions as to CN's role. There are so many things that CN can do it is almost unbelievable. They have done a good number of these, one only being railway development. The company is into a deep sea fleet operation, port operation, ferry operation, and a great many others. Of course, there are some who say they should not go too far. Others, and I am one of them, see CN as being dynamic, aggressive, and forward moving. If there is a role for CN to play in the development of a deep sea fleet, why not? That is my position. As a Crown corporation, CN has a role in the development of government policy and consequently can be used as the avant-garde on a number of moves. That is the way I see it, and I do not apologize for it.

On the subject of a deep sea fleet, I am delighted to know that my predecessor had a solution. I will gladly take it from him immediately after the House recesses. Seriously, the hon. member indicated there is a debate in Canada. It is a lively one. The disadvantage or the advantage, depending on where you stand, is that the free system as it now exists, to use a well-known phrase, has served the country well.

Some people see all kinds of dark clouds on the horizon in terms of government intervention, reduction of fleets of convenience in the world, with a cargo reservation between countries on a bilateral basis, the UNCTAD formula and so on. There are others who do not think that way, and they are still in the majority. Therefore, there is no agreement on what is ahead.

I believe, along with my marine administrator, that we should be careful. We should try to hedge our bets. Consequently, the department and the minister have encouraged shipbuilders, ship owners and shippers to debate that subject extensively, and they are doing that. There have been a number of meetings with the Canadian Manufacturers' Association and the Canadian Export Association to that effect. That is a condition *sine qua non,* as Shakespeare would say: if there is no agreement among the people interested in the subject, how could you impose a policy? Therefore we have encouraged a consensus development.

Some hon. Members: Oh, oh!

Mr. Pepin: My friends laugh unnecessarily. This is very serious.

We are also exploring specific possibilities. I have very seriously done that along with the Minister of Finance with regard to coal, oil, and wheat. We are looking at the possibility of using tax incentives. The subject is very much alive and I am very interested in moving ahead.

The Assistant Deputy Chairman: I might just explain that the hon. member for Manicouagan has been generous and has offered to cede his place. I would have ordinarily recognized him next, but the hon. member for Lisgar is obliged to leave the House. This will not interfere with the normal ratio of speakers. It is merely two members who will reverse their opportunities to take the floor.

Mr. Murta: Mr. Chairman, I wish publicly to thank the hon. member who so graciously stepped down to allow me to make a few remarks and direct a few questions to the minister. I hope I have not inconvenienced him.

My questions to the minister will have to do with the resolution, hopefully, of one of the most important issues in western Canada, the Crowsnest Pass rate or the statutory grain rate. I hope the minister's reply will be reasonably short so that there will be time to ask a few more questions.

My first question has to do with the whole matter of the statutory grain rate. The minister commented at various farm

meetings that he is looking at setting up a task force on this very important question. My questions have to do with the task force and not necessarily the pros and cons of the Crowsnest Pass rates, how the money should be paid or anything else. That is a question that should rightly be left to the interests of western Canada.

Can the minister indicate whether he will be proposing a task force? What will be the size of it? Has the proposal gone to cabinet and, if so, has it received cabinet approval? I presume that if he is proposing it, cabinet has given its approval.

Can the minister also indicate the time frame he is looking at for resolution of the whole question? Some of us feel that a reasonably short time, six to eight months, would be best for this kind of task force. Can he indicate his or the government's thinking on this issue? If everything goes according to plan, when will the task force begin its work?

I understand there is general agreement that something be done in terms of a resolution of this very important problem on the prairies. I further understand that the organization to take the longest to agree that something should be done is the Saskatchewan Wheat Pool. They have tentatively agreed that some change is needed. The various organizations have different ideas for change. I presume this is what the task force will examine. Possibly the minister can reply to that so that the members here and the people of Canada will know his intentions. That would be most helpful.

Mr. Pepin: Mr. Chairman, I will answer as briefly as I can. Normally, I would not be giving precise answers to these questions because this is all before the committee. However, so much is already out that I can only confirm some of the news that has come out.

What is before the committee of the cabinet at this time is an approach, not a fully developed plan. This is being debated now in a friendly atmosphere, not in an atmosphere of confrontation as the press has suggested. I do not know where they get their facts. On top of that, they stated that I said it, when I said the opposite. In any event, the approach is now developing.

In simple terms, the approach is that the government would state a number of principles or beliefs, a number of things it holds to be true, as the Americans would say. It would then create a task force which would further explore the consensus which has developed in western Canada in recent years, particularly the western agricultural conference and the commodity coalition positions. They have a number of factors in common. We know what they are. There are other areas in which they have differences. The western agricultural conference, referring to the participation of farmers with regard to the freight rate, used the word "negotiate". I understood that to mean a desire to look at different possibilities. That would be the role of the task force. It would be under and would report to the Minister of Transport. On the basis of that report, in the hope that it will further the consensus, the government would then announce the policies. The task force will be small in number, possibly three or five members.

Mr. Benjamin: Put me on it.

• (1720)

Mr. Pepin: Yes. If it is essentially a consultative instrument. The difficulty is that some farmers, whose representatives now say that they do not want a royal commission because the discussion on the subject has been exhausted, may very well come back, if we have it in another committee of the House of Commons at that moment, and say "we want to be heard". That is the difficulty I am thinking about. So much for the size of it.

Finally, what is the timetable? Bluntly, one advantage is that the government has the time to do it. Hopefully this government will remain the government for four years. We can take it from there—one year for the benefit of the Crow modernization to become evident to westerners; one year to implement it; one year to legislate it; one year to think about it. So, this is the program. We have been thinking a lot about it. I am delighted some of the members on the other side have expressed their views before me on the subject and there is a fair degree of consanguinity, as we say in French, of communality.

Mr. Murta: I thank the minister for his comments. We have viewed some of the happenings of the last few weeks with a little puzzlement. Given the almost direct opposition to any change by Senator Argue—I know the minister might want to comment on what Senator Argue is thinking; however, I do not know whether anyone else knows what he is thinking in terms of a grain boycott, grain embargo or whatever—nevertheless, there is divisiveness within the Liberal cabinet which is of some concern to people in western Canada.

• (1730)

There are two other questions I would like to direct to the minister. The first, I suppose, is from a personal point of view, and it has to do with Senator Olson's and also, I understand, Senator Argue's insistence or request for some kind of inquiry into the CPR before we get into the whole question of the statutory grain rate. Since I understand that the proposal came in the first place as a Liberal campaign promise and was put forward in that light, I for one—and I am speaking personally—cannot see any point whatsoever in going through this kind of process again. I think it would have a detrimental effect on the present activity among the farm organizations themselves in western Canada in terms of a resolution, one way or the other, of the whole question of the Crowsnest Pass rate. I pass that on and, if the minister wants to comment on it, I would be very happy.

The other question is about branch line rehabilitation. Now that the branch lines are basically in place in western Canada so that the industry, farmers, government officials and others know where we are going, certainly until the year 2000, I would like the minister to comment, if he could, very briefly on

the amounts of money the government has allocated or intends to spend on this very important operation in the next number of years, because obviously without the infrastructure we will not be able to move grain, and it appears now more than ever that agricultural exports, especially grain, will be one of the saving graces in terms of our balance of payments in the years to come.

Would the minister comment in the short period of time he has left?

Mr. Pepin: Mr. Chairman, I will do my best. The hon. member is asking me for some very personal views. He said that he expressed his own views. He has more freedom where he sits now than I have as I sit here. Be that as it may, I think Senator Argue must have found comfort in the recommendation which was made at the Saskatchewan Wheat Pool the other day which, generally speaking, espoused the western agricultural conference approach and then, of course, took a fallback position which returned to the Crow. Senator Argue must have found satisfaction in that and, if he did, I will also.

Reference was made to an inquiry with respect to the CPR. Yes, indeed this was a resolution of the Liberal party at its last convention in Winnipeg. My views tend to go along with the views expressed by my hon. friend, that it would be difficult to carry the two enterprises in parallel line. However, it could be done. Some people would welcome that inquiry as having a cleansing effect on the reputation of the railway. I have heard that argument, but I personally hope—and I think this would be the approach—that an inquiry into the behaviour of CP would not influence the orientation or the progress toward Crow modernization.

On branch line rehabilitation, I remember that $240 million has been spent up to now and, as the hon. member knows, the total amount to be spent in the future under the program is $700 million over a period of eight years. That has not changed. A number of people say it might be a good idea to accelerate that program, and some in this regard, as in others, look with covetous eyes to the western development fund.

[*Translation*]

Mr. Maltais: Mr. Chairman, I am glad of this opportunity to take part in the proceedings of the Committee of the Whole on the matter of transport, because I think the riding of Manicouagan can be readily identified with transport. In a sense, I am of the same mind as the Minister of Transport in that I do not know where to start, by Baie-Comeau, Blanc-Sablon, Schefferville, Fort-Chimo or Sept-Îles, because if one considers the size of that riding, one readily realizes that transportation is not only a local but also a regional priority. It is with some emotion that I take part in this debate since a good friend of mine, who happens to be the mayor of Longue Pointe de Mingan and is also a pilot, has been missing for 48 hours. God be with him! But when talking about municipal airports or about means of transport in our country, one must take into account the human dimension of it all on top of the financial or administrative aspects because when it comes down to it, all this technical equipment is there to help people. One realizes that it is important to have adequate equipment that works all year round when somebody is reported missing, like Mr. Leblanc.

First, I want to commend the Department of Transport for upgrading the airport facilities in some parts of my riding. I will deal later with some negative aspects but for now I want to underline the great improvements made to the Sept-Îles airport within the last three years. We now have quite a beautiful air terminal at a cost of $9.2 million. The same thing holds true for the equally modern Baie-Comeau airport which will benefit from some $4.5 million investments over the next five years. The same applies to the Natashquan airport which has now a paved runway; this may perhaps seem strange to hon. members, but I will just say that only a few weeks ago in a small community about 60 miles east of Natashquan, planes were landing on a runway lighted by oil lamps. The Natashquan runway is now paved, which is important locally since it allows landings and takeoffs regardless of frost and thaw.

The same holds true for the Gagnon airport where the Department of Transport is going to invest, as it was confirmed to me by the minister's office, over $4 million in the next two years, first of all to build an aircraft parking area because the people of Gagnon now have to walk 300 to 400 feet between the air terminal and the aircraft when often the runway is swept by strong northern winds. Those who have visited the place will find it is no luxury to have the aircraft come quite close to the air terminal. Because, when we board the plane at Gagnon, we really feel like refugees, we have to carry our luggage as best we can, and when we get off the plane, the situation is much the same.

All in all, things seem to be improving in the larger centres of the riding of Manicouagan, but in remote and isolated areas, they certainly are not. In that connection, I would not only ask the minister but also the officials who accompany him to listen with all their ears because I often have the feeling that I am crying in the wilderness and writing to God knows who, since the replies are often disappointing. I would even go further, Mr. Chairman. At times, I get the feeling that the civil servants are not always our allies, although I must say that we also have friends since we do get elected in our ridings by telling people the facts, whether we sit on one side of the House or the other; we are still convinced that we know our areas quite well. And that is mainly why people elect us—to represent them.

When we have to consult senior officers from the Department of Transport we feel that we are facing a brick wall and that we are not dealing with people who are prepared to untangle the administrative jungle and plead our case. We feel that they put on the brakes not simply to slow us down but to bring us to a full stop. In that sense, it becomes very frustrating for members who have received a mandate from their

voters to find out that instead of working with allies they have to put up with systematic blocking.

And I can assure you that I know what I am talking about when I remember the file on the airport of Havre-Saint-Pierre, a ten-year old file. I do not want to accuse anyone, to put the blame on both sides; I do not intend to pass judgment on that but I think I spent more energy on that file than on all the other files of the constituency of Manicouagan put together. I had to phone. I figured out that I made 267 calls over a year and a half.

I did the same thing with various ministers because at that time I had to call Mr. Mazankowski, Mr. Pepin and Mr. Lang and it is very difficult to feel the administrative and the political will. When you live in a remote part of the country, and I refer as well to constituencies such as Témiscamingue, Abitibi and Bonaventeure-Îles-de-la-Madeleine, you really feel at times that you are alone in those battles. I understand that there is always the financial side, of course, but there is also a matter of priority, and this is where it fails apparently.

The question I will ask, because with 20 minutes one is very limited, is the one about the policy regarding small municipal airports. Some six months ago I requested a meeting with the minister. The minister was very polite and he told me that he had asked his officials to prepare a few scenarios before presenting them to the members who are always quite inquisitive.

The minister asked for a policy statement on municipal airports to be drafted in order for it to be tabled if possible before Christmas. I would like to ask especially of the department officials because they are those who are the closest advisers to the minister, if, at the level of their administration, there exists a distinction between those municipal airports which are, in my opinion, closer to the definition of flying clubs and those which are primarily municipally oriented airports such as Blanc-Sablon, Saint-Augustin, la Romaine, l'Abitibi, Ungava Bay, James Bay, the Magdalen Islands. Are there truly established distinctions between the two types of airports?

In my area, between Havre-Saint-Pierre and Blanc-Sablon, there is a 400-mile stretch where there is no road. So when I raise the matter of municipal airports, I think in terms of mail, in terms of passenger service, of course, and in terms of transportation of patients and food supplies. So obviously we have no choice. The same thing applies in the case of the Magdalen Islands. There is no road between the islands and the mainland. For about a decade, we have been fighting over the kind of equipment necessary, over the type of aircraft. These days when men go to the moon and when we are contemplating with great emotion the rings of Saturn, I wonder how it can be possible that we should fail to solve such minor problems. I would not want to speak for the people in Sherbrooke or Drummondville, but surely a municipal airport in these areas is less important and deserves lower priority than in areas like mine. Here is my question to the minister: what is being done for municipal airports, in terms of policy? I would like the officials to keep in mind that this is a priority for the people of our regions.

There is another important issue in the area of transport. I mean the maritime issue. We had in Baie-Comeau what was a rather special and, in my opinion, extremely simple problem, which was to discover the condition of the wharf before condemning it. DPW waited four months before making its report, after which DOT took some action. In the meantime, the Quebec government decided that repairs would cost $100,-000 and they should go ahead as a priority without consulting the federal government. I believe it is about time jurisdictions were defined in such cases, and DOT should be able to make decisions more quickly without always having to wait for other departments. It should at least be able to put pressure on DPW to get it to act quickly. The wharf was condemned on June 6. I myself was in Baie-Comeau on the 7th, the report was ready on November 4, and the report had not been ordered before October. So what happened between June 6 and the early days of October? That is the question I ask and I would like to get an answer.

● (1740)

Another aspect in which I am deeply interested is the air transport rates. I would like to know from the minister whether there are special rate structures, that is, public assisted rates for areas in Canada or in Quebec other than Manicouagan. People living in Schefferville, Sept-Îles, Gagnon and Fairmount have no choice concerning transport. As I used to say, they are living in the Siberia of Quebec or Canada, that is, they are quite isolated and they always have to travel by airplane.

Right now when we consider fuel prices and overhead costs which increase every day, I can understand why airline companies, in this instance Quebecair, have to raise their fares. What I cannot understand is why the department has not provided for a subsidy scheme or a tax credit for those users as they have no choice but to fly. I think that some other airline companies which link Newfoundland and the mainland get some public assistance. If a verification is not warranted in this case, what then can be done? I for one would prefer a tax credit formula which would go directly to the people, for if a company receives a direct grant the rates skyrocket after eight months or a year and then it is back to square one.

Therefore I think we should resolutely and officially study such cases and take strong action. And while I have the floor this afternoon I say that I wonder if anything will come out of this to show the strength of my belief, for I am often under the impression that we are talking to a wall when discussing such issues I wish that people listening everywhere in their offices and people who will read *Hansard* tomorrow would keep my questions in mind and come up with some answers. Nothing is worse than the lack of interest within the public administra-

tion. I often think that it is hon. members' daily lot, and I really wish that the civil servants would be aware of that and that the minister would follow up on this subject and even go beyond. I even wonder if the Department of Transport ought not to be divided in three sections so as to be really able to follow up on all these files. When we are speaking of transport, we are speaking of air, sea and land transport, and it is very hard for one man to be aware of every aspect of the issue. I therefore believe that for effectiveness we should perhaps consider splitting the department and creating several ministries under the direction of a titular minister to be sure that some progress is being made.

I have had the opportunity to travel throughout Canada with the transport committee in the company of my colleague opposite from Regina East and other members, and we saw for ourselves that there are many problems. People often complain, not necessarily about identifying a problem, but about the time it takes after a problem is found to exist and before action is taken or even before an answer is received.

These are facts that we have been able to verify during the first two weeks of September, and everywhere in Canada we realize that the lapse of time between the moment when a problem is identified and the moment when action is taken is such that very often the problem has changed considerably. I therefore believe that the minister should perhaps review the operational methods of his department. I am not in any position to tell him what to do in this area, but it is my view that people for whom transportation is a daily experience, and to me in my area it is all in a day's work, those people feel that the department must be reorganized to become more efficient, with a higher degree of delegation to the regional level. I for one have to be called almost every day for 15 days at freeze-up time, because in my area aircraft cannot land on the lakes, for lack of ice. The plane does not stop, there are no roads and no water transportation services.

We have the same problem during the spring, there is a three-week thaw period on a 400-mile coastline, with a population of 5,000. Airplanes cannot land because we have no instruments, no equipment. At that time people call us to complain there has been no crossing for three or four days, and sick people have to be moved out. This requires helicopter services, but we are not authorized to order helicopter transportation. These are everyday problems in an area like Manicouagan. When we write or speak about this, it has a frontier, a folklore flair. Well, to us it is unacceptable. I realize the Manicouagan district may be the most expensive, per capita, to the Department of Transport.

I can understand that but is it a valid reason to leave things as they are? I admit that there has been much progress in the past 20 years, but not enough. And even more, I notice works that are being done in the constituency which are perhaps less necessary, which are even luxurious, but some cuts could be made in some places to give elsewhere. I do not ask for more funds in the constituency but I ask that the investments be more judicious and I will give you a specific example. A parking lot is now being built in Baie-Comeau at a cost of $350,000 yet not more than 40 cars use it in a week. Is it necessary? I doubt it.

With the kind of equipment installed at Sept-Îles, one has to pay 50 cents to park for a full day when next door it actually costs 75 cents an hour. Imagine! And they advertise that to boot. It costs 50 cents to park a whole day yet the other lot next door charges 75 cents an hour. You see what I mean. That is what we get from the Department of Transport. One has to take a ticket. If you are about to board a plane and you do not have 50 cents to put in the slot to get a ticket, you have to go through the airport.

It is forbidden to park in front of it, and you have a bill so you then have to get some change and come back to park with your 50 cents. No one is bright enough to put someone in the little box at the back who could at least make change. It is all those things that make administration absolutely flabbergasting; I wonder why we are not consulted about things like that because I claim to know my riding better than some people.

I can understand that things have to be done like that in Montreal or Quebec City where parking has to be better controlled, but in places like back home, those things cost a fortune. It is a matter of deciding what should be uniform in public administration and what special measures can be allowed from time to time. That is what I would like to see the civil servants of the department look into.

Of course, I understand that the minister should be put on the spot because he is not aware of all those problems. The primary function of department officials is to give advice but, good grief, one has to know the place to be able to do so. That is my bone of contention. Frustration becomes so bad that we have it up to here. There comes a time when we are getting really impatient and when we want action. I for one intend to keep after the Department of Transport because it is vitally important to us. Of course, when you go to the doctor's you do not tell him what is right, so what is happening this afternoon is about the same. I point out more often what is wrong, but we should admit that certain things are right. I have to commend the minister and the National Harbours Board for putting $45 million to $50 million in the national harbour of Sept-Îles over the next three years. This is fundamental.

I should also commend the minister for the decision he made at last, after ten years, authorizing the airport of Havre-Saint-Pierre, and I should like to ask him in the same breath whether he intends to confirm the regional vocation of that airport. Recently I asked that question in committee. I was told that the situation was being re-examined. Quebecair has applied for landing rights in Havre-Saint-Pierre and the company Fer et Titane which has some facilities in Havre-Saint-Pierre would like to expand there, and I think we have all the elements to make a decision. If you make other types of decisions regard-

ing this issue then I think it will be against the public interest and against regional and local interests in this area. That is an important dimension of this issue.

I would have many other things to add. I would have liked to speak about Ungava Bay, James Bay, Fort Chimo, Sugluk and some other communities. Maybe we can come back on the subject at a later time. Perhaps I should let the minister answer. I know that this is a broad subject, that time is limited but I think that our people are becoming restless and the time has now come to act.

[*English*]

The Assistant Deputy Chairman: The minister has approximately a minute and a half in which to reply.

Mr. Pepin: May I say the following, for the record.

[*Translation*]

I listened with a great deal of pleasure of course to the impassionated speech by the hon. member for Manicouagan who spoke of the individual member's frustrations, and I understand that. I must add, however, that in the two examples he gave he won his case. He forgot to mention it for both Havre-Saint-Pierre and Baie-Comeau. He at least got part of what he wanted, which shows that time and patience are more productive than strength and frenzy. But I sympathize with this and if I had more time I would speak of the frustrations of ministers and public servants. Despite the impression to the contrary that ministers and public servants may sometimes give, we also suffer from not being able to grant all requests made to us, especially when they are justified as in so many cases.

I also want to say that there is a sense of frustration, but I am not going to whine on the floor of the House, on the part of public servants and ministers, and it is annoying for anybody not to be able to please everyone.

Finally, it is a question of dollars. My department had a small airport aid program of limited scope. It had $3 million, which was taken away before I arrived, so I cannot accept responsibility for what was done before my time, no doubt for very good reasons. That was what the restraint program required at that time. We could theorize at length on the priority concept. What is a priority? A very nice phrase from the hon. member. There are less necessary things that some view as luxuries and necessities to others, and some necessary things that appear as luxuries. That could lead to a philosophic discourse on the concept of luxury and the concept of the necessary. We all know very well that what was a luxury yesterday could be necessary today. That also applies to us, as members of Parliament. I am doing everything I can to revive that small assistance program for small airports to provide for the cases the hon. member has referred to, but as a rule my department—and I say so without affectation—has suffered greatly in the area of investments for airports and equipment. The figures will tell you that five or six years ago the budget was around $250 million. It is now down to $85 million or $95 million. Obviously all that shows, and the result is that fewer good causes can be accommodated.

• (1750)

[*English*]

The Assistant Deputy Chairman: Order, please. Before recognizing the next member to speak, I should like to indicate that the Chair is faced with some problem because of the change of turns which took place by the consent of two members, the hon. member for Manicouagan and the hon. member for Lisgar. Subsequent discussions indicate that an hon. member to my right ordinarily would be the next member to be recognized. The difficulty the Chair faces is the proper proportion of speakers. As a result of comments made to me a few moments ago, I will recognize the hon. member for Mississauga North, but in doing so the Chair will ensure the proper ratio is preserved and that hon. members on both sides get the proper amount of their time.

Mr. Knowles: Hear, hear!

Mr. Fisher: Mr. Chairman, I should like to talk about the progress the government has made to date on the transportation of hazardous goods. I think it is an appropriate thing for a member from Mississauga to do, a year after the famous Mississauga derailment.

On the anniversary date of the derailment a conference took place in Toronto which attracted international experts and produced a lot of opinions about the government's progress so far. One person who was sharply critical of the federal government and its standards a year ago was the mayor of Mississauga. Subsequently I spoke with her about the government's progress over the past year, and I think I can fairly say that some genuine progress has been made of which we now can be proud. I should like the minister to give us a progress report on this matter, because as I travel around Mississauga I am asked regularly whether in fact a similar accident can be prevented.

I have served on the transport committee and had the pleasure of working on the two bills passed last spring. The first bill brought container standards up to international levels, and the second and more famous one dealt with the domestic transportation of hazardous goods.

Under the second law we were able to bring about standards which affect both accident prevention and accident reaction. In that law we allowed for the provision of regulations which will enforce safe standards for designing containers, packages, and moving equipment. We require proper labelling and handling so that ordinary people who must deal with these goods will know what is going on and not only how to react after an accident but how to prevent one. Also in this bill there is a provision for inspections to ensure the standards we set actually stick. The labelling and inspection powers we have set out will also help us—and this was a crucial point raised at the conference; undoubtedly it will be a point which Mr. Justice Samuel Grange will discuss—to react properly after an accident, as well as to prevent an accident ahead of time.

The work we undertook in the spring was in order to give the government the power, capacity or authority to do it. It does not necessarily mean that the government will have the will-power or the desire to do it, but I was heartened by the progress of the Department of Transport. Indeed it is an indication that the department has the will-power and desire to prevent future derailments like the one at Mississauga.

I should like to refer to an article which appeared in *The Financial Post* dated November 29, in which an unidentified federal official said the following:

"The act provides for the setting of safety standards for the equipping of a means of transport. If we feel that a certain regulatory agency is slow to regulate standards . . . we can write them into our regulations. We may be stepping on a few toes, but it has to be done."

Comments such as those indicate a real desire to go ahead and get the job done, and not just to put a lot of cosmetic legislation into place.

If I ask the minister to reply now, his report will be very short because of the remaining time. I wonder if I might leave with him until tomorrow the idea that I should like a comment on the progress. I should like him to comment on his negotiations with the provinces and his review of his own regulations. I should like him to take a look at the ways he has beefed up his inspection standards and personnel. I should like to know something about his budget commitments. Perhaps he can tell us about the sources of information which will be set up for individual communities so that they have access to information to help prevent accidents and to react to accidents. By setting the law in place we in fact indicated we were very serious about this question and that we were not going through simple cosmetic procedures. I hope the minister will give us the details which will inspire some confidence in the people in my area, so that they will know another accident like this is not likely to happen.

In view of the fact that it would be logical to break my discussion at this point, may I call it six o'clock?

Mr. Huntington: There is one minute to go.

Progress reported.

The Acting Speaker (Mr. Blaker): It being six o'clock, this House stands adjourned until two o'clock tomorrow afternoon.

At six o'clock the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, December 4, 1980

The House met at 2 p.m.

• (1405)

ROUTINE PROCEEDINGS

[*English*]

PUBLIC WORKS

DREDGING CONTRACTS—CALL FOR PREFERENCE TO BE GIVEN TO CANADIAN COMPANIES—MOTION UNDER S.O. 43

Mr. Thomas Siddon (Richmond-South Delta): Madam Speaker, I rise under the provisions of Standing Order 43 to propose a motion of urgent importance. In view of the fact that large foreign dredging cartels are being given a decided advantage in bidding on multimillion dollar federal dredging contracts in the Canadian Arctic, in the Miramichi Channel and at the Roberts Bank superport in my riding, and whereas these dredging projects should instead be carried out by Canadian contractors using Canadian crews and vessels manufactured and registered in Canada, I move, seconded by the hon. member for York-Sunbury (Mr. Howie):

That the Minister of Public Works and the Minister of Transport, together with the responsible officials in the National Harbours Board, be directed to stop giving favoured status to foreign dredging companies, for example, those of Dutch origin, which seem to be popular with some government officials, and that the government be required instead to show clear preference for Canadian-owned dredging companies, many of which are presently working at only a 20 per cent utilization factor.

Some hon. Members: Hear, hear!

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

FISHERIES

UNGAVA BAY—CALL FOR WITHDRAWAL OF PERMITS ISSUED TO SHRIMP FISHERMEN—MOTION UNDER S.O. 43

Mr. Peter Ittinuar (Nunatsiaq): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. In view of the fact that the Department of Fisheries and Oceans entered into a verbal agreement with Imaqpik Fisheries whereby Imaqpik would undertake a study of shrimp stocks in Ungava Bay and in return the federal government agreed to restrict other vessels from the area until the study was completed; and in view of the fact that another vessel harvesting illegally in the area was later given special ministerial permission to remain, and subsequently the department issued permits to six additional shrimp processing vessels, thereby directly violating the agreement with Imaqpik Fisheries, I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That the Minister of Fisheries and Oceans immediately withdraw the six additional permits issued to shrimp producers in Ungava Bay until such time as substantial scientific studies in the area have been completed.

Madam Speaker: Presentation of this motion would require the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

AIRPORTS

MIRABEL—REQUEST FOR INQUIRY—MOTION UNDER S.O. 43

Hon. Roch La Salle (Joliette): Madam Speaker, I rise under the provisions of Standing Order 43 to ask for the unanimous consent of the House to introduce a motion dealing with an important matter of pressing necessity.

Considering that a highly privileged document handed over last September 29 to Labour Canada was published by a regional daily last Monday; considering that this document has clearly shown that all initial expectations for the Mirabel project have proven to be entirely wrong; and finally, considering that according to some government members current conditions are absolutely intolerable, I move, seconded by the hon. member for Edmonton-Strathcona (Mr. Kilgour):

That the House unanimously urge the Minister of Transport to convene as soon as possible the standing committee of the House to enable all hon. members to deal with the matter.

Madam Speaker: The House has heard the motion of the hon. member. Under Standing Order 43, such a motion cannot be put without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

S.O. 43

[*English*]

NATIONAL UNITY

WESTERN SEPARATISM—CALL FOR APOLOGY FROM MEMBER FOR CHAMPLAIN—MOTION UNDER S.O. 43

Mr. J. M. Forrestall (Dartmouth-Halifax East): Madam Speaker, I, too, rise under the provisions of Standing Order 43 on a matter of some urgency. In light of the statement yesterday to the National Press Club by Claude Ryan, leader of the Liberal party in Quebec, that he believed the threat of western separatism is now a greater problem than the threat of Quebec separatism has been over the past ten years, I move, seconded by the hon. member for Vegreville (Mr. Mazankowski):

That the hon. member for Champlain apologize to the House for the Standing Order 43 he presented yesterday criticizing the Leader of the Opposition for pointing out the serious nature of this threat to Canadian unity, and to make the same effort to inform himself about the serious issue of western separatism as has Mr. Ryan.

Some hon. Members: Hear, hear!

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

EXTERNAL AFFAIRS

COMMENTS OF MINISTER—MOTION UNDER S.O. 43

Mr. David Kilgour (Edmonton-Strathcona): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. Two months ago the Secretary of State for External Affairs (Mr. MacGuigan) publicly chastised the government and politicians of the United States. Last week the same minister publicly rebuked the High Commissioner of the government of Great Britain. Yesterday the same minister publicly criticized the government of France. Therefore I move, seconded by the hon. member for Esquimalt-Saanich (Mr. Munro):

That the Secretary of State for External Affairs provide his personal hit list to this House indicating which countries he is planning to attack in the future, so that Canadian immigrants, tourists and businessmen might be made aware of what they can look forward to and, further, that the same minister indicate whether the Soviet Union will at some time be added to his list on the basis that his public rebukes, criticisms and public attacks seem to be reserved exclusively for our allies at a time of extraordinarily sombre developments in Europe.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

● (1410)

FINANCE

RISING INTEREST RATES—MOTION UNDER S.O. 43

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, I rise, like all other motions under this standing order, to move the following motion of urgent and pressing necessity. In view of the recent astronomical rise in interest rates and the expectations of yet higher rates today, is it any wonder that Canadians who have seen the movie "Network" are now saying to the government, "I'm mad as hell and I'm not going to take it any more"? Therefore I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That this House instruct the Minister of Finance to at least say to the governor of the Bank of Canada, "It is time to end your policy of tying Canadian interest rates to those in the United States and to pursue an interest rate policy made in Canada", in order to halt skyrocketing mortgage costs, declining industrial production and unemployment levels that will be the worst since the depression of the 1930s.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

THE CONSTITUTION

CONDEMNATION OF ALLEGED MISLEADING PUBLICITY ON EMPLOYMENT IN QUEBEC—MOTION UNDER S.O. 43

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Madam Speaker, under the provisions of Standing Order 43, I request the unanimous consent of the House to move a motion dealing with an important and urgent matter.

As the government whose constitutional philosophy is sovereignty-association has been broadcasting, several times each day, erroneous and biased publicity on the mobility of the Canadian labour force; as that publicity would have us believe that Quebec workers will see their jobs threatened by the workers of Ontario, and even Alberta, should the constitutional resolution now under study ever be adopted; and I quote an excerpt from that publicity:

Until now, it has always been considered normal for a Quebecker to find himself a job with the James Bay project. But Ottawa is asking us to rejoice because workers from Ontario—

—-or Alberta—

—could take over his job tomorrow—

I move, seconded by the hon. member for Mégantic-Compton-Stanstead (Mr. Tessier):

That the House condemn that type of publicity as resorted to by the Quebec government in its anti-constitutional campaign, and confirm that the proposed

constitutional resolution now under study threatens in no way provincial jurisdiction over labour and professional qualifications.

Madam Speaker: Under Standing Order 43, such a motion cannot be put without unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*English*]

AGRICULTURE

CANFARM—LACK OF FUNDING—MOTION UNDER S.O. 43

Hon. John Wise (Elgin): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. In light of the betrayal by the Minister of Agriculture (Mr. Whelan), who has said that he has fulfilled his commitments to Canfarm, in spite of his unwillingness to provide that organization with $1.2 million for the fiscal year 1981-82—a promise and, indeed, an agreement that he made in 1979—and in view of the fact that Canfarm might close down before the end of the year because of its lack of cash to meet its payroll and other day to day expenses, thereby throwing about 150 people out of work just prior to Christmas and jeopardizing the economic health of its clients, I move, seconded by the hon. member for Simcoe-North (Mr. Lewis):

That the Minister of Agriculture urge his cabinet colleagues, especially those on the Treasury Board, to reconsider their decision and grasp the leadership role expected from the Minister of Agriculture to save that organization, which has such worth-while potential to Canadian farmers and to Canadian agriculture.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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SPORTS

CALGARY—CONSTRUCTION OF COLISEUM—MOTION UNDER S.O. 43

Mrs. Margaret Mitchell (Vancouver East): Madam Speaker, I also rise under the provisions of Standing Order 43. Inasmuch as the city of Calgary will hold a rezoning hearing on December 9, 1980, regarding the location of a proposed sports coliseum in the residential neighbourhood of Victoria Park, and since this neighbourhood was rehabilitated with expenditures of over $800,000 in federal funds, and, furthermore, since residents of this neighbourhood and surrounding neighbourhoods, which received millions of dollars for rehabilitation, oppose the destruction of their neighbourhoods, I move, seconded by the hon. member for Winnipeg-St. James (Mr. Keeper):

That the federal government not contribute to a Calgary coliseum on a site that will destroy residential neighbourhoods which have been rehabilitated with millions of federal dollars and, furthermore, that the minister responsible for CMHC support local residents who want to save Victoria Park and lobby the Alberta government and Calgary city officials to move the coliseum elsewhere.

Madam Speaker: Presentation of this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

• (1415)

NATIONAL UNITY

CALL FOR COMMENDATION OF ALBERTANS—MOTION UNDER S.O. 43

Mr. Peter Lang (Kitchener): Madam Speaker, I rise under the provisions of Standing Order 43. I move, seconded by the hon. member for Kent (Mr. Bossy):

That this House commend the activities of Albertans such as Grant Notley, Mel Hurtig, Rod Sykes and Nick Taylor who are speaking out for a strong, united Canada; and that this House urges the Premier of Alberta to join with his fellow Albertans in this most important cause.

Some hon. Members: Hear, hear!

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

FINANCE

EFFECTS OF RISING INTEREST RATES—GOVERNMENT POSITION

Hon. John C. Crosbie (St. John's West): Madam Speaker, my question is addressed to the Minister of Finance. The Bank of Canada rate today has gone to 14.76 per cent—

Some hon. Members: Shame.

Mr. Crosbie: —from 13.95 per cent, up 81 basis points. I might point out to the minister that that is far in excess of what it was during the months we were in office last year, so he no longer has that excuse or that irrelevancy to present. I want to point out to the minister that the vice-president and chief economist of the Toronto-Dominion Bank predicted last week that rising interest rates will push Canadian unemployment over the one million mark this winter, and that the high cost of borrowing money threatens home and auto sales and

plant investment. He also said that Ottawa has left inflation-fighting to the central bank and that the Bank of Canada has only interest rates and the money supply to use to try to control inflation.

In view of this increase in interest rates, does the minister agree or not with the prediction of the economist of the Toronto-Dominion Bank as to what the results are going to be of these higher interest rates? What action is he going to take to try to ameliorate these effects? What action does he now propose to take in this situation to help the ordinary people of this country?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I do not agree with the conclusions of the distinguished economist quoted by the hon. member, because he no more than any one of us can predict with any assurance the future movement of interest rates. The rates revealed today obviously have increased but they have still not reached the peak that existed in April last, a situation which changed very quickly. I have drawn to the attention of the House several times the rather roller-coaster performance of interest rates that we have experienced, not as a result of concrete developments in Canada, but because of the response in the Canadian market to—

An hon. Member: Your budget.

Mr. MacEachen: —the current, rather large gap between interest rates in Canada and the United States.

An hon. gentleman said something about the budget. He does not know very much about what is happening in the economy, because these changes took place considerably before the budget date of October 28.

Mr. Crosbie: Madam Speaker, it is true that this rate is not the top Liberal peak. The top Liberal peak was 16.2 per cent with the prime bank rate at 17.5 per cent. I suppose the minister is aiming for that again. Let me remind the minister that when he brought his budget down on October 28, the bank rate was 3 per cent below what it is now; the Canadian dollar was worth 85.22 cents in terms of the U.S. dollar, and yesterday it was down to 83.74. We have had serious deterioration in the economic situation since then.

Given these facts, will the minister tell the House whether he is going to carry out the commitment of his predecessor, the Minister of Industry, Trade and Commerce, who said on November 6, when we had much lower interest rates, "it is right and necessary for Liberals to take a new approach and a new look at interest rate policy". Is the minister going to do that, or is the new approach to let them go up out of sight, as he did last May and as he apparently plans to do again?

Mr. MacEachen: Madam Speaker, the hon. member is confused on so many points. I thought he was my predecessor, not the Minister of Industry, Trade and Commerce, in the finance portfolio. The hon. member knows perfectly well, if he believed for a moment the kind of statement that he made when he occupied the post of minister of finance, that these particular rates that exist in the country now have very little to do with any of the policies contained in the budget. They have to do almost entirely with the movement of interest rates in the United States, even though at the present time, with the policies that we are following, short-term rates are considerably lower than those prevailing in the United States. He ought to give some credit to the flexible policy that is pursued at the present time by the monetary authorities, who have succeeded in maintaining rates in Canada, because of the flexible administration of the policy, consistently below those prevailing in recent months in the United States.

• (1420)

Mr. Crosbie: Madam Speaker, this is my final supplementary question. Yes, flexibility is Liberal policy. The Liberals are the most flexible creatures Canada has ever produced. Their policy is very, very flexible.

Some hon. Members: Hear, hear!

Mr. Baker (Nepean-Carleton): Canada has been flexed again.

An hon. Member: Flexible like a snake.

Mr. Crosbie: They are like the India rubber snake. There are 877,000 Canadians unemployed today and we are heading toward one million unemployed. In Toronto on January 10, the Prime Minister promised that he was going to fight recession with every weapon at his command and that he was going to control and combat inflation. When will the minister start to carry out those commitments of the Prime Minister which were given in his famous platform speech in Toronto at the Liberal campaign college on January 10?

Mr. MacEachen: Madam Speaker, as I stated before the presentation of the budget, I intended to produce a budget which would be fully—

Mr. Crosbie: Flexible.

Mr. MacEachen: —consistent with the campaign pledges made by the Prime Minister. I want to repeat today that every commitment made by the Prime Minister with respect to fiscal policy, economic policy and energy policy has been fully implemented in the budget and in the national energy policy.

Some hon. Members: Hear, hear!

* * *

HOUSING

RISING MORTGAGE INTEREST RATES—ASSISTANCE TO HOME OWNERS

Mr. Doug Lewis (Simcoe North): Madam Speaker, my question is for the minister responsible for housing. An official of Canada Housing and Mortgage Corporation has stated that it is going to be a tough situation for a lot of people when their mortgage interest rates increase to 15 per cent. That statement

was made earlier in the week before today's increase in the bank rate, which will mean a 0.75 per cent increase in mortgage rates. Increases in realty taxes, home heating and other household costs have put further pressures on family incomes. My question to the minister is this. Why has the minister done nothing for the Canadian home owner who is faced with renewing a mortgage?

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, first, on approximately March 28 of this year the government's response to that phenomenon was that under the AHOP program we said we would move to assist those people who found they had to direct more than 30 per cent of their income toward shelter costs under programs sponsored by the government. Second, the Minister of Finance authorized that officials of the corporation and I meet with the lending officials of banks and mortgage companies, and so on, early in the spring. We discussed opportunities and devices by which assistance could be given to individual home owners who are facing untoward difficulties. What I think the officials said, and what the hon. member opposite did not indicate, was that under a mortgage roll-over situation, with a five-year mortgage maturing, even if there is a 50 per cent increase, since we all know that incomes have increased over the five years, the picture my friend presents is not the sort of severe hardship that he would have us believe.

Mr. Lewis: Madam Speaker, I think it is ridiculous to suggest that everyone's income has gone up 50 per cent. That is not the case. In response to questions from this side of the House, we have had a litany of excuses and distractions. We have talked about housing starts, MURBs and the Matthews report. Today we are not going to talk about housing starts because housing starts went down in November. Why does the minister not have a specific plan for the Canadian home owner?

Mr. Cosgrove: Madam Speaker, my hon. friend is being selective in the information contained in his question and in his preface to the question as well. Housing starts did go down 10,000 in November but he forgot to say that housing starts went up 25,000 in the month before. He forgot to indicate that in the third quarter of this year starts on an average for the year will approach 162,000, much better than we anticipated when we saw the starts at 125,000 in June.

● (1425)

We know the housing industry has come through a difficult period. The challenges that are facing families in terms of the mortgage rollover situation we appreciate are also difficult. But I do not think anyone in this present day economy expects things to be easy. We asked people to look at whether they are being treated equally and fairly in respect to other Canadians. As was said in the Speech from the Throne, the government knows people will accept sacrifice but not inequality.

Oral Questions

NATIONAL ENERGY PROGRAM

ALSANDS PROJECT—INQUIRY RESPECTING FEDERAL FUNDING

Mr. Ian Waddell (Vancouver-Kingsway): Madam Speaker, my question is for the Minister of Energy, Mines and Resources. "The National Energy Program" outlines the government's Canadianization program. It speaks of the importance of Canadian ownership and control. We saw in this House the first action of Canadianization when the minister gave $40 million to Imperial Oil. We now have the Alsands project and the tar sands, which is 87 per cent foreign controlled, mainly by Shell Oil, a company which the minister knows in the last six months had its profit increased by 70 per cent and which took $200 million outside Canada in dividends over the last five years. Yesterday in Calgary, Mr. D. W. Menzel, chairman of the nine-member consortium for the Alsands project, said that Ottawa had offered Alsands financial help.

Can the minister tell this House how much money he offered Alsands? Also, how does this Alsands project, with 87 per cent foreign ownership, which the minister approves of, fit in with the Canadianization of the oil and gas industry?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, no financial help has been offered Alsands.

Mr. Waddell: I have another question for the minister. I gather he is repudiating what Mr. Menzel said. I want to ask about "The National Energy Program," which appears to be a fine program. However, when you read it closely you see that it is quite flawed in spite of its slickness. The program mentions a price regime for the tar sands of $38 per barrel plus increases through a linkage with the consumer price index, estimated at up to $80 a barrel by 1990. Previously the minister said that Alberta was holding up the tar sands project. The same Mr. Menzel—and perhaps he was wrong again—said yesterday in Calgary, and I quote:

—Alsands also has problems with the pricing schedule proposed by the federal government . . . Alsands does not believe that deal will provide an adequate rate of return—

Some hon. Members: Order.

Mr. Baker (Nepean-Carleton): How long are we going to listen to this question?

Mr. Waddell: Is the minister in agreement that there has been no deal with the oil companies there? Is the figure absolute, the $38 plus up to the $60—

Mr. Nielsen: That's enough.

Some hon. Members: Order.

Madam Speaker: Order, please.

Mr. Hnatyshyn: Isn't there a 20-minute time limit?

Mr. Waddell: Madam Speaker, let me just rephrase it.

Madam Speaker: Order, please.

Mr. Baker (Nepean-Carleton): Is this Committee of the Whole?

Madam Speaker: Order. The question has been posed. The hon. member is becoming argumentative.

Mr. Lalonde: Madam Speaker—

Mr. Andre: True or false?

Mr. Lalonde:—I have some difficulty answering the question or questions put by the hon. member. I have said that we are willing to undertake further negotiations with the government of Alberta in order to reach an agreement covering both conventional and non-conventional oil. This is where the matter stands at the present time. There has already been a meeting between officials and I hope there will be further meetings in the near future.

Mr. Waddell: The point is this. Mr. Menzel says—

Some hon. Members: Order.

Madam Speaker: Order. If the hon. member does not put his question immediately, I will have to refuse to recognize him.

Some hon. Members: Hear, hear!

• (1430)

Mr. Waddell: Madam Speaker, my question is simply this. Are these the final figures that are set down in the national energy policy with respect to the price of tar sands oil from the Alsands plant, or is the minister to change those figures in order to get an agreement with the Alsands consortium?

Mr. Lalonde: Madam Speaker, I have just indicated that we have begun further negotiations with the government of Alberta. I have indicated before that while those discussions are going on I will not comment on any specific aspect of pricing.

* * *

EXTERNAL AFFAIRS

POLAND—POSSIBLE THREAT TO WORLD PEACE—GOVERNMENT POSITION

Hon. Flora MacDonald (Kingston and the Islands): Madam Speaker, my question is directed to the Prime Minister and concerns the mounting gravity of the situation around and in Poland. Since the Prime Minister of the United Kingdom, the President of the United States and the leaders of the European Economic Community have all issued warnings and uttered their condemnation that any aggressive action taken by the U.S.S.R. or any of its satellites against Poland would be totally unacceptable and would lead to a drastic deterioration of East-West relationships, I ask the Prime Minister when the Government of Canada is going publicly to add its voice to the pressures that are being brought against the Soviet Union? In the light of what many consider to be the worst situation since the Second World War threatening the cause of world peace, how long is the Prime Minister of Canada going to remain silent?

Mr. Trudeau: One more minute.

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, the Government of Canada is certainly making its views known, but we do not believe that the cause of world peace would be furthered at this time by public declarations or sabre rattling.

Some hon. Members: Oh, oh!

Mr. MacGuigan: As the hon. member said, this is a very difficult and critical time for Poland and we do not believe that at this time any public interest could be furthered by a public statement.

Miss MacDonald: Madam Speaker, it should not surprise anyone that the Prime Minister of Canada is reluctant to speak out on a matter of this kind. Everyone in the country feels strongly about what the Soviet Union is doing except the Prime Minister of Canada. I should like to ask the Prime Minister if, in the last few days, he has publicly contacted his co-partners in the Economic Summit to ascertain what economic and political sanctions could be invoked against the Soviet Union in the event of aggression, and how these could be publicly released so as to deter any action the Soviet Union might take.

Mr. MacGuigan: Madam Speaker, we are in close touch with our summit partners concerning this problem and I might say that I am very surprised at the comments which the hon. member made. This is too important a matter for petty politics.

Some hon. Members: Hear, hear!

Mr. Clark: What a shoddy performance.

Miss MacDonald: Since the Secretary of State for External Affairs declines to give any details about what the government is prepared to do in this regard, could he say if he has called in the Soviet ambassador to relate to the Soviet ambassador personally the concerns that millions of Canadians have in this regard? Has he at least taken that step?

Mr. MacGuigan: Madam Speaker, we are making our views known, but not through that channel. The problems of Poland are for the Poles to solve and not for any other country. We have stated publicly on many occasions in the last number of weeks and months—we stated this clearly to the Soviet government—that the problems of independent countries of the world are to be solved by those countries and not by the Soviet Union.

INQUIRY RESPECTING GOVERNMENT ACTION

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, if I might attract the attention of the Prime Minister—

Some hon. Members: Oh, oh!

Miss MacDonald: He is not interested in this subject.

Mr. Clark: The Prime Minister smiles while the danger to world peace accentuates in Europe. We now have it clear that the Government of Canada is not prepared to speak out strongly in the way that other governments have. It is clear now that the Secretary of State for External Affairs has not yet called in the Soviet ambassador. The Secretary of State for External Affairs tells us that the government is doing things but that those things are too important and too secret for the people of Canada or for the Parliament of Canada to know what they are.

Will the Prime Minister of Canada tell us what the Government of Canada is doing in the name of trying to preserve a situation of peace and trying to prevent the conflagration that could occur if Canada and other nations that want to speak for freedom and for peace do not defend the values for which this country stands?

Some hon. Members: Hear, hear!

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I understand the impatience of the opposition to see some public stand taken by the government. I think the Secretary of State for External Affairs was right in indicating that we were acting but in ways that we did not yet want to indicate publicly.

If the Leader of the Opposition insists, I suppose I can recite some of the concerns we have and the concerns I have shared with Helmut Schmidt, the Chancellor of West Germany, with the Premier of France and with the President of France, and since then in correspondence with every other summit leader.

Mr. MacKay: And an old camel driver?

Mr. Trudeau: Madam Speaker, the Tory opposition is concerned with camel drivers and this is not an occasion for me to answer that type of snide remark.

Mr. Clark: Madam Speaker, what the House of Commons and the people of Canada would like to know is this. In a situation where the leaders of other countries—the United Kingdom, the United States of America, and leaders of the European community—have spoken out on this matter, why is the Prime Minister of Canada adopting such a position of silence? Why is the Secretary of State for External Affairs of Canada afraid to call in the Soviet ambassador?

Mr. Trudeau: Madam Speaker, I will again attempt to explain to the Leader of the Opposition that action is being taken. We would not like to see a repeat of the situation at the time of the Afghanistan invasion by the Soviet Union when most western nations acted on their own to condemn that invasion and to indicate that they were not only opposed to the invasion but that detente was severely threatened, that they would take various measures to protest that invasion. The Right Hon. Leader of the Opposition was then prime minister and I do not have to remind him that we succeeded less in showing our condemnation of the Soviet Union than showing the extent to which the western nations were divided, whether it was over the Olympics, the grain boycott, or the interruption of visits and of detente with the Soviet Union.

If the members of the opposition want greater elaboration on that, I will gladly do that, but I think the events are clear enough in the memories of the former prime minister and the former secretary of state for external affairs. In this very serious time for the peace of the world we in Canada do not care to show again that kind of division which existed when the Right Hon. Leader of the Opposition was prime minister. We are hoping that the western nations will be able to react in a more united way to this very serious threat. That is all I want to say.

• (1440)

Some hon. Members: Hear, hear!

Mr. Clark: Madam Speaker, the fact is clear that most of the nations of the western world are acting in a united way but that there is one nation standing alone. The nation which is standing alone is Canada. Canada is standing alone in silence. Why is Canada standing alone in silence?

Mr. Trudeau: Madam Speaker, I cannot accept the premise of the question of the Right Hon. Leader of the Opposition when he says that all of the western nations except Canada are acting in a united way. For instance, I will ask him if he knows how the various nations are reacting to the very serious economic difficulties in Poland brought about by the fact that to achieve peace with the trade unions a few months ago the Polish government had to make undertakings which it will find very difficult to keep. Does the Leader of the Opposition know which countries are wanting to help Poland through its near bankruptcy and which are taking the opposite position, that we should let it flounder? Does he know what position the NATO countries are taking on this and to what extent they are united?

An hon. Member: Do you know?

Mr. Trudeau: He was being completely fallacious and it was just a sign of ignorance which the Leader of the Opposition showed when he was prime minister when he assumed we were all united on Afghanistan, or when ours was one of the countries which was party to a boycott which most of the other countries could not carry out. We do not want the same kind of division, disunity and chaos to be shown in the west as was shown when he was leader of the government.

Some hon. Members: Hear, hear!

Mr. Clark: Madam Speaker, what we know is that the leaders of Great Britain, the United States and other countries in the European Economic Community have spoken out, but Canada has stayed silent. We do not know what Canada is doing because the Prime Minister of Canada and the Secretary of State for External Affairs for Canada will not tell us, except to say that they have not even taken the elementary step of calling in the Soviet ambassador to this country.

Some hon. Members: Question.

Mr. Clark: What action, other than silence, is the Government of Canada taking? Why is the Secretary of State for External Affairs for Canada reluctant to call in the Soviet ambassador? Why is the Government of Canada not joining with other nations in a public way to try to bring pressure which might stop dangerous events from occurring in the world? Why the silence? What is being done?

Mr. Trudeau: Madam Speaker, I thought I had indicated in my first answer that I had been in personal meetings with at least three of the leaders of the western nations and that I had been in contact by personal correspondence with the others. If the Leader of the Opposition chooses to call this inaction and silence, that is fine. It would be easy for us to break the silence, as other nations have done, by saying we condemn any danger or pressure arising from the Soviet Union; but what would we be doing collectively to take steps in a united way to show that if the worst threatens or happens we will be acting in a united way? Does the Leader of the Opposition suggest that we boycott some other things, or does he suggest that we help Poland financially, or that we—

Mr. Hnatyshyn: You can do both.

Mr. Trudeau: I wish the hon. member for wherever he is from—

An hon. Member: Saskatoon West.

Mr. Clark: It is in the west; that does not matter to you.

Mr. Munro (Hamilton East): Come on, Joe.

Mr. Trudeau: I think the Leader of the Opposition has made his effort. If he wants to condemn us for not making great statements, that is his privilege.

Mr. Clark: I want to condemn you for abandoning our allies.

Madam Speaker: The hon. member for Regina West.

* * *

FEDERAL LANDS

REPORT RESPECTING MIRABEL PERIPHERAL LAND HOLDINGS

Mr. Les Benjamin (Regina West): Thank you, Madam Speaker, finally. I would like to address a question to the Minister of Public Works, about which the Minister of Transport no doubt also has concern. I would like to ask the Minister of Public Works about a report which the press in Quebec has been dealing with recently concerning 79,000 acres of land owned by the Government of Canada called "Mirabel peripheral land holdings". The report says, among other things, that the local residents have suffered significant losses due to the destabilizing of the area, that budgets have allowed only for hasty and superficial repairs in most cases, which has resulted in a vicious circle, and that these residents do not have any security of tenure. The government has spent $130 million to buy the land and $42 million to repair buildings and properties.

Has the minister made any decision as a result of that report? What measures does the government propose to give the people who live there more security of tenure, so that they can fix up their homes and farms?

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, the report to which the hon. member refers was indeed prepared for the Ministry of Public Works in preparation for a cabinet submission. The cabinet committee involved is charged with taking a long-term look at the problems which have continued in the Mirabel area. I might say that the control and management of an area of 79,000 acres is no easy task. I met residents of the area as late as Monday of this week and received briefs from them. I also met the local members of Parliament who had input into that decision-making process. That report will be before the committee on government operations on December 12. It sets out a number of long-range options which we hope will be a long-term look at what the problems will be in trying to accommodate an international airport in any section of this country.

Mr. Benjamin: Madam Speaker, the minister still cannot make up his mind. In addition to the acreage the government owns, the government spent another $10 million developing an industrial park which nobody will use. Mirabel ranks forty-sixth of all the airports in Canada in terms of take-offs and landings. It is No. 10 in terms of passengers handled. Nobody will use the industrial park on which that $10 million has been expended. In addition to doing something about security of tenure for individual residents and farmers on those lands, what does the minister intend to do to have some use made of that industrial park? Will he consult the Minister of Transport with respect to following the recommendations of the Canadian Institute of Guided Ground Transport which could move people to Mirabel airport by fast rail at a cost of $4 per person?

Mr. Cosgrove: Madam Speaker, I am happy to say that the Ministry of Public Works has been in close consultation with the ministry of transportation and communications. We cannot approach this problem in isolation. A number of ministries have had input into this decision.

The question of industrial use, of course, goes hand in hand with the security of tenure of people in the area. People who would move into the area and put in industrial plants would, of

course, want to know where their labour market is. They would want to know where their sales market is. At the same time they have to know what is the general stability or otherwise of the community. It is a complicated land use and community development concern that we have and, as I say, we cannot forget at all that this land surrounds an international airport. We do not want to have a repeat of the problems, for example, that we have in connection with the Toronto International Airport, where there are conflicting uses and conflicting problems which persist to this day.

* * *

● (1450)

[*Translation*]

ENERGY

ESTABLISHMENT OF PETROLEUM RESEARCH PLANT IN MONTREAL—GOVERNMENT POSITION

Mr. Jacques Guilbault (Saint-Jacques): Madam Speaker, I wish to ask a question of the hon. Minister of Energy, Mines and Resources.

To begin with, I would like to remind everybody that Montreal is a petroleum products refining centre of extreme importance for the eastern part of the country and that in the Montreal area there are many people who would like to have a heavy oil upgrading plant built there. The hon. minister will recall that some time ago a request was made for a feasibility study regarding the construction of such a plant in Montreal.

Could the minister let us know if this study is now completed? What are its main conclusions? Can Montrealers expect soon the establishment of such a heavy oil upgrading plant in their city?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, the government had asked Petro-Canada to complete a study during the summer regarding the creation of a heavy oil upgrading plant of the Montreal refineries. This study was completed some time ago and according to its conclusions, such a plant should be built and peferably in Montreal. Since then, a committee has been formed with the Montreal refineries for the purpose of concluding the details of this study by April 1 of next year. This project could cost up to $1 billion and the recommendation is to the effect that such a plant be built as soon as possible.

[*English*]

PUBLIC WORKS

DREDGING CONTRACTS—STEPS TO ENSURE CANADIAN TENDERING

Hon. J. Robert Howie (York-Sunbury): Madam Speaker, my question is directed to the Minister of Public Works; I am sorry I did not have an opportunity to give him notice. Like his predecessor, I suspect the minister is concerned that in the interests of consistency and national development we help Canadian companies develop a capability in Canada for doing their own dredging operations, despite the unfortunate history of some Canadian companies. Will the minister tell the House what steps, if any, he will take to assure Canadian participation in dredging, in view of the fact that tenders have recently closed on some multimillion dollar dredging contracts?

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, I too am sorry the hon. member did not give me notice of his question. The objective of the ministry is exactly as he indicated, that is, to attempt to ensure that Canadian companies are protected and that labour and management specialties in this area are given secure opportunity for competition. I will be happy to take the member's submission under notice, and if the tenders are being processed, I am sure it is an item the ministry will take into consideration and review.

Mr. Howie: Madam Speaker, I thank the minister for his answer and look forward to the supplementary information.

My supplementary question is much simpler and does not require notice. While the dredging of the Miramichi River in New Brunswick has been postponed—on several occasions it has been sought after and very much promised—will the minister be making a tender award for this project soon, and could he tell us when it will commence? Will the project be cost-recoverable, or will the government, in its great wisdom, treat it as a development project, as it should be?

Mr. Cosgrove: Madam Speaker, the short answer is that it is not a cost-recovery project. The question of cost recovery is still a policy under consideration by the government. The project is under way and the efforts of the hon. member should not go unnoticed. As many members of the House know, the member has pushed for this for a long time.

* * *

ENVIRONMENTAL AFFAIRS

DUMPING OF TOXIC CHEMICALS BY UNITED STATES COMPANIES

Mr. Simon de Jong (Regina East): Madam Speaker, my question is directed to the Minister of State for Science and Technology and Minister of the Environment. Given the already serious pollution problems in the Niagara River, a situation which has been known to politicians and public servants for several years, and in light of the recent announcement that dioxins, the most toxic chemical known to man, have been found in gull eggs in the Great Lakes, will the minister

finally reverse the passive position both he and the previous minister of the environment have taken with respect to the pollution of boundary waters and initiate the toughest measures possible, including court action if needed, to prevent American chemical companies from using the Niagara River and the Great Lakes as a sewer for toxic chemical waste products?

Some hon. Members: Hear, hear!

Hon. John Roberts (Minister of State for Science and Technology and Minister of the Environment): Madam Speaker, the hon. member mischaracterizes the position the government has taken. We have been forceful in our representation to the American authorities and have repeated those representations on an extraordinarily frequent number of occasions. We are exploring every possible means at our disposal to try to ensure that limitations are brought to bear against those in the United States who are guilty of this kind of pollution, including an examination of the possibility of applying procedures by which legal action might be taken.

Mr. de Jong: Madam Speaker, I am glad to hear the minister is considering possible court action. I hope he will cease his passive attitude and also oppose the action of SCA Chemical Waste Services Inc. which will pour millions of gallons of toxic waste into the Niagara River.

My supplementary question concerns the discovery of chlorophenoxy acid herbicides, such as 2, 4-D; 2, 4-DP; and 2, 4, 5-T which contain dioxins, in surface waters in western Canada, the highest concentration being recorded in the Qu'Appelle River district of Saskatchewan. Given the fact that these toxic chemicals are being introduced into the environment through agricultural spraying as well as municipal and industrial effluents in urban areas such as Winnipeg, Regina and Edmonton, what specific steps will the minister take to prevent further contamination of the environment of western Canada with these toxic substances and to alert the public of any possible dangers to health?

Mr. Roberts: Madam Speaker, perhaps I could refer the hon. gentleman to my answers in the House of Commons two days ago in relation to these issues. If he has not received the press release and the background information which I released two days ago, I will be happy to ensure that they are sent to him, including all the information we have in relation to western Canada.

The problem concerning the dioxin question is that the generation of dioxin does not come through the utilization of herbicides and spray. It comes through the manufacture of 2, 4, 5-D and phenoprop. The origin of that as a problem arises as a byproduct of manufacture, and perhaps springs as well from combustion, in all aspects and not simply in relation to the destruction of these chemicals. As far as we know, if properly used there is no consequential hazard from the utilization of these herbicides at the present time.

[*Translation*]

AGRICULTURE

INQUIRY WHETHER CANFARM WILL CONTINUE OPERATION

Mr. Normand Lapointe (Beauce): Madam Speaker, my question is for the Minister of Agriculture but as he is not in the House I shall put it to his parliamentary secretary. Since the Agricultural Producers' Union has adopted an aid policy in order to give its regional tax agents responsibilities as developers with a view to helping the financially depressed Canfarm organization, can the parliamentary secretary tell us, in light of the discussions held the day before last with the board of the organization, whether the department is considering helping this co-operative pursue its activities, which are important to the farmers in my riding as well as to those all over Canada?

Mr. Marcel Ostiguy (Parliamentary Secretary to Minister of Agriculture): Madam Speaker, last Tuesday night we met with the heads of Canfarm. The organization is now asking the government for a $2.5 million grant. In view of the financial slump in which Canfarm finds itself, because of lack of participation by Canadian farmers, we have asked its directors and its chairman, Mr. Peter Hannam, to try to find people who would be interested in buying the corporation in the near future.

Within a week, the department should be able to give a satisfactory answer so that Canfarm employees can be paid before the end of the month. Last Friday in Montreal, we met with APU chairman Pierre Gaudet, and it would appear that the union is now quite interested in making Canfarm an offer to purchase.

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[*English*]

NATIONAL ENERGY PROGRAM

ALSANDS PROJECT—REQUEST FOR ASSURANCE OF COMPLETION

Mr. Jack Shields (Athabasca): Madam Speaker, my question is directed to the Minister of Energy, Mines and Resources. I was encouraged by the comment he made in answer to a question asked earlier in the House regarding Alsands that discussions are taking place to resolve this very tense situation. Will the minister give his absolute assurance that satisfactory negotiations will be completed to ensure that this project does not die, since this would be absolutely catastrophic for the nation?

● (1500)

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I must tell the hon. member that I cannot give him that assurance, for the good reason that he asked me whether we will have a satisfactory agreement or a resolution of the differences at the present time. I cannot speak for the government of Alberta. I can tell him that if he looks at

the record, particularly with regard to tar sands plants, he will find the federal government has always been very forthcoming and ready to make sure those projects will take place. If there has been any delay it has not come from the federal government in the past and I do not think it will come from us in the future.

Mr. Shields: Madam Speaker, in a serious situation like this the minister of energy blames the government of Alberta, when he knows full well that blame lies equally in his court.

I would like to ask the minister if he can confirm something for me. In a recent interview the minister indicated he does not feel that time pressures are against him because of the potential production from Canada lands offshore and in the high Arctic. Does the minister feel that the high Arctic and these Canada lands production projects coming on-stream would make oil sands development unnecessary? Is that the position of the minister? If he confirms that it is, would he table in the House information he might have which would give credence to that position?

Mr. Lalonde: Madam Speaker, I have always taken the position that Canada needs all these projects, whether they are offshore, in the Arctic or in the tar sands, the heavy oil area. That is the position we have taken and it is the position I have taken consistently.

I have indicated, however, that there may be large discoveries taking place offshore, or in the Arctic, which may change the general context of the situation and might reduce some of the pressure to proceed immediately with some of those plants. I can only tell the hon. member that this is speculation, but speculation which arises out of very public facts released by the companies concerned about the potential which exists in the offshore and the Arctic. I hope we will be able to proceed with all those projects.

I remind the hon. member that in the National Energy Program we forecast self-sufficiency in this country before 1990, without taking into account any discoveries offshore or in the Arctic. If those discoveries were made in the meantime that would again improve the situation very considerably indeed.

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ENERGY SUPPLIES ALLOCATION BOARD

ASSURANCE OF ENERGY SUPPLIES FOR FOOD PROCESSORS AND FISHERMEN

Mr. Maurice Harquail (Restigouche): Madam Speaker, my question is for the Minister of Energy, Mines and Resources. In view of the great dependence on energy supplies, particularly by Canadians in the Atlantic region involved in the processing of essential, perishable food products and commercial fishing, could the minister indicate to the House if he is in the position to give some assurance with respect to energy supplies for these food processors, and can he guarantee protection for commercial fishermen?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I am happy to confirm that the Energy Supplies Allocation Board, following numerous representations from farming groups, fishermen's groups and in particular from many members of Parliament on this side of the House, has come to the conclusion that the highest priority should be given to agricultural products and fisheries products. This will cover perishable food—fisheries as well as agricultural products. So the highest priority has been given to those products under the Energy Supplies Emergency Act. I welcome this decision of the board.

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PRIVILEGE

MR. McKNIGHT—LETTER WRITTEN BY MR. DE CORNEILLE

Madam Speaker: The hon. member for Kindersley-Lloydminster (Mr. McKnight) on Tuesday rose on a question of privilege concerning a letter written on House of Commons stationery, in which the hon. member for Eglinton-Lawrence (Mr. de Corneille) solicited support for A National Committee for a Human Rights Charter, of which he is chairman. The hon. member for Kindersley-Lloydminster suggested it was improper to use House of Commons stationery for such a purpose.

I have examined the matter carefully and I cannot find any grounds upon which the Chair ought to intervene. There are no grounds upon which privilege might be claimed in this case, nor would the House expect me to act as a censor for any hon. member. There are rules regulating the contents of the householder mailings, but members must take full responsibility for material mailed under their frank and written on official stationery.

MR. FLIS—REMARKS REFLECTING ON POLISH HERITAGE

Madam Speaker: I have a question of privilege in the name of the hon. member for Parkdale-High Park (Mr. Flis).

Mr. Jesse P. Flis (Parkdale-High Park): Madam Speaker, my question of privilege arises from questions, and answers given in this House with regard to the situation in Poland. I lived in Poland ten years ago when the food riots took place, in which there was a lot of bloodshed. Today the workers have achieved miracles without an ounce of blood being shed. My heritage, which happens to be Polish, was disgraced in this House because of the official opposition reference to camels and what-have-you. Madam Speaker, I would like to read the "blues" before speaking further on this question of privilege.

Madam Speaker: I must remind the hon. member that certain interjections made in the course of debate do not constitute grounds for a question of privilege, unless the hon. member is able to establish that the one mentioned is unparliamentary, which it is not. If the hon. member has to read the "blues" in order to ascertain whether that expression is a

breach of his privilege, then I am afraid it is probably a bit far-fetched. I do take note of his point but I do not feel that he has a question of privilege. We will leave it at that.

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BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Baker (Nepean-Carleton): Madam Speaker, it being Thursday I wonder if the government House leader is able to tell us, following this six-day period for the consideration of estimates under the special order, the government's legislative program between now and the time he estimates we will be rising for Christmas. Perhaps he does not have an estimate in that respect today, but if he does he may give us that information in his answer. I would be grateful to him if he can do so.

[*Translation*]

Mr. Pinard: Madam Speaker, the House is perfectly aware of the order of business for the next few days. The House is in Committee of the Whole until next Wednesday inclusively and then, unless a last minute change occurs, in which case I shall advise my hon. colleagues opposite as soon as possible, we intend to proceed with consideration of the bill concerning oil and gas in Canada.

Now, as for the other items of business until the holiday season recess, I would urge my colleagues to wait until next Thursday because there will still be time for me to inform them further.

I shall take the opportunity to inquire about how much time they are prepared to devote to the study of the bill concerning oil and gas in Canada which I have just mentioned. It would enable me to submit a list of other bills, perhaps non-controversial bills, which could be disposed of before Christmas.

* * *

[*English*]

POINT OF ORDER

MR. BENJAMIN—RECOGNITION OF MEMBERS DURING QUESTION PERIOD

Mr. Les Benjamin (Regina West): Madam Speaker, I rise on a point of order to thank you for trying to correct a severe imbalance which was occurring during question period. I hope you will continue to do that. The spokesman for external affairs for the official opposition and the Leader of the Opposition (Mr. Clark) cannot get their act together. They required seven questions because they fumbled, which took up a major portion of the question period. I was happy to see Your Honour recognize fewer members of the official opposition after that, although you were not able to succeed completely in correcting the imbalance.

Hon. Erik Nielsen (Yukon): On the same point of order, Madam Speaker, one of my responsibilities is to keep meticulous daily records on the number of members the Chair recognizes. I know the Chair keeps similar records. For instance, today there were three members of the New Democratic Party, one of whom was the member for Vancouver-Kingsway (Mr. Waddell) who went on as if he was writing a book, and there were three members of the Liberal party recognized, as opposed to a total of six members of the official opposition, that is, the Conservative opposition, the real opposition in this House.

Some hon. Members: Hear, hear!

• (1510)

Mr. Nielsen: A total of six members were recognized from the Liberal-NDP coalition and a total of six members from the Conservative party, the real opposition in this House. I could, but I will not at this stage, raise my observations about the imbalance which has risen. Certainly it is not due to any unfairness exercised by the Chair, but there has been an imbalance and it concerns me. I propose to seek an audience with you, Madam Speaker, at some future date next week to discuss this matter. But, in the meantime, there is no cause for complaint from that little red rump over there.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, I am sure that the hon. member for Yukon (Mr. Nielsen) would not want to mislead the House. I take his word with regard to the number of questioners and it is very nice of him to keep track of what is occurring in the House. I am sure, Madam Speaker, that you appreciate it. The hon. member did state that there were six questions asked by the official opposition, three questions by the NDP, and three questions by the Liberal party. I assume that the hon. member's figures are correct, but what he did not say was that the questioners from the official opposition asked many supplementary questions. The Leader of the Opposition (Mr. Clark) must have been up on five questions.

Mr. Nielsen: Four.

Mr. Collenette: The hon. member says four. In fairness, if one takes the total number of questions asked during question period, the official opposition did very well and perhaps a little better than usual.

Madam Speaker: I would like to make a few comments about the way in which question period proceeded today. I took it that the hon. member for Regina West (Mr. Benjamin) was congratulating me on the way in which I had conducted the question period, rather than lodging a complaint.

Some hon. Members: Hear, hear!

Madam Speaker: There are some days that are more difficult than others to keep a balance, and today was such a day. Some days I have relied on time rather than the number of questioners. The hon. member for Yukon (Mr. Nielsen) was right when he stated the number of questioners recognized from the official opposition, but I would remind him that there was more than one supplementary question for some of those questioners.

I allowed these extra supplementary questions because when a debate such as the one which took place today occurs in the House of Commons, I do not think it is my duty to inhibit it. Of course, such debate cannot go on every day, but on special days when the situation in my view warrants it, I allow that kind of debate to continue. That is why I did not penalize the NDP in its usual number of questioners. Nevertheless, I believe that the allotment today was fairly balanced.

I would like to make a point about the number of questioners on the government side. There were three questioners, but they asked only three questions. None of them had supplementaries. If there is a third questioner from the government side, he or she is usually recognized past three o'clock so that it does not take anything away from anyone. These three questioners in actual fact accounted for only one question and a half, not three questions.

MR. ELZINGA—"NOTLEY" NOT "NOOTLEY"

Mr. Peter Elzinga (Pembina): Madam Speaker, my point of order is in reference to the motion put under Standing Order 43 by the hon. member for Kitchener (Mr. Lang). In the interest of maintaining more co-operation between the Liberal party and the New Democratic Party, I suggest that the hon. member learn to pronounce correctly the name of his co-leader, the New Democratic Party leader in the province of Alberta. His name is Mr. Notley, not "Mr. Nootley".

Mr. Peter Lang (Kitchener): Madam Speaker, on the same point of order, I will take a "nootley" on that. Thank you.

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BUSINESS OF THE HOUSE

Mr. Robinson (Burnaby): Madam Speaker, on House business, I wonder if, in the absence of the President of the Privy Council, his parliamentary secretary would indicate to the House what has happened to the freedom of information legislation which has been promised for some time.

Mr. Nielsen: It is secret.

Mr. Robinson (Burnaby): The President of the Privy Council has indicated that we would be dealing with the oil and gas legislation. We have been waiting far too long for this freedom of information legislation to be tabled in the House for second reading. We have indicated that we are prepared to co-operate with the government. I am wondering why the government is not prepared to bring this long overdue legislation in next week at the earliest opportunity.

Mr. Collenette: Madam Speaker, the government did give notice of its intention to bring this bill forward last Monday provided the House dealt with Bill C-34, the Judges Act. But, as hon. members will recall, the debate on that bill was lengthier than had been anticipated. As a result, the House did not get to the freedom of information legislation. I will take note of the hon. member's representation and perhaps we will be able to proceed with that legislation at an early date. But as the President of the Privy Council just stated, the House will deal with other energy legislation of high priority which must pass before Christmas.

Mr. Robinson (Burnaby): Madam Speaker, I would like some clarification from the parliamentary secretary who knows that the full day on Monday was allocated to the Judges' Act. Is he now suggesting that for some reason there should have been additional time that day for the freedom of information legislation? Why can the parliamentary secretary not give us a commitment that on Thursday or Friday of next week the government will table, for second reading, the freedom of information legislation?

Mr. Collenette: Madam Speaker, at one point a few weeks ago we on the government side were under the impression that both the judges' bill and the access to information bill would go through very quickly, and that perhaps both would go to committee within a single day. Perhaps, in believing that, the government was a bit too optimistic. Concerns were expressed with regard to the Judges Act. As I have said, the debate on the Judges Act was lengthier than had been anticipated. We will take the hon. member's representations very seriously and I will pass them on to the President of the Privy Council. I am sure that the hon. member's House leader will raise the matter again in the normal way.

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POINT OF ORDER

MR. ANGUISH—REMARK MADE IN DEBATE BY MR. SHIELDS

Mr. Doug Anguish (The Battlefords-Meadow Lake): Madam Speaker, my point of order arises from the debates of December 2 when unparliamentary language was used by the hon. member for Athabasca (Mr. Shields) in response to a speech I had made that evening in the House. I did not raise this point of order at the time of the occurrence because I was unable to hear over the noise in the House. I did not become aware of the matter until I read the comment in *Hansard* the following day. The hon. member is reported in *Hansard* as saying, in reference to myself and the New Democratic Party:

—the contribution of my hon. friend in the New Democratic Party and his verbal diarrhea.

Since I was the previous speaker, the hon. member must have been referring to me. I would like to have this language

ruled as unparliamentary, Beauchesne's fifth edition, chapter seven, section 320, subsection (s) refers to—

Madam Speaker: Order, please. It is true that there is a list of unparliamentary language and that I must refer to that list when I am ruling on what seems to be unparliamentary language. However, there is also another element in this whole matter. If the use of certain language by an hon. member causes a disturbance or some trouble in the House, that also becomes a factor which I must take into account when ruling on such unparliamentary language. The hon. member was not, obviously, insulted since when the comments were made he did not even notice, nor did he immediately bring up the matter the next day. I believe it is a bit late to complain about what the hon. member considers to have been unparliamentary language, and I would ask him not to pursue his point.

Mr. Anguish: Madam Speaker, I thought I explained quite clearly to you that it happened on December 2 and that I had read the comments in *Hansard* on December 3 as I sat at my desk after question period and the point of time for raising such matters had passed. This is the earliest opportunity on which I could raise the matter. I could not hear the comment at the time because of the noise in the House as the hon. member for Athabasca was making his opening remarks. On that basis, Madam Speaker, I would like you to recognize it at this time because I think these activities are indicative of the way the Conservatives conduct themselves in this House, in an unstatesmanlike manner. I would like you to accept my point of order at this time on the basis that I was not here that evening. I read it the following day, this being the next day after having read it in *Hansard*. I would like you to accept it, please, Madam Speaker.

Madam Speaker: What I can accept is that the hon. member has made a point. He has complained about the way the hon. member has referred to him in his speech. That does not either constitute a question of privilege or a point of order. These kinds of exchanges occur in the House and inasmuch as they do not create too much disturbance, the Chair is not obligated to intervene.

• (1520)

ROUTINE PROCEEDINGS

[*English*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 748, 1,429, 1,527, 1,574, 1,654, 1,655 and 1,656.

[*Text*]

AGRICULTURE—CONSULTANTS UNDER CONTRACTS

Question No. 748—**Mr. Shields:**

Since August 1, 1978, how many (a) administrative (b) policy consultants were under contract to the Department of Agriculture and/or any boards, commissions or corporations reporting to the minister and, in each case, what amount was paid to them?

Hon. E. F. Whelan (Minister of Agriculture): In so far as Agriculture Canada is concerned, the answer is:

(a) Ninety-one administrative contracts—Total cost $710,000 (82 of which are "special consultants"—Electronic Data Processing (EDP) related). See list.

(b) Eight policy contracts—Total cost $123,007.80. See list

In so far as the Agricultural Stabilization Board is concerned, the answer is:

(a) Three administrative contracts—Total cost $30,913.27. See list C attached.

(b) None.

In so far as the Canadian Dairy Commission is concerned, the answer is:

(a) Four administrative contracts—Total cost $143,020. See list D attached.

(b) None.

In so far as the Canadian Livestock Feed Board is concerned, the answer is: (a) and (b) None.

In so far as the Farm Credit Corporation is concerned, the answer is: (a) and (b) None.

List A

Administrative Contracts

Name	Number of Contracts	August 1, 1978 to May 2, 1980 Cost
P. S. Ross	1	$ 50,000
Susan Leah	1	24,380
Ruth Brown	1	500
Margaret Smiley	1	2,250
Jon Kieran (Steppac Group)	1	38,800
DPW—Cost Benefit Study	1	5,000
Bureau of Management Consultants—DSS	1	7,000
Peat, Marwick & Partners	1	60,745
J. Beaton	1	2,760
		Total $191,435
Bailey & Rose Ltd.	22	$160,443
Bonaventure Design & Programming	2	9,977
J.A. Shienfield & Associates	1	4,250
S. & S. Software	3	18,027
Federal Systems of Canada	7	68,375
Data Logic	5	37,033
Microtime	12	67,599
Multiple Access	3	19,593

Prior Data Science Ltd.	1	8,687
Sonelleco Systems Ltd.	1	1,075
Systemshouse Ltd.	4	23,487
System Approach Ltd.	6	24,111
Mobius Software	10	60,538
Quasar Systems	3	8,095
TEE Consulting	1	3,600
Dieter Frey	1	3,675
	Total	$518,565

Note: The above are all "special consultants"—EDP related

List B

Administrative Contracts

August 1, 1978 to May 2, 1980

Name	Number of Contracts	Cost
Dr. Campbell of National Research Consultants	1	$ 4,900.00
Drouin, Paquin & Associates	1	24,900.00
Bureau of Management Consultants of DSS	1	76,229.00
Susan McCoy	1	10,000.00
Philippe Garigue	1	702.80
G. Hopkin	1	138.00
F.M. Kirk	1	5,281.00
K. au-Young	1	857.00
	Total	$123,007.80

List C

Administrative Contracts

August 1, 1978 to May 2, 1980

Name	Number of Contracts	Cost
Cooper Lybrand	1	$ 8,935.27
Systemshouse Ltd.	2	21,978.00
	Total	$30,913.27

List D

Administrative Contracts

August 1, 1978 to May 2, 1980

Name	Number of Contracts	Cost
D. A. Biggs, University of Waterloo	1	$ 1,254
Bureau of Management Consulting—DSS	1	89,391
S. Bancroft	1	31,600
Systemshouse (Computer Study)	1	20,775
	Total	$143,020

HALIFAX EXPLOSION—PENSIONS TO INJURED SURVIVORS

Question No. 1,429—**Mr. Crosby:**

1. Did the government take any action in respect to a motion passed under Standing Order 43 on December 6, 1979, respecting the increase of pension benefits to injured survivors of the Halifax explosion and their dependents and, if so, what was such action?

2. What is the total amount being paid in pension benefits and what would be the cost to give a 50 per cent increase in the pension now being paid to survivors and their dependents?

Hon. J. Gilles Lamontagne (Acting Minister of Veterans Affairs): 1. On February 1, 1980, all pensions paid under the Halifax Relief Commission Pension Continuation Act were increased by 5.3 per cent. The Halifax explosion pension account is carefully examined each year, and an actuarial forecast of expenditures is prepared. Based on this forecast of expenditures and revenues received by the trust fund, the amount of pension paid to the recipients is established for the next period. It is intended to adjust pension payments annually, but any adjustment will be made to take into account the actuarial realities. With the exception of these annual increases, there are no plans at this time to further increase these awards.

2. The pensions now being paid cost $12,965.63 per month or $155,587.56 per annum. To increase them by 50 per cent would cost $6,482.81 monthly or $77,793.72 per annum. The department of insurance has estimated that it would require a deposit of $644,500 into the trust fund, to provide such an increase.

AIRPORT MANAGEMENT TASK FORCE

Question No. 1,527—**Mr. Mazankowski:**

What is the Minister of Transport's position on the Airport Management Task Force and its recommendations with respect to the management of the department's airports?

Hon. Jean-Luc Pepin (Minister of Transport): I have not yet formulated a final position concerning the recommendations of the Task Force on Airport Management. I expect to discuss the task force findings with my colleagues in the near future.

AIRPORT—FREDERICTON, N.B.

Question No. 1,574—**Mr. Howie:**

What developments are planned for the Fredericton, New Brunswick Airport and what is the time-frame in which these are intended to be accomplished?

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): The following developments are planned for Fredericton Airport:

1981/82: Enlarge reservoir & upgrade pumps
Upgrade field electrical facility

1982/83: Upgrade waste water treatment plant
Perimeter fencing
Extend firehall

1983/84: Expand air terminal building
Replace boiler—Central heating plant

1984/85: Resurface public car park

1985/86: Resurface aircraft parking apron.

The implementation of these projects will be subject to Treasury Board approval, national priorities and the availability of funds.

THE CONSTITUTION—TRAVEL TO LONDON, ENGLAND OF CABINET MINISTERS

Question No. 1,654—**Mr. Cossitt:**

Were the two cabinet ministers sent to London, England, in October, 1980, on the matter of the constitution, Anglophones and, if so, for what reason was there no Francophone representation?

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): The Secretary of State for External Affairs, who is responsible for relations between Canada and other countries, and the Minister of the Environment and Minister of State for Science and Technology, who shares responsibility with the Minister of Justice and Minister of State for Social Development for the constitutional patriation process, travelled to the United Kingdom to acquaint Her Majesty the Queen and leading members of parliament with the proposals of the Government of Canada concerning the Canadian Constitution. A greater number of ministers was not required. If any questions had been posed in the French language, both ministers could and would have responded in the same language. Both ministers have extensive professional and parliamentary credentials in constitutional matters.

THE CONSTITUTION—CHOICE OF CABINET MINISTERS SENT TO LONDON, ENGLAND

Question No. 1,655—**Mr. Cossitt:**

Was any consideration given by the government to sending the Minister of Transport to London, England, in October, 1980, as part of the cabinet delegation on the constitution in view of (a) the fact that he is a Francophone (b) his acknowledged experience on the matter of Canadian unity and (i) if not, for what reason (ii) if so, for what reason was he not sent?

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): See reply to question No. 1,654 answered this day.

THE CONSTITUTION—PATRIATION

Question No. 1,656—**Mr. Cossitt:**

Was the Minister of the Environment sent to London, England, in October, 1980, to meet with British officials in regard to the matter of the constitution and, if so (a) for what reason (b) is there any aspect of the Department of the Environment's activities that have anything whatsoever to do with patriating the constitution?

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): See reply to question No. 1,654 answered this day.

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

Madam Speaker: The questions enumerated by the parliamentary secretary have been answered. Shall the remaining questions stand?

Some hon. Members: Agreed.

[*Translation*]

Madam Speaker: Pursuant to Standing Order 54, I do now leave the chair for the House to go into Committee of the Whole.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

APPROPRIATION ACT NO. 2 1980-81

The House resumed from Wednesday, December 3, consideration in committee of Bill C-47, for granting to Her Majesty certain sums of money for the Government of Canada for the financial year ending March 31, 1981—Mr. Pinard—Mr. Ethier in the chair.

The Deputy Chairman: House again in Committee of the Whole on Bill C-47, an act for granting to Her Majesty certain sums of money for the Government of Canada for the financial year ending March 31, 1981. When the committee rose on Wednesday, December 3, 1980, Vote no. 1 under Transport was under consideration, and the hon. member for Mississauga North had the floor.

DEPARTMENT OF TRANSPORT:

Vote No. 1.

Mr. Fisher: Thank you, Mr. Chairman. Before we ended our discussion yesterday I had some questions that I directed to the Minister of Transport to learn from him our progress following the passage of the bill dealing with the transportation of hazardous goods. At that time I pointed out to him that questions had been raised in Mississauga about the follow-up to that bill and there had been comments made, particularly by the mayor, that a year ago the federal presence was not adequate. It is my feeling that considerable progress has now been made. I posed some questions to the minister about inspection procedures, about negotiations with the provinces, about budgets, and about a variety of other areas. I hope that the minister will take this occasion to answer these questions.

Mr. Pepin: Mr. Chairman, I will do so as rapidly as I can in order to release more time for any of my hon. friends who care to have it.

We are talking about transportation of dangerous goods. The member for Mississauga North asked me a number of very specific questions. He asked me if the bill had been proclaimed, and it has. I think November 1 was the date. He asked me if other provinces had adhered to the legislation because this is what is meant to happen, as he knows. This is legislation that is open to the provinces to come into, not only legislatively but administratively. There was a meeting of

ministers of transport in Toronto some weeks ago at which time I pleaded—I didn't sink to my knees, but almost—that they would come in, that they would pass their own legislation or orders in council in order to satisfy the objective of this legislation which is a co-operative federal-provincial approach to matters of transportation for dangerous goods.

Ontario is going ahead and I understand B.C. is preparing itself for that too. I am using this opportunity again to remind them although I am sure they have not forgotten, and to plead with my provincial colleagues that they will move as rapidly as possible in order to give this legislation the full federal-provincial use it is meant to have.

The regulations are in their fourth draft. Final consultation is taking place with interested groups and we hope to have the regulations gazetted—I do not know where the accent is—by next summer.

The hon. member for Mississauga North asked me how many inspectors we would have, and here we are witnessing an evolving situation. The legislation is not applicable yet in terms of the regulations not being available yet, but the department and the transport commission are preparing themselves for the time when it will be. By way of illustration, I understand that the CTC had seven specialists, experts, inspectors, and we have added four to that, so now there are more than 11 altogether. They are going to be specialists in the transportation of dangerous goods. Similarly, I understand the department is hiring, or has hired, six air inspectors who are already in position in the different regions of the country. They are going to be specialists in the transportation of dangerous goods by air. This is just to indicate that progress is being made. I want to use this opportunity to thank members of the transportation committee who have worked extremely well during the last part of the session to bring about this result.

Mr. Fisher: Because the regulations are still being negotiated with industry, and because the minister and the CTC are still trying to set their priorities on these matters, I would like to stress now the importance of what I think is a crucial element, the importance of good inspection, particularly with the railroads. It seems to me that our policy up to this point has been to trust the railroads and to trust the companies, and it seems to me, as well, that that places an unfair burden on the companies. The companies exist to make a profit, to provide good service for their customers, and to keep their trains rolling on time. They have a variety of other concerns, and safety has to fit in with those concerns. It seems to me that the question of safety must be the first concern for any public body. That has to be the fundamental question that we examine.

The minister mentioned that the Ontario government has already committed itself to follow our legislation and to co-operate with it. They have already started with problems associated with truck shipments. I would like to use that as an example. When trucks in Ontario are carrying dangerous goods, they will be subjected to a wide range of inspection. They will be regularly examined at weigh stations. They will be subject to inspection by provincial police authorities and by local police authorities. The companies will be able to maintain their own standards and they will be able to seek their own goals to try to get a profit, but the public will also be assured that the trucking industry will have a degree of safety because of the regular inspections that will occur. I am not so sure that we can make that same claim today about our railroad system.

We do not inspect our trains as thoroughly as Ontario will be inspecting the trucks that run on its highways. I think the public should be given the assurance that we will upgrade inspection procedures, because public safety is such an important question. I would very much appreciate a few comments from the minister about his plans to improve the inspection and general safety procedures of the railways.

Mr. Pepin: Mr. Chairman, the only comment I can make is that we are moving similarly on the question of the safety of railway transportation.

• (1530)

Mr. Munro (Esquimalt-Saanich): Mr. Chairman, I am almost certain the hon. member has had his allotted 20 minutes.

The Deputy Chairman: Order, please. The Chairman is guided by the clerks who always check the time allotted to speakers. Each speaker is allowed 20 minutes. I am sure that when the allotted 20 minutes have expired, the clerks will advise me and I will notify members.

Mr. Pepin: Mr. Chairman, similar movement is taking place with respect to railway safety, which is more of a preoccupation of the CTC. My understanding is that the CTC expects to increase their force by 30 inspectors. I thought I had referred already to the presence of 11 dangerous goods inspectors. However, as my hon. friend knows, all these things are subject to national priorities as well as to the approval of Treasury Board. Much as I would like to be more enthusiastic, I must throw some cold water on these expectations because I know this hope will be subject to very close analysis.

On the subject of railway transportation, there was some news in yesterday's newspaper which I must rectify. It was reported that the Grange report had been tabled. The Grange report concerns the railway derailment at Mississauga, and my hon. friend is aware of that. We have, however, received the draft of the report of Mr. Justice Grange, who is using the facilities of the department for printing and translation purposes. I want to emphasize that I have not seen it nor will I look at it because I understand Mr. Justice Grange wants to present his report to me personally early in January. If there are leaks, they will not be from me, my office, or from officials in the Department of Transport. This is a service which the Department of Transport is giving to Mr. Justice Grange. He requested this service, the purpose being to use administrative facilities which exist, instead of creating new ones.

Mr. Fisher: Mr. Chairman, I want to underline what the minister has just said. Inspection for railroads is indeed a question of priorities. When we take a look at the issues, the

expense involved in providing numerous and proper inspectors is not as great an expense as providing for some of the other facilities in the ministry. Perhaps the minister will take as my representation this comment about the importance of the inspectors. More people benefit from adequate rail inspection than would benefit from some of the other facilities which his department finances.

When the Mississauga accident happened, it covered a geographic area extending approximately one-half mile away from the railway tracks. According to Statistics Canada there are some 250,000 people living one-half mile from the CPR tracks between Streetsville and Agincourt. Those people are vulnerable whenever a train carrying dangerous goods runs along that track. When we start to examine vulnerability in that sense, we begin to see how important is the question of public safety.

I want to congratulate the minister for increasing the number of specialists, but I hope that he will take a look at the whole question of rail safety and inspection and increase the number of inspectors, perhaps at the sacrifice of other facilities until he can provide funding for them as well.

Mr. Pepin: Mr. Chairman, by way of a caveat I should note, and I am sure my hon. friend will agree with what I have to say, that people listening to us might wonder whether those are the only inspectors the Canadian Transport Commission has and they will be surprised at how few there are. The CTC and the department inspectors are not there to replace the inspection made by the railways or by the airlines. They are there to inspect the inspectors. They are there to monitor what the inspectors have already inspected. There is practically nothing which can replace people's efforts—

Mr. Munro (Esquimalt-Saanich): You have exceeded your four minutes.

The Deputy Chairman: Order, please. I have heard certain unpleasant remarks about the time allotted to certain members. I would like all members to know that the hon. member for Mississauga North had six minutes last night and 14 minutes today, and that makes 20 minutes. That is the time allotment which will be accorded to each member.

Mr. Hargrave: Mr. Chairman, I have a short intervention. First, I would like to express my thanks to the member for Qu'Appelle-Moose Mountain for allowing me to speak at this time because I have a commitment to keep later on this afternoon. His courtesy is most appreciated.

I want to talk briefly about the movement of grain by rail all across southern Alberta in 1980. As I am sure the minister is aware, southern Alberta is served almost entirely by the Canadian Pacific Railway. There is only a short CNR branch line coming into the northern part of that whole southern area.

Nineteen-eighty has not been a good grain shipping year, particularly when it comes to the railways. It should have been much better. After all, most of the usually severe winter months were wide open. There were no reasons why almost normal summer rail movement could not have been maintained. So, it was not because of the weather. However, there were two main situations which contributed to this poor grain movement throughout most of 1980. First, there was the labour situation on the Revelstoke subdivision line which is in the interior of British Columbia which went on for months. The Revelstoke line is part of the main line of the CPR.

There was hardly any mention of the labour strike in the newspapers. It did not make headlines, and the public at large were not aware of the situation. Perhaps even those in southern Alberta did not realize it was a most serious factor until the situation was almost over. However, I am sure the minister is aware of this. The situation was caused by a small portion of a railway union. There were perhaps as few as 20 members who objected rather strenuously to the fact they had difficulty in getting one hot meal a day away from their base. That seemed to be the main thrust of the complaints. As a result, there was a horrendous holdup of massive amounts of prairie grain shipments which should have gone forward throughout the several months this strike was in progress.

The Grain Transportation Authority had suggested a goal of 1,500 unloads per week for this main line of the CPR of which the Revelstoke subdivision is a part. The 1,500 unloads of grain, not total, per week was their objective. During the strike that unload figure dropped to between 600 and 800, less than half the objective. By week number ten, the Revelstoke labour strike situation caused a shortfall of up to 5,000 cars of grain. That, of course, was in addition to all other commodities which were held up during the same period because of the strike. It made a fantastic difference to the shipments out of southern Alberta as that is the one rail system which serves us most of the time. It is true some of our grain is shipped through Thunder Bay, but most is over the CP mainline through the Revelstoke subdivision.

• (1540)

The second factor which contributed to this was that, when the new hard red spring quotas were announced at the beginning of the current crop year, there were no quotas allocated to the four shipping blocks which covered all of southern Alberta. This really hurt the grain shippers at that time. I need not dwell on it too long because I am sure the minister and his parliamentary secretary are aware of how urgently needed these early quotas are in order for farmers to have their cash requirements, meet their accounts payable, and so on. For some considerable time there was no quota for all for southern Alberta. In fact it was the only region in the designated Wheat Board area where there were no quotas for hard red spring wheat.

There are two questions I wish to ask the minister. First, there must be some built-in routine to deal with selected key railway strikes, such as that in the Revelstoke subdivision which tied up millions of bushels of grain movement to the west coast. It tied it up at the most critical time of the year when normally the maximum volume of grain should be moved. It could not have happened at a worse time with

respect to the traditional volume moving time. Will the minister indicate what action he has taken on this specific situation, and what policy changes he feels would be appropriate to prevent such critical holdups in our grain handling situation in the future?

The second question arising out of this dissertation I have been enlarging on with the minister is with regard to grain quotas or, more properly, the lack of grain quotas in southern Alberta. Why should all of southern Alberta be the only region in western Canada to be completely deprived of a hard red spring wheat quota, as it was at the beginning of the crop season this year? It lasted for two and a half months.

It is rather significant that I raised this matter with the minister in private conversation, and again raised it in a motion under Standing Order 43 a day or two later. That was in October, I think. Within one or two days, the initial quota was finally announced. It is less than proper that I should have to stand here and ask for quotas which should have been almost automatically struck for hard red spring wheat at the opening of the quota year.

I want to give the minister plenty of time to reply. The minister will know that the strike I have been talking about ended on November 6. While it is now over, the situation we went through surely suggests that a policy must be arrived at to prevent such a holdup in the future. I would appreciate a response from the minister to the two situations in question.

Mr. Pepin: First, Mr. Chairman, with regard to the Revelstroke situation, this is a situation my hon. friend and I have been aware of for a number of months. I must say that on some days I was rather impatient, but I must underline the fact that a good number of people worked at trying to solve this labour problem. The grain co-ordinator, whom the hon. member referred to, was involved, as well as the CTC western branch and, obviously, the Department of Labour. I understand there were some agreements reached, but they could not be implemented. There was frustration all the way through. I might say that I do not think this is a problem for the Minister of Transport. It is a really a problem of labour relations and, consequently, I will pass it on to my colleague, the Minister of Labour.

This morning I was looking at the figures with regard to the west coast. The hon. member went through the different weeks. I have week 17. Possibly I am one week ahead of him. I noted that over-all deliveries in Canada were 6.5 per cent higher this year over last year. Therefore the situation is good. This would have been even better without the problems referred to by the hon. member.

On the west coast this year 47,309 cars were unloaded, compared to 46,786 last year. Already the delay has been made up, partly due to a good interchange between CN and CP, particularly in Vancouver. Therefore the situation has picked up.

I might observe in passing that the "vessels waiting" situation is good. There are only two ships on the west coast and none in Thunder Bay. Although the strike caused a difficult situation, fortunately the delivery schedule was not damaged to any considerable extent. I agree with the hon. member that situations such as this should not be allowed to drag on unnecessarily, but that is the price of democracy. We must accept a certain amount of that if we want to accept that principle. My parliamentary secretary might want to talk about hard red wheat.

Mr. Bockstael: Mr. Chairman, I am sure the hon. member for Medicine Hat knows better than I that quotas are always established by the Wheat Board. When this matter was drawn to our attention, it was also referred to the Wheat Board in order to try to rectify the situation. We appreciate how important it is for the producers of southern Alberta to get their quota early so that they can have some income from their early spring wheat. Other than that, I have nothing to report.

Mr. Pepin: Mr. Chairman, if I may just add to that, unfortunately I do not have the information regarding the quotas with me at the moment. I attended to the situation the hon. member described, as quickly as possible. I was told that the necessary adjustments were made and deliveries were taking place normally. More recently, I understand that some grains from this area were included in a sale to the Soviet Union. The board assured me through the minister responsible that there would be no problem with regard to the sale of red spring wheat from southern Alberta in the coming year. They will be able to sell everything that is available.

Mr. Hargrave: Mr. Chairman, I want to come back to the minister for a little amplification on the matter of the aftermath of the railroad strike. I appreciate the minister's response, but surely the situation warrants some action by the Minister of Transport and the Minister of Labour, to whom he suggested he would pass the buck. Is the minister going to take this matter up with the Minister of Labour in order to try to come up with a policy to handle the situation a little better and in a more alert fashion, as I am sure it is only a matter of time until this occurs again?

With regard to the quota situation, I appreciate the sudden response we got after my Standing Order 43 motion, and I thank the minister for that. However, neither he nor his parliamentary secretary responded on why southern Alberta was discriminated against in the first place. It had to be the only area throughout the western prairies without a hard red spring wheat quota for several months.

● (1550)

Mr. Pepin: I am a bit frustrated because I had a card which demonstrated that the situation was not as serious as indicated. The Canadian Wheat Board gave the delivery permit at the right moment, but I cannot prove it because it was all indicated on the card I had. I will gladly send a copy when it is recovered. Just to assure the hon. member that the situation will be attended to, although at the moment I am sure it does not exist in the sense that the farmers in this area are not being handicapped regarding delivery quotas. I will assure the hon. member that this will remain that way. With respect to

the Revelstoke situation, I will talk again to the Minister of Labour and see what he can do.

Mr. Knowles: Mr. Chairman, I should like to use some of my time to talk about the pensions available to railway workers. I am sure this will come as no surprise to the Minister of Transport, and I hope he may surprise me by offering to be a little more active on this matter than he and his predecessors have been.

Before I get into that subject, I should like to take a moment to register my very strong protest against the issuing of the permit for the building of the Sherbrook-McGregor overpass in the city of Winnipeg. I realize that there are those—I refer to people in some other parts of the city of Winnipeg—who favour this overpass, but I stand here speaking on behalf of people who live on either side of the Canadian Pacific Railway tracks and who will be affected by the building of this structure.

The people who live in the Sherbrook Street area just south of the CPR tracks, and the people who live in the McGregor Street area just north of the CPR tracks, are in the constituency of Winnipeg North Centre. The prospect is very bleak to some of them with respect to what the building of this structure will do to those areas on either side of the Canadian Pacific Railway tracks.

I am leaving the main remarks on this to be made by one of my other colleagues from Winnipeg, depending on how many of them are able to take part in today's debate. Any one of them, be it the member for Winnipeg North, Winnipeg-St. James or Winnipeg-Birds Hill, can make the case. As a matter of fact, if the Parliamentary Secretary to the Minister of Transport were on this side of the House he would make the case too. He knows what this structure is going to do to the area that I represent, and to the whole of downtown Winnipeg. We think it is a mistake. This decision is an insensitive one and, as I say, if my colleagues get the floor today they will join me in this protest we make against this permit having been issued.

I said, however, that I want to speak mainly about the pensions of railway workers, and to make an appeal to the Minister of Transport. I wish I could see his face.

An hon. Member: What for?

Mr. Knowles: I appreciate the help that the public servants are giving to the minister, but I am very serious about this. I would like the Minister of Transport to quit being a messenger boy who reports to the president of Canadian National Railways and the president of Canadian Pacific Railway that certain members in the House of Commons are raising issues about the pensions of railway workers. After all, both of those railways owe their existence to the government and the Parliament of Canada, and both of those railways get all kinds of financial assistance from the taxpayers of Canada through this Parliament and through the government.

I think the Minister of Transport has the responsibility to discuss seriously with those railways their unfairness to their pensioners and the several aspects of the matter. I have gone over this issue so many times that I hardly need to go over it again, but let me sketch the main points which are disappointing to railway pensioners.

• (1600)

First may I say that we have lost a decade on this issue. Back in the early 1970s we were pressing pretty hard. Motions were passed by various committees, we thought something would happen, and then the present Minister of Indian Affairs and Northern Development, who was then minister of labour, arranged—and we welcomed it—for the setting up of an industrial inquiry commission into railway pension plans. He did this at a time when we were trying to settle a railway dispute and, since pensions were not included in the settlement, the setting up of this industrial inquiry commission was supposed to relieve our minds.

It took two or three years for that commission, headed by Dr. Noel Hall, to produce a report. It finally came down in 1976. By that time we had lost two or three years in the seventies, and then that report did what so many reports do—it began to collect dust.

Here we are four years later, and very little that was recommended in that report has been implemented. For example, it urged very strongly that the Canadian Pacific Railway be called upon to put its pension arrangements at least on a par with those of Canadian National Railways, and then it called on both railways to improve their pension plans. There was a proposal for the setting up of a heritage fund—this was even before that name became so well known in Alberta in another connection—out of which moneys might be available to index, escalate, or supplement the pensions of retired railway workers.

Back in the early days of escalation when some pensions were being indexed by a percentage point, or by two percentage points, the railways did it for a while. Canadian National did it first, and Canadian Pacific did it a little, but there never has been an acceptance of the proposition that railway pensions ought to be escalated automatically year by year in accordance at least with the rise in the cost of living, and in recent years things have fallen so far behind that older pensioners are way out of line in their incomes with what has happened to the rise in the cost of living.

As I say, I think it is time that the Minister of Transport played a role more than that of a messenger boy. He should talk to the railways about their responsibility to meet the retirement needs of their former workers. The ones who are still working, of course, have a chance through collective bargaining to try to win certain improvements in their pension plans, and they have won some improvements. The main desire on the part of those who are still working is that there be provisions for early retirement without penalty for such early retirement but, as I say, the main group of persons on behalf of whom I plead are the retired railway workers at both Canadian National and Canadian Pacific whose pensions have gone way out of line with the cost of living.

I urge very strongly that the minister act on this. If I repeat myself, I apologize, but I will do it anyway. So often when we raise matters like this the minister simply stands up and says, "I will make this known to the president of Canadian National or the president of Canadian Pacific". Well, it is time they were told what they ought to do.

In this connection there is a reform in pensions which simply has to come. I assert that it has to come in all pension plans, not just in those of railway workers, but what better place to start than with the railway workers, since the railways receive so much assistance from the taxpayers and the people of Canada generally? I refer to the provisions in both railway pension plans regarding widows. It is a rule that is in many other plans, but that does not make it right. That does not detract from the fact that it is antiquated and does not fit modern thinking at all.

Both railways have the provision that if a pensioner dies there is a 50 per cent pension for his widow, but if the wife dies first and the old man lives on as a widower, his pension is 100 per cent. Compared with the days when pension plans did not provide any survivor benefit, of course that was something to crow about, but surely in this day, when we say we believe in equality between men and women, there is no justification for continuing that arrangement in a pension plan under which, if the woman dies first, the husband receives a 100 per cent pension, but if the husband dies first the woman receives only a 50 per cent pension.

Various suggestions have been made about this. Some suggest that it should be 100 per cent for the first year, and then something like 75 per cent. Any improvement would be an improvement. I suppose one could say that we do not look for the ultimate right off the bat, but I suspect that if I were a woman standing here I would say, why not? If it is fair to do it, and to put women in an equal place with men in this respect, why not do it now? Why wait for a decade or two down the road? I urge very strongly that the minister press upon both railways that it is time to recast their plans so far as the pensions of widows are concerned.

As I have already said, if I were a woman I would plead for the perfect plan right now, but surely at least there should be a provision for widows to get 75 per cent of the pension instead of only 50 per cent, and if it meant that there would have to be some adjustment to put it on an equal basis, such that either survivor would get 90 per cent instead of one getting 100 per cent and the other 50 per cent, something like that might be worked out.

I have discovered in my work in the field of pensions that this has become an issue across the board which is felt pretty strongly. More people have pension plans now than was the case when I first came to this House of Commons, so they are aware of these things. Workers are getting older. Veterans are getting older, and they are getting more concerned about their widows than they were some years ago. But this is one of the important things railways workers do press, and I would like to see the minister go to the mat with the two railways on it.

Speaking of widows, there is another provision which still exists and which seems to me out of date, and that is the provision which says that the widow of a railway worker gets no pension if she married the worker after he retired. In most cases where this happens, she is the second wife. I have quite a job trying to explain to some of these widows that it is not because they are the second wives but because they married after the husbands retired. However, they still come back with the point that the contribution was made. It was there. There are cases in which the second marriage lasted longer than the first marriage, and yet we have the older railway worker having contributed to the plan and facing the prospect that he might die first and leave his widow, in the knowledge that if that widow was married to him after he retired, there is no pension for her at all. If this requires some adjustment in the rates, or some actuarial changes, let us make them, but surely it is time for us to move forward in this area.

I know a few years back there were pension plans which had no survivor benefit at all, so it was a great thing to achieve a survivor benefit of 50 per cent. But surely we do not stop there. Surely fairness, and the concept that men and women should be equal, should apply.

Someone may come back and say, "What about the other way when it is the wife who works, dies, and leaves a pension?" I am for that too, but the experience so far is largely that it is the man who is the wage earner and who is out there in industry or out there in the workaday world. But surely we do not have to argue any more that what he is able to do is very largely made possible by the support of his wife and by her maintaining of the home and raising the family, and there should not be any second-class status so far as the wife is concerned.

I want to leave the minister time to answer these points, and for me to answer him if that should be necessary, so I will leave it at that. I would be glad to have his comment on the first point I raised, even though some colleague of mine will raise it later today. That first point was the unfairness to the people of my constituency, as a result of granting the permit for the Sherbrook-McGregor overpass. However, in the main I would like to hear from him now on what he is going to do in terms of talking turkey to Canadian Pacific and Canadian National about putting the indexing of railway pensions on an automatic basis fully equal to the rise in the cost of living, and about doing something to put pensions to the widows of railway workers on a basis that is fair and equal.

Mr. Pepin: Mr. Chairman, my learned parliamentary secretary will answer questions on the overpass when they come.

I will try—very rapidly, for obvious reasons—to deal with the pension situation. The first time my friend, the hon. member for Winnipeg North Centre, raised this question, I paid great attention and went about finding out if that was one of my main responsibilities. I was told a number of things. The first was that the determination of pension is the subject of contractual agreements between employers and employees. I know that if the hon. member were in my position he would want to decide what should be paid in all agencies of govern-

ment, but I think on second thought he might not want to do so. Anyway, I do not determine the salaries and pensions of Canadians employed by government agencies. With respect to government departments, for example, that is in the hands of the President of the Treasury Board, and I was told in no uncertain terms that this was the subject of negotiation and that it was not under the authority of the Minister of Transport. So today I behaved like a good messenger boy.

● (1610)

I asked the parliamentary secretary to find out from the Minister of Labour whether he has something to say on the subject, and I will gladly give him some of my time when he comes back. I want to tell the hon. member, however, that I spoke to the president of CN on these matters and invited him to be generous in them. I know something about this because my father was a CN employee for 45 years. If I am here today, it is most certainly because of the good wages which CN has paid to its employees throughout these decades. I think CN has been a good employer. That was the reputation it had when my father was with that company. Their pension plan in particular was good. So I am quite sure that my hon. friend does not wish to chastise CN. He just wants it to give better and better treatment to its employees, and I compliment him on that.

Mr. Benjamin: We are talking about pensioners, not employees.

Mr. Pepin: To become a pensioner you must have been an employee first, and then you become a pensioner, following which an adjustment is made to the pension plan—

The Deputy Chairman: I regret to interrupt the minister, but the agreement is that the 20 minutes must be shared between the questioner and the member who answers the question.

Mr. Hamilton (Qu'Appelle-Moose Mountain): Mr. Chairman, I welcome the opportunity to participate in discussion on these estimates. I should like to open my remarks by congratulating the backbench members of the Liberal party for taking advantage of this long lost opportunity of bringing up problems not only affecting their own constituencies but of the country as a whole, because this is the only occasion that parliamentarians have to put their viewpoints and their problems before the minister with a chance of them being heard. However, I should like to congratulate in particular, on behalf of all backbenchers of every parliament in the world, the young member for Manicouagan for the contribution he made yesterday.

Some hon. Members: Hear, hear!

Mr. Hamilton (Qu'Appelle-Moose Mountain): I do not think that any person who heard his remarks could have failed to hear that he was speaking for every backbencher of every party which has ever sat in parliament. The trouble we have as members of Parliament in breaking through this tremendous mess of an overloaded bureaucracy, and in trying to resolve simple problems, is one of the heaviest loads we bear, so I think the hon. member for Manicouagan is owed a debt by all of us for speaking so frankly.

It is expected of us in the opposition to try to put our best foot forward on these estimates and to try to get our points across, so I will attempt to do the same thing. I think you will notice, Mr. Chairman, that the points made by the opposition yesterday and today have been largely constructive and helpful to the minister. This gives the minister arguments which he can use with his officials and with his colleagues in cabinet and the Treasury Board to get some changes made a little more expeditiously.

I should like to speak on two subjects. The first one deals with the Canadian Wheat Board. Even though I address my remarks to the minister, I know the parliamentary secretary will be listening. My remarks are very brief. It is a request to the parliamentary secretary to the Minister of Transport to ask the minister in the other place in charge of the Canadian Wheat Board to put before his legal officials an amendment to the Canadian Wheat Board Act to correct an injustice which takes place from time to time in the administration of that act. I am referring to the fact that a regulation of the Canadian Wheat Board Act gives the farmers the right to ask if they may transfer their payments from the pool in one crop year to the next pool. That right was granted by Parliament through this regulation of the Canadian Wheat Board to all producers under the Wheat Board's jurisdiction. In effect, that right is denied to farmers who hold permits under the Canadian Wheat Board Act because of a condition which occurs periodically.

I have the details on what I am now saying but I will put it in general terms. Under the Canadian Wheat Board Act, every farmer has the right to deliver to the elevator of his choice a number of bushels of grain up to the amount of the quota allocated to him. The technique of doing that is that the Wheat Board asks the leading elevator company how much space is available for a certain type of grain. When the report comes in and the railway cars are dispatched to pick it up, every producer in that elevator area has the right, equal to that of every other producer, to deliver that grain.

When a mistake is made, and the figures given as to the amount of space that is available and the amount of grain on the farms do not match up so that a number of farmers in the area cannot get the allocated bushels into the elevator in that crop year, then the Wheat Board Act allows for an extended delivery period. But the Canadian Wheat Board Act says very precisely that if a person delivers grain during an extended crop period beyond July 31, he must become part of the pool of that crop year which ends on July 31, which takes away from that producer, through a mistake made by someone else, his right to deliver that grain during that crop year and put the grain into the elevator in the next crop year for pooling purposes of the final payment. It is not a deliberate and evil contradiction, it is a normal thing which happens in the

administration of a complicated marketing system such as we have.

The minister knows all about this. He has spoken to producers who have had trouble in that regard, and he knows that these matters were brought to the Canadian Wheat Board, which treated the matter facetiously and said, "You lost out in the gamble." I am asking the parliamentary secretary to take this up with the minister in charge of the Wheat Board and to tell him that the first thing to do is to adopt a simple amendment to the Canadian Wheat Board Act. The second thing to do, in my view, is that when an injustice is done and mistakes are made, the principle of compensation should be considered and accepted.

The incident I spoke about happened in 1978, over two years ago. One company, which I will not name, found out about this injustice because several farmers who had delivered grain to their elevator could not get their grain in, as they had the right to do on an order of the Canadian Wheat Board, and had to deliver their grain during an extended marketing period. So they lost their right to go to the next pool. The company compensated those producers for their loss. But another grain company said to its customer in the same situation, "No, you lost the gamble, you did not get it in." We know that it must have been either the fault of the grain company that it had not informed the Wheat Board accurately, or it was the fault of the Wheat Board that they issued the order without knowing exactly what the situation was. The fault does not lie with the producer.

It is no use going to the Canadian Wheat Board and asking for their advice in this matter.

No civil servant at any level ever wants to disclose a mistake. So I am asking the parliamentary secretary to speak very candidly to the minister who understands this type of thing, and ask him whether he could get his legal officers to correct an error which exists in the present Wheat Board Act and which makes it impossible to carry out the regulation dealing with joining in the second pool. I think that is fairly simple to those people who understand the situation.

● (1620)

If the *Hansard* record is shown to the minister, I am sure he will consider my requests. The first request is for an amendment to the Canadian Wheat Board Act, and the second request is to consider compensation being paid by whoever is responsible for the mistake. Either the Wheat Board or the grain company, either one or the other, should compensate the farmer who loses out through no fault of his own.

I should like to deal with railway transportation and the Hall commission report. When the report came down, speaking on behalf of the official opposition I stated that it was the magna carta of western producers. One reason why I made that statement was that the government periodically was under heavy pressure to change the Crowsnest rates which farmers consider to be a moral agreement that should not be destroyed. The Hall commission recommended that the Crowsnest rates be retained, but it laid down a positive, constructive proposal, showing how it would not cost the railways anything.

In very simple, blunt terms, the proposal was that railways should haul more than just grain. Every Canadian knows that the bulk of the wealth of Canada comes from the area west of the Great Lakes. Not only grain produces that wealth. Every year there is a rise in the number of shipments of every type of product. The products about which I am talking at this moment are the bulk ones which are most suitably carried on railways, particularly potash and coal.

The Government of Canada, along with the government of the United States, signed an agreement in good faith on approximately February 18, 1980. It committed the coal reserves of the United States and Canada to Europe and Japan. We will do all we can to supply their desperate need for coal over the next 40 or 50 years. If one looks at where the coal is located and the quantities necessary to meet the rising demands of Japan, Taiwan, South Korea and the entire Asian theatre, as well as the demand in Europe, one realizes that it amounts to many millions of tonnes per year and that this coal for Europe can only come from Saskatchewan and Alberta. Of course the coal for the Pacific market will come from British Columbia. I am talking about thermal coal, but it applies also to metallurgic coal.

If one looks at where coal is located in Saskatchewan and Alberta, one will soon find out that it is in the southern part of Saskatchewan and in the northwestern part of Alberta. I am not talking about the Crowsnest deposit which is orientated toward the Pacific market. In order to make it physically possible, we need a north-south railroad, from southern Saskatchewan going north into Churchill. All the parts of that railway are in place now as joint sections between the east-west lines going into Churchill, except for three little gaps.

If we want to send ten million tonnes of coal a year to Europe, it means the Churchill port will have to be kept open eight to ten months a year. We can do that, and the department is working on it. If we take ten million tonnes of coal out of Alberta and Saskatchewan at a freight rate several times per tonne greater than that at which wheat is carried, we will provide an income for the railways as great as the income from carrying all grain. If we ship an extra four or five million tonnes of potash a year through Churchill, which is the direct route, to the European market, the railways will earn four or five times more than they would carrying the same weight in wheat.

The incomes of the railways sharing in that carriage will be doubled or tripled by the simple act of completing the railway from southern Saskatchewan up to Churchill. The cost of building these little links is small, except for the engineering difficulties of crossing the Qu'Appelle River. It fits into the Hall commission report to build a new grain terminal elevator in Yorkton so that the dry protein grain of the south can be mixed with the lower protein grains of the north in order to increase the standards of grain to the levels wanted by the European market. It will be a direct route to Europe, so we

will double the wheat movement, not to mention feed grains which are increasingly needed in Europe.

The minister knows about this. He has indicated a favourable attitude toward it, but his only hurdle to overcome is to convince one railway company that the rewards of getting across the Qu'Appelle River are far greater than the cost of getting across it. Engineers have known for some time how to do it.

The government of Saskatchewan is very anxious to move coal and potash into the markets of the world. Because of the surveys conducted in the last five years, we now know more thoroughly how much potash and coal there is in Canada. I think the plans of the provincial government of Saskatchewan for developing the Qu'Appelle River could be combined with the needs of the railway to get across the river, and the solution would be beneficial to the province of Saskatchewan and to all the people of Canada. We would be able to complete our obligations under the agreement to provide coal to Europe and Japan.

What I have just described is not mentioned in the Hall commission report. In chapter 9 or 10 it deals with how we can make the railways pay for themselves by hauling more products. I have given, in quantative amounts, the rough parameters on how to make a north-south railway in eastern Saskatchewan pay for itself. Not only will it help the entire country, but certainly it will relieve the pressure on western grain producers which hangs over their heads like the Sword of Damocles, that some silly ass some day will say that we must change the Crowsnest rates.

In 1966 the minister of transport admitted in the House that there was no necessity to change the Crowsnest rates if the railways were making money out of hauling. So, let us make money for the railways in spite of themselves, but it must be done with the strong, strong support of the Minister of Transport. We cannot talk to the railways as we would talk to a group of music teachers. They must understand just one thing—they must be able to explain to their directors and shareholders why they are turning down the opportunity to make money. Once we have said that loud and clear to the railway company heads, they will agree, because they would not dare to stand before their directors and shareholders denying that they should make money.

I would think my remarks are sufficient and hopeful enough to get the minister really interested. He should not take the attitude that he wants to learn more; he should simply get out there and say, "This is what we want to do; let us find the difficulties and clear them up one after the other". In so doing there are several small things he must remember. There is an application before the Board of Transport Commissioners now to pull out one of those little lines which run north and south, on the grounds that it is not economic. This rail line is called the Corning subdivision. It was recommended for abandonment by the Hall commission report and it was turned down by the other study which followed, but it did not consider the subdivision as part of this north-south concept I have just outlined.

• (1630)

Both the Hall commission people and the later study failed in their responsibilities to bring into the over-all global picture what we are trying to do. This matter was put before the so-called Neil study under the authority of the then minister of transport, who gave the solemn promise that if any grain company would say they would keep their elevators in place on these lines which were up for abandonment, then the government would guarantee they would be put on to the permanent lines of the railway system until the year 2000.

Several railway lines were given this status by orders in council as a result of this policy by the former minister of transport. Two of these lines were late in getting their information in, and the then minister of transport promised that he would pass on the recommendation in writing to the new minister of transport, which he did. He asked the new minister to honour his commitment to these producers, in view of the fact that the government was changing. The present minister has not seen fit to honour that commitment to the Corning line. In view of what I think is a reasonable and fair view of the picture, I would ask him if he would not consider answering the letter of the previous minister of transport and say he will honour all the commitments made under the policy announcement. This should be done for two reasons: one, for the sake of being honourable and not taking advantage of a minister who made a commitment, who did not want to act on it because the government was changing and, two, since it is part of a long-range strategy of making the railway, which I think the minister supports—

The Deputy Chairman: I regret to interrupt the hon. member but his allotted time has expired. The minister will not have time to answer.

Mr. Foster: Mr. Chairman, I am happy to have the opportunity to say a few words this afternoon to this committee on the estimates of the Department of Transport. I think the debate which has already taken place indicated the tremendously wide scope the Minister of Transport has to cover when we consider all the modes of transportation—water, rail, road, and air. In connection with that wide scope I think we ought to congratulate him on at least two Crown corporations which, during the past year or so, have made a profit. They are Air Canada and CN. Notoriously, Crown corporations do not often make profits so when they do I think we should draw attention to it.

I want to mention also a program that people might not associate with the Minister of Transport. In my constituency we have the north channel cruising and sailing area of Lake Huron. During the past couple of years the Minister of Transport established a program for water safety called the inshore rescue program. A couple of years previous to that the department established a coastguard auxiliary program in which individuals can work in units in co-operation with the coastguard in promoting water safety and search and rescue programs. Certainly in this area where we are very dependent on tourism, in particular boating, these two programs have been most useful and I congratulate the minister on establish-

ing them. I hope he will continue them and expand them in the future.

There is hardly another department of the government which can carry out this vital work which is so important in our area. As well, the boater safety programs are equally important in preventing accidents. For instance, the inshore rescue program has two stations, one located in Batchawana on Lake Superior and one in Blind River on Lake Huron, in which young students carried out important search and rescue programs and boater safety programs during this past summer.

I would also like to raise a number of concerns that have surfaced in my constituency relating to airports and air safety. This past summer the Department of Transport carried out an important paving program on the apron of the Manitoulin Island airport, which serves the entire Manitoulin Island and district. However, this was carried out late in the season and some problems have been identified with the paving program. If the program which was carried out this past year is to be fully beneficial to that airport I think it is important that the paving of the main runway be carried out during 1981-82 so that the full benefits of this improvement will be realized. We are hoping that those airport facilities, which particularly serve the tourist industry of Manitoulin, will be increased, because the customs service has agreed to expand their program in the coming year, which will provide customs service right from the airport and, as well, will hopefully provide the direct phone-in service. The phone-in customs service has been operating in the Sault Ste. Marie area for the past year, and will be especially beneficial to Manitoulin airport if established there. I am hoping those two improvements will take place in 1981. That would move up the date for the paving of the main runway, which is scheduled for 1982, from 1982 to 1981. This would enable the necessary remedial work to be done to the apron improvements which were carried out this past summer.

I also want to mention the Sault Ste. Marie airport, which is also located in the Algoma constituency. I mention it because during the next couple of years there will have to be important improvements carried out there as well. The services have outgrown the size of that airport. We have several carriers in there now, including Nordair, whose facilities will be expanded next spring. This will result in the manager of the airport being removed right out of the airport into an auxiliary building. Air Canada has two or three auxiliary buildings as well, which points to the need to expand the facilities of that airport terminal building. In the next couple of years, not only for additional carriers, but to improve the baggage area which is very poorly set up at present. The restaurant facilities, too, are totally inadequate and in need of improvement.

I also want to mention the third airport which is located in the Algoma constituency. It is located at Elliot Lake. The town of Elliot Lake is growing rapidly from some 15,000 people to what is projected to be close to 25,000 by the middle of this decade. This is due to the expansion of the uranium mines in that community. Along with this increase in population has come an increase in the use of the airport.

The federal government spent some $300,000 in 1979 to expand the runway from 2,500 feet to 3,500 feet. Included in the $300,000 figure was the provision of lighting to the runway. The air boardings and the use of the airport have expanded dramatically since 1976 when there was something in the range of two boardings a month as compared with over 1,000 boardings a month between the two commercial carriers which operate there now. Last month there were over 120 charter flights operating out of that airport. We actually have four communities feeding services into the Elliot Lake airport: Chapleau, Sault Ste. Marie, and Sudbury to Toronto, with nine scheduled flights a day.

• (1640)

Plans are going forward in the next fiscal year to improve the taxi way, the lighting on the taxi way and the car park at the airport. Other needs will become apparent with the expansion of the use of the airport during the next three or four years. Certainly in the next couple of years the small metal building which serves as the terminal will require expanding as the town grows. I know that proposals will be coming forward from the Elliot Lake airport committee and the town council for the expansion of that facility. The expansion is necessary because of the growth of the community and in the general area, the growth of air traffic, the development of the Eldorado uranium refinery at Blind River, and the general expansion in the uranium mining industry.

Another problem which the town has faced for the past two or three years is with regard to the atmospheric environmental service at the airport which is currently being provided under an arrangement with Norontair, the principal air carrier in the area. However, the way in which this arrangement works out means that a small town of 15,000 people ends up subsidizing by $75,000 a year the atmospheric environmental service which is normally provided at airports by the federal government through the Department of the Environment. Surely, as the traffic grows this airport will grow, and the responsibility for this service should be assumed by the federal government rather than maintained by a community of this size. It is interesting that this weather information is fed into the national weather service. Obviously the responsibility ultimately lies with the federal government.

More urgently, I want to raise the matters of navigational aids, air traffic control, and radio communication at the Elliot Lake airport with the Minister of Transport. There is a large amount of air traffic at this airport every day, which has nine commercial scheduled flights. At the present time MOT plans are going forward to instal a new non-directional beacon by the summer of 1981 and I understand that negotiations are taking place to have this beacon located at an appropriate spot west of the airport. I also understand that there are plans going forward to move the peripheral UHF radio station from Blind River, some 15 miles or 20 miles away, to the airport to help air traffic control cover this airport.

I am told that we have quite a dangerous situation at the present time because we do not have air traffic control.

Considering the number of flights and considering the bad weather during the winter months, a great deal of concern is being expressed by the airport committee, pilots and the commercial air carriers, that because there is not proper air traffic control, action should be taken immediately. I hope that the minister will see that action is taken to provide air traffic control, better navigational aids and better communications aids, because they are essential to this airport.

I would like to congratulate the minister on the action which was taken to provide a new air navigational aid at Wawa, which is just west of my constituency. The device was installed this past year at a cost of some $800,000. It will be very useful to that entire area on the north shore of Lake Superior, north of Sault Ste. Marie. I understand that this is the first air navigational aid of its type to have been installed outside the Rocky Mountain area of western Canada. Certainly it is important to air safety in that area on the north shore of Lake Superior.

I would like to leave some time for the minister to respond to the several questions which I have raised about airport facilities and air safety in the Algoma constituency, namely, an earlier start to the improvements at Manitoulin-Gore Bay, the terminal facilities in the Sault Ste. Marie, and an increase in the number of navigational aids and the safety facilities at the Elliot Lake airport. I think that it is important that the minister respond to these matters.

Mr. Pepin: Mr. Chairman, I will respond to the remarks made by the hon. member for Algoma on the needs, both air and marine, in his constituency. At the same time I would like to take this opportunity to inform the hon. member on what the life of the Minister of Transport entails. I can in all honesty say that the sort of representation he has made is reiterated by almost all the 282 members in this House, including the hon. member for Ottawa-Carleton, who occasionally decides that his riding also has an airport.

My department pays attention to all the matters which are raised, and I am particularly sensitive to those representations. I wake up in the morning thinking about such matters, or go to sleep at night dreaming about radar, ELTs, runways, aprons, parking concessions, and so on and so forth. It has become a major preoccupation.

Mr. Hnatyshyn: Tell us more about your dreams.

Mr. Pepin: Strangely enough, there has been a change in values. On the subject of safety, the hon. member for Algoma made some comments with which I agree. The preoccupation will be great and the department is very much concerned about safety. When one listens to what is said on air safety, one forgets to look at the record in Canada, particularly with respect to regular scheduled carriers. We have been very fortunate because the number of accidents in Canada is extremely low, and in most years it has been zero. I am looking at my air administrator for his blessing as I am speaking, but most years the fatalities have been zero. This would suggest that there is a lot of good equipment and much attention given to such matters.

I would like to report very rapidly that the first operating station of the joint en route terminal system at Moncton was opened last summer. This is the first of seven such terminals which will be located across Canada. A rather expensive radar modernization program has been developed which will cost, if I remember correctly, $147 million.

I would like to use this opportunity both to agree with the representations of my friend and to say how expensive this equipment is. The department and the minister try to be as fair as possible in distributing the advantages around the country, but the demand is almost unlimited. I welcome the kind of interventions made this afternoon and last night, particularly by the hon. member for Manicouagan who laid it all out on the floor of the House with regard to his frustration, to which I replied in part by saying a few words on the frustration of the minister.

● (1650)

I also welcome what the hon. member for Algoma said about the coastguard auxiliary program. This has been very, very helpful, and it is one of the main objectives of the department to continue that expansion.

I wish I had more time to deal with the matter of search and rescue, but I want to tell members what is happening. There has been an increase in the number of accidents, particularly on the west coast, due to the increase in fisheries, the increase in commercial transport and the increase in the number of recreational boats. This applies to the Great Lakes as well. Accidents have increased. The Department of National Defence has the primary responsibility in this matter but the Department of Transport has the marine responsibility, and it is spending a lot more money on this particular aspect of its responsibilities as years go by.

I want to thank the member for Algoma and tell him that I will be particularly mindful of Manitoulin, Elliot Lake, and the coastguard auxiliary force.

Mr. Blenkarn: Mr. Chairman, I want to apprise the minister—I am sure if he was here last November when we had that problem in Mississauga—that certain representations were made in the House by the member for Mississauga North, and I think they should be corrected.

The tragedy of Mississauga occurred at 11.50 p.m. on November 11. On November 12 at two o'clock in the afternoon when the House opened, this House unanimously directed the minister of transport to have a full and independent inquiry into the activities that happened in Mississauga. As soon as possible the minister organized a public inquiry under Justice Grange. As the minister knows, it is not easy to get a public inquiry going. You have to get a judge, then counsel, and so on. The then minister moved as expeditiously as was possible.

Secondly, the minister directed the CTC to have a Mr. McGee at the site throughout all of the investigation problems, and throughout all of the period when the evacuation was

taking place. If the member for Mississauga North lived in Mississauga, if he had even recognized where Mississauga was on November 11, he would have known that. The member is talking through his hat. He does not know what the minister of transport in the last Parliament did. That minister of transport did everything for the benefit of Mississauga that could conceivably be done.

Some hon. Members: Hear, hear!

Mr. Blenkarn: Mr. Chairman, I want to direct a question to the minister about air transport. The minister will know that in Mississauga we have probably one of the most profitable airports in Canada, and certainly one of the most busy airports in Canada. The minister will also know that study after study has been made of this airport. I refer him to the last study, the Southern Ontario Modal Passenger study, completed in September, 1979. That study recommended all sorts of things be done. If the minister would direct his attention to Malton, I would like to know what the minister has done with respect to a terminal that was supposed to be built within 12 months from the date of that study. Fourteen months have passed and nothing has happened.

Mr. Pepin: Mr. Chairman, I am surprised at the ferocity of the tone. I am flabbergasted, as a matter of fact. I am not used to it. But the short answer was already given to a member from the Toronto area some days ago in the House when I said that the terminal is the subject of a study at the present time. Unless my air administrator contradicts me as I am speaking, the decision on the terminal is expected to be made early in the year.

Mr. Blenkarn: Tell us when construction will commence.

Mr. Pepin: First of all, the matter has to come before cabinet and Treasury Board. After that we start planning with architectural designs and that sort of thing. I would think that it will be anywhere between two or three years before the actual construction will take place. Another subject which is being explored now is the financing. A number of people have suggested that in view of the limited financial capacity of governments these days, and in view of the tremendous need across the country for facilities of this kind, we should consider other forms of financing for airports.

As my friend already knows, my department has been through a study exercise on airport management. Unfortunately, its recommendations have not met with unanimous support in all parts of the country, so we are trying to adjust it in order to make it more acceptable to a greater number of people. Thus, there is all this talk under way about both the third terminal at Malton and the financing of it.

Mr. Blenkarn: I must say that three or four or five years is not acceptable. There is terminal crowding now that is seriously interfering with service in Toronto. The terminal could be financed without any expenditure of public funds. Indeed, the terminal would make a profit from day "go", and the minister knows that. There seems to be no reason whatever for the holdup and delay in getting on with this needed terminal building. I would like to have a better commitment than three, four or five years, and study after study, from the minister on this matter. It is about time that the minister took his responsibility for this problem seriously.

This airport presently takes in airplanes like the Cessna 172, and it even rents out space to people in which to park their Cessna 172s. Can the minister tell me what it costs to tie down a Cessna 172 at Toronto international airport?

Mr. Pepin: I am very familiar with the increase in the recent landing fees. I have good reasons—something like 67 good reasons—judging from the number of letters I received from members of this House. I answered in kind, in the sense that I sent an explanatory note to my hon. friends to explain what had been happening. I am familiar with the increase in landing fee from $1.65 to $5. I explained that and a great number of other things to hon. members, in my letter. The first thing is that this is not vengeance. This is not an attack on general aviation. This is simply an effort to make sure that people using these facilities at the four major airports, namely, Mirabel, Dorval, Malton and Vancouver, make a just and fair contribution to the cost of operating these airports. I have inquired about the price elsewhere in the world and I am told that in Boston and New York it is closer to $50 than it is to $5. Unless my memory does not serve me well, it is more expensive in other airports in Canada also.

Another argument which I have used is the fact that people who are using these airports—and that applies to the four already mentioned, and to the others—should be mindful also that the department does have to recover some of the investments it makes. Why does it have to do it? Because there are other locations in Canada, other groups of people, who would like to have small airports or big airports, and don't. It is a question of fairness.

On the subject of the timing for the construction of the third terminal in Malton, if I was slightly reluctant to indicate a date—and by the way, my hon. friend transformed the two to three years, which I used, to three to four years. Suddenly there was a year added to my timetable. If the terminal were built by private enterprise it could be built more rapidly than if built by government. So I go along with the argument he is trying to make. I suggest to him that we are investigating that possibility now.

Mr. Blenkarn: Mr. Chairman, may I ask the minister about tie-downs. A tie-down is a place where a person can rent a space at the airport to tie down their airplane so that it will not blow away. Does the minister know you can, in fact, rent a tie-down for a Cessna 172 cheaper at Malton than at the Brampton Flying Club?

• (1700)

Mr. Pepin: Mr. Chairman, that proves how difficult it is to assess what people actually pay for the services they get. People who own aircraft have to pay a number of fees. For example, there are fees on fuel, and there is this one on

tie-downs. There are landing fees, and so on. Presumably there is the cost of alcohol at the bar, too. However, this should be seen as a general proposition. In the letter which I sent to members I explained the very substantial rise in the cost of landing fees at Malton and three other airports. I indicated fees have not been increased in other areas of the airport.

Mr. Blenkarn: I was not really concerned about the landing fee charges. It is my feeling that a major airport should not be used when there are problems with respect to runway capacity, as there is in Toronto. In my opinion, people should not be allowed to fly in and out of a major airport in private single engine aircraft which are unable to land at speeds comparable to jet aircraft. Toronto international airport is probably our busiest airport in Canada. It certainly has most of our commercial traffic. By allowing planes which have to land at less than 70 knots per hour, this delays all sorts of jet traffic.

When is the minister going to treat Toronto international airport as an international airport? When is the minister going to supply general aviation with other facilities away from the jet-age traffic so that general aviation can have a place from which it can operate with proper IFR facilities? If he handles it that way, he could leave the capacity at Toronto for regular commercial flights and regular business activity using jet aircraft which can land at speeds appropriate to the jet age.

Mr. Pepin: Mr. Chairman, I can only say that the argument which my friend is using is one which I refrain from using. This argument is qualified as unfair by a number of people. It is all right to say that you should use Cartierville if you are in Montreal instead of Dorval, or St. Hubert; to say you should use Buttonville or Maple if you are in Toronto. I was told this is not a very good argument. It is possible that a person who has a plane may not be in a position to use those satellite airports. I did not want to make that as a part of my argument, but if my hon. friend wants to, he can suit himself.

I think it makes some sense in these big international airports used by the larger aircraft, and although I am not an air traffic controller it would appear to me that getting in all the pipsqueaks at the same time must delay the operations of the big planes. I was told not to use that argument because it would not wash well, both intellectually and psychologically.

Mr. Blenkarn: Mr. Chairman, the minister knows that you cannot use the argument of small aircraft being permitted to land at Toronto international as an excuse to go through a big process of building an airport at Pickering. Would the minister give us a commitment to supply the satellite airports with the IFR facilities so those airports can be used to their fullest extent? The problem is that you cannot fly into Toronto Island airport in all weathers. That is why a person cannot leave his aircraft there. That is why business cannot use that airport to its fullest extent. You cannot use the Maple, the Brampton Flying Club airport or the Oshawa airport the way one would like, simply because the air control facilities are not there. The traffic protection facilities for IFR flying are not there. Will the minister do something to make it possible for people in general aviation to have an airport to go to so they do not have to take their lives in their hands and compete with the jumbo jets?

Mr. Pepin: Mr. Chairman, that just proves demand is great. I was going to use the word "unlimited," but that may be an exaggeration. My predecessor used the formula at Vancouver when he offered Boundary Bay airport to private investment. That is an idea.

Mr. Mazankowski: It is a good idea.

Mr. Pepin: The idea has been explored. Yes, I said that even in the absence of the hon. member for Vegreville. Even when he is not in the House, I say kind things about him.

My air administrator says that consideration is being given to limit the use of Malton by small aircraft on the basis of pilot licences and weight of plane. This makes sense, and we have just agreed on that. As a counterpart to that, maybe we can try to pay particular attention to the improvement of facilities at the satellites so we can have a compensating balancing factor.

Mr. Blenkarn: Mr. Chairman, the minister will recall that I asked him in the House about the estimated cost of putting navigational aids into the Toronto Island airport. I suggested to him that it would be about $5 million. Will the minister confirm his investigations with respect to what he has done about my question on the Toronto Island airport?

Mr. Pepin: Mr. Chairman, I have these figures somewhere. Apparently $5 million is correct. However, if I recall, there are two amounts of $5 million; one is for the airport itself and one is for the facilities leading to the airport. If the two are put together, it makes sense. If the Toronto community and the relevant authorities—metropolitan, the city and the government of Ontario—are interested enough to put the STOL project into operation at Toronto Island, then there might be a division of labour and expenditures between the federal government and the other interests and orders of government.

Mr. Blenkarn: Mr. Chairman, I appreciate there is a $5 million charge to put a bridge or a tunnel into the airport, but it is not necessary to build a bridge or a tunnel because there is a ferry service available. It is my understanding from the minister's figures that $5 million spent on navigational aids would indicate a repayment of the $5 million in about four years with any STOL service. Will the minister confirm that is the case? Will he confirm that if he spent the money on navigational aids there is enough business ready to go there, particularly if he gives the licence to people who want to run the STOL service, and he will get the money back in four years?

Mr. Pepin: Mr. Chairman, I tiptoe into this debate because there are so many ifs in the air. The first if, as the hon. member for Mississauga indicates, is the participation of whoever is going to get the licence from the Canadian Transport Commission. I do not know who it is. One of the

difficulties of the decision is by not choosing, because of the uncertainties, the Transport Commission made it more difficult for me to bring this matter to a conclusion.

Had a candidate been selected by the CTC, we could have talked to that person to find out to what extent financially he could get involved in the costs of developing the facilities which my hon. friend has mentioned. That has created difficulties. It is now an "après vous Alphonse, après vous Ernest" situation. I now have to do the work. That will start in the coming days. I will find out what other orders of government are willing to do to get this project on the road. I make puns voluntarily. I will then find out to what extent the successful applicant could be involved in this. We will get through it.

• (1710)

The Chairman: This is the last question for the hon. member for Mississauga South.

Mr. Blenkarn: The minister will know the government has spent a great deal of money supporting STOL technology in de Havilland. There were at least three applicants who want to use the airport facility at Toronto Island.

An hon. Member: Five.

Mr. Blenkarn: Five. I suspect the minister will know that every member representing Toronto from his side of the House is probably in favour of it, and I suspect that almost every member from the Toronto area on this side is in favour, with the possible exception of the hon. member for Beaches. The new mayor of Toronto is in favour, as is the chairman of metropolitan Toronto and the Toronto Board of Trade.

Will the minister now tell me why he has to talk to more people about that possible airport, which could conceivably pay for this service in four years, before he interferes, and does something to make STOL technology available to Torontonians and others in the Toronto area?

The Chairman: The hon. member's time has expired. Possibly the minister can reply briefly.

Mr. Pepin: Just a couple of sentences, Mr. Chairman. I am perfectly aware of the distribution of intelligence or lack of it in this House and elsewhere. With the possibility of one or two, I know who is for and who is against. If I am doing it this way, it is because the steering group had been created for that purpose by my predecessor once removed. I believe my immediate predecessor had the same intention. Therefore, there seems to be some wisdom around the decision to develop a consensus among the different parties. We will talk money at the same time. That is why I am doing it in this fashion. If I were not doing it that way, the hon. member would say I am being despotic and Napoleonic, or something of that nature.

Mr. MacLellan: Mr. Chairman, it is a pleasure for me to speak during these estimates debates. I want to mention first that I feel the Department of Transport is probably one of the most difficult departments of the federal government over which to gain administrative control. It is my feeling that the present minister has done an excellent job from the point of view of Atlantic Canada. He has had to cope with matters which have been very difficult to oversee.

In recent years Crown corporations have been turned over to their own control so that at the present time the federal government does not exert much jurisdiction over them. One such corporation which is gaining strength, power and authority, and which ought to be very mindful of the needs of Canadians, is Canadian National. CN has a great influence on the lives of Atlantic Canadians.

VIA Rail has recently become a separate company. Although it is no longer a part of the CN system, it is no less important. The maintaining of passenger rail service in the maritime provinces is of the utmost importance. I was glad to see that VIA has put new coaches on the Nova Scotia runs and has made its rail cars considerably more attractive.

In recent years, probably within the last 12, there has been a very disturbing problem in my constituency. That is the erosion of CN Marine, which provides ferry service from North Sydney to Newfoundland. That service is guaranteed under the terms of union with Newfoundland.

This very important service has deteriorated to the extent that approximately five years ago it employed about 1,000 men on the wharves and today employs less than 500. Of these 500, a great many are not working full time and are merely on call. This has been a source of concern to the communities of North Sydney and Sydney Mines, and to me personally as the member of Parliament for that area.

This deterioration continued through the years. This year, with the help of the minister, we were able to obtain a study on the problems of CN Marine. I want to thank the minister very much for interceding in this very desperate situation. The study has not yet been completed. We are hopeful it will point out where the problems have been in this industry and with this community. Once we know the source of the trouble, I am hopeful that steps will be taken to rectify a good part of the difficulty. With this report the minister has provided to the people of North Sydney the feeling that the Department of Transport is not only interested in the future of this very valuable asset, but in the well-being of that community.

The most current and pressing difficulty regarding the CN system is CN Express. I do not need to tell of the difficulty the closure of CN express terminals in Atlantic Canada is creating, particularly in my constituency. The CN Express terminal in the city of Sydney will be closing completely. This will mean a loss of 52 jobs. The economy there, without the closure of CN Express, is very, very shaky. Therefore, this is a very bad time for the economy of that area. The economy will improve with the coming of the mining industry and steel industry, but at this critical juncture the loss of jobs and services will be very damaging.

In the last month, three businesses on the main street of Sydney ceased operation, and rumours are that other businesses will be following suit. These are difficulties that busi-

nesses are facing before Christmas. Imagine what it will be like after Christmas. The difficulties facing these businesses, particularly the merchants, with the closure of CN Express will be absolutely devastating. I ask the consideration of the Department of Transport in that regard.

The additional cost of unloading parcels at Stellarton, the closest terminal, but many miles away, and loading them on to another truck owned by another company will drastically increase the cost of shipping from other points to Cape Breton Island. The economy of Sydney cannot absorb that additional burden.

In view of the hardships facing the merchants of Sydney, is the minister prepared to assist the community in overcoming this very bleak scenario?

● (1720)

Mr. Pepin: The hon. member for Cape Breton-The Sydneys puts me in a very difficult situation. The difficulty is really the behaviour of the minister with Crown corporations. It is not a new problem. Every minister who has been around has experienced this. In the case of CN, it is a schedule D corporation and has a great amount of freedom. That is the way the system works. When Crown companies have less freedom and independence, they are put in different category from that one. The minister must be aware of that. My predecessors have taken the same position as I, that is, we do not tell them what to do. We discuss with them, we try to bring forward other points of views manifested by members of Parliament, bring factors to their attention, and so on.

An hon. Member: What about the president's salary?

Mr. Pepin: Well, even at that, the present salary he receives is probably half of what he would get elsewhere. That applies to us too, but we have special dedication.

In this particular case, I have agreed with the purpose of CN Express and have said so on the floor of the House, because CN Express indicated that they could not do a good job of competing in small parcel express. They tried it and, because of the nature of the beast, they cannot. There are various truckers and others who are more keen and capable of doing it. It is a confession on the part of CN Express that for small parcels they are not able to compete with other companies which are lighter, specialize in certain areas, and do a better job.

Another reason why I cannot agree is the behaviour of CN Express with workers in terms of pre-retirement, relocation, pre-pensioning and retraining. Another reason was the attitude they are taking with respect to communities, in that they will not leave the responsibility to fly-by-night operators but try to accommodate the communities by way of developing subcontracts, interlining and so on. So, they were mindful of their responsibility.

What we are witnessing now is that CN Express is trying to accommodate, in a civilized fashion, the interest of the communities. What we are hearing now is that there might be some accommodations for Charlottetown, Prince Edward Island, and Cape Breton-The Sydneys, in particular. Maybe they can develop another modus operandi so that there would be only one centre, Moncton, but there would be trailer facilities going from Moncton to those other areas which would reduce the number of employees who would be laid off. Again, I do not want to tell CN Express how to do it. They are, very conscientious people and I told them to do the best job they could in the light of the philosophy that they expounded when they told me that they intended to retrench the small parcel business. I hope the end result is acceptable to the greatest number of people.

Mr. MacLellan: I am sure the minister appreciates the seriousness of the situation. As I mentioned to him, it is not only a question of jobs in this particular case but the actual survival of a downtown area, an area which is, at this particular time, undergoing considerable hardship.

● (1730)

I think probably very kindly, CN Express is providing pre-retirement pensions and has offered to give displaced employees job opportunities in other branches of CN. In many areas this might be satisfactory. Unfortunately, in an area in which all arms of CN recently laid off employees who are now on call and on standby, to take men from CN Express and to give them the first opportunity for employment in another branch of CN is merely postponing the opportunity for people in that other branch of CN once again to obtain gainful employment. In the context of the high level of unemployment in industrial Cape Breton, I think what should be considered very carefully when Dr. Bandeen, CN and CN Express look at this question, as I think they must, is what the final situation for the CN Express facility in industrial Cape Breton is going to be.

Mr. Pepin: Mr. Chairman, the hon. member has made his case very eloquently. It used to be said of CN that it is both a business and a responsibility. That is the balancing act it has to do regularly.

CN is a business, and it is not there to lose money. I heard an hon. member say this morning that this was the first time he could report that Crown corporations were making money. But if every time they make money—and in business circles this is one of the indications that you are doing a good job—we say they have to lose that money, we take it away, what then? It is this balancing of responsibility between business enterprise, efficiency and so forth that those schedule D corporations must achieve. They must reconcile themselves between being in business and exercising responsibilities, and there is no formula in the textbooks of this House or in the government which will give us a good definition once and for all. In every instance that balancing takes place, and hopefully it will be done well again this time.

[*Translation*]

Mr. La Salle: Mr. Chairman, I have listened carefully to the minister's replies to the various questions put to him today. I

also had the opportunity to read part of yesterday's *Hansard*. I recognize that the minister shows much sympathy for the problems raised by his various colleagues in the House. He will admit that it is not enough to sympathize with the frustrations of some members—the minister has stated that he was frustrated himself in several cases, even the officials are frustrated—but those are not the answers expected by the Canadian people and by hon. members.

The minister has referred, of course, to the appropriations, which are always restricted. I shall try to ask a few quick questions in the hope of obtaining brief and concrete answers. Since I have a few questions to ask and my time is limited, I will deal first with a matter which does not require additional estimates.

I had the opportunity to inquire in the House on two or three occasions about the future of Nordair. Yesterday, the member for Laprairie (Mr. Deniger) felt that he was justifiably concerned considering the interest shown by some Quebec groups, considering the circumstances since the matter has been discussed, and since the government is committed to resell that corporation to private interests. Could the minister tell us quickly how the matter stands and whether the sale will be completed before January 1?

Mr. Pepin: Mr. Chairman, if the hon. member can settle the matter, why did he not do so when his party was in power? Obviously, I would have been the first one to be relieved. If he did not act himself with his colleague the minister of transport at the time, it is because the problem is particularly difficult. Some people refuse to accept that, but I feel that in this case especially they are not showing much sense of responsibility. The matter is extremely complex and has become symbolic in a way. But once again, I tell myself that it is not of my own doing.

Compromises should be made by the shareholders in the matter of the balance between shareholders within what is known as Regionair, a holding company grouping various persons and companies. They should come to terms among themselves; the Quebec side and the Ontario side of the group should come to an agreement. Now, if the hon. member insist that I should take care of the Quebec group only, which I doubt he will do because it would be a disservice to the cause, I would remind him that though Nordair has its head office in Montreal, it does in fact operate in Ontario. So it is quite proper for the Quebec government to be interested in the case, just as it is for the Ontario government to be concerned with it too. What is good for one is good for the other. All those aspects have to be taken into account and it is with that rather tricky balancing act that we are now busying ourselves. I met once again the Regionair group a few days ago and I shall surely do so again in the next few days. We are trying to find a balance in the matter. It is not just a matter of the shareholders coming to terms, but also that of accommodating the people who work for the companies and the people who manage them. They are entitled to some attention too. In many cases, they are responsible for the success of the company. Their interests deserve some consideration.

A third group must also be accommodated: the unions. They have a say in this as well and they have a right to be concerned about the outcome. I feel it is our duty to respond to that too. In addition, we have to think of the future of the company, future investments and the services it will offer its passengers, and so on. So I think this is a very serious matter. Some of my friends have told me that I agonized too much over it, but I would rather be accused of agonizing too much than too little. So, that is why it has taken so much time and is still taking time, but I do think the problem will be solved one of these days.

Mr. La Salle: Mr. Chairman, the minister tells me that this is a serious matter. Of course, it is a serious matter. We considered that matter. We did a lot of work on that case. A responsible minister pursued that study, Mr. Chairman; however, I think there are limits to the decisions a government must make, and I asked the minister whether he was in a position to tell me at what date he was going to make a final decision. If we consider that the study by both governments is a two-year study, in any case the minister responsible has almost ten months. I think that the people of Quebec, Canada and Ontario are interested in that matter, and I am aware of it. Following the representations which have been made to him by his colleagues, can the minister at least say whether we will have to wait ten months, two months or three weeks longer? Mr. Chairman, this is the question I ask the minister today.

Mr. Pepin: Mr. Chairman, the hon. member knows that I am favourably disposed towards him. But if he wants to contribute to that debate, why does he not tell us this afternoon how he would have solved the problem? I shall listen with the greatest interest.

Mr. La Salle: Mr. Chairman, today we have an opportunity to put questions to the minister responsible, and the fact the minister is asking me questions astounds me as well as the Canadian people. It is his responsibility to provide answers, it is his responsibility to make decisions. He has not decided anything in ten months. I do not care at all if he accuses me of failing to make decisions in a seven-month period. We made progress regarding that matter, and the minister has just proven something once more today, and he has disappointed the hon. member for Laprairie and others who take an interest in that matter and are concerned about certain formulas. I am simply asking the minister. Of course it interests Quebeckers, Mr. Chairman, and it interests them enormously. They are also interested in the principle of a certain majority of shares in Quebec interests, without disregarding the interests of Ontario for all that. There is lobbying around, we are aware of it. I ask once more of the minister: How long are we going to wait for an answer to that question?

Mr. Pepin: I cannot say. And in this matter as in many others, I discharge my responsibilities. If some of my friends feel that I am not going fast enough in this matter, it is their privilege to criticize me. The hon. member is exercising his privilege now. I have consistently stated that matters have to settle in the Nordair case, and this is now taking place. Some may feel that the process is too slow, that I am not, should I say, bold enough, gambler enough, that I should decide and things would settle down once a decision had been taken. Be that as it may, everyone plays that game with his own gut feelings, and mine would be rather cautious in that kind of thing, especially in a case like this when there is a symbolic significance. We must be especially cautious when a case like this takes on a symbolic significance, which this one has had right from the beginning, and do not blame me for that.

So I tried to be nice this afternoon as I told the hon. member he was missing a golden opportunity to indicate how he would have solved the problem. Because when I took over this department, all the problems were not solved. Yesterday, my friend from Vegreville seemed to be saying that the only problems to have been solved were those he had solved himself. But such was not the case; many problems had not been solved when he took over the department, and I inherited many from him. This is normal. It is a classic situation.

As I was saying to the hon. member for Joliette, he missed a good opportunity to contribute to the solution of the problem if he so wished, but he did not. He asked me a question and I replied by pointing out how difficult it was to solve the problem. He is now asking me to tell him what is my deadline, but I cannot do so because the negotiations are still going on. However, I am giving this matter all the attention it deserves.

Mr. La Salle: I can assure the minister that we respect the principle of giving priority to the interests of Quebec without, however, neglecting Ontario.

What I can tell the minister if he will not or cannot reply today, is that what concerns the hon. member for Laprairie and many others is the priority given to Quebec's interests. I want the minister to know this.

Another matter of great interest to Quebec is the confidential report submitted last September 29 to the federal Minister of Public Works, and since it concerns the famous Mirabel project, the Minister of Transport is certainly involved to a large extent. Has the minister seen this document, as I imagine he has, and would he care to comment on what I would call the nearly disastrous situation outlined to the Department of Public Works concerning Mirabel? Nearly all those who live or work there are shocked to see that the initial plan has yet to be carried out. There is much concern because of the amounts that would still be needed to improve all aspects of this project which was supposed to bring about great economic and social benefits and which has fallen far short of its goals. Could the minister comment briefly on this report if he has read it?

Mr. Pepin: Mr. Chairman, if my hon. colleague is referring to my department's report, I have indeed read it. I do not know whether there is another report. There may have been another on the peripheral zone, on Mirabel's cattle exporting potential. I do not know exactly what he is talking about, but my department has indeed produced a report, to which I have referred in the House, which deals with the situation at Mirabel, the reasons behind the problems.

There are reasons, the main one being Montreal. For reasons which would be too long for me to explain today—because I do not want to take up the hon. member's time—Montreal has simply not been as booming as one could have expected when the building of Mirabel was being considered. That often happens. Forecasters are wrong sometimes one way or another. For example, in Calgary, the department of the day was accused of lacking vision, and volume has increased twice as fast as forecast. What I mean essentially is that economic conditions explain the situation. There are some purely technological conditions, if you want. Aircraft are getting bigger and bigger and cover ever greater distances.

● (1740)

I saw a few days ago that Iberia, which used to route all its flights to Mexico via Montreal, has now routed part of its flights directly from Madrid to Mexico without going through Montreal. This is another one of the factors which have caused the expectations concerning Mirabel to fall through. Several departments are involved in this issue. The Minister of Public Works has a responsibility as concerns the peripheral lands, the Department of Agriculture has some responsibilities concerning the use of the airport for cattle exports, and there is a committee which regroups all of this.

I should perhaps say a few words about the Department of Transport report which I mentioned earlier. I said that the department is studying the factors which have brought about the present situation and that it then makes certain hypotheses. There are now seven scenarios, from moving only a few elements to moving the whole facilities, and each of these scenarios is then analysed on the basis of seven factors, such as passengers, cargo, carriers, and so on. This report should be made public in the next few weeks. The reason I have waited is that three aspects which I consider extremely important are not covered in this report. These are the costs for the passengers, the costs for the carriers and the costs for the governments. I thought that a study which did not cover these three elements left a lot to be desired. This will make up the second phase of this study, and this is what my department is now working on.

Mr. La Salle: Mr. Chairman, some time ago, following a speech made by the Secretary of State, a newspaper reported that after a commitment on the part of the Liberal caucus during the election campaign concerning the second phase of the project, the Secretary of State himself had abandoned this project, and I would like to know if he was stating the position of the minister and the government and whether it is true that the second phase, which included, I believe, an airport and a runway, will be definitely postponed as the newspapers have reported?

Mr. Pepin: No, Mr. Chairman, that is not true at all. Perhaps what was meant was—well I do not know what was meant, but the investigation is going on. The cost analysis concerning the three components that I mentioned earlier is going on. What we have done is to eliminate some of the possible scenarios that I mentioned earlier. We have kept only the first, which was the status quo, the sixth, which concerns the transfer of everything except the shorter routes, and the seventh which is a complete transfer. This has narrowed the analysis to be made and the study is now much more limited. It is within this more restricted context that we shall now know what the costs would be.

For my part, I do not know whether my colleagues think that I am too careful. Perhaps I am, but I have always been this way. I have not changed. However, I believe it is very important to make cost analyses, before making such vital decisions, because even though many people were willing three years ago to move everything from Dorval to Mirabel, many others are not. Many people would like Dorval to develop as it has been since the second year of the project. Before undertaking any move, the government wants to ensure that there will be some industrial development in the Dorval area to replace the people who will work elsewhere. This is what is going on and it takes a certain time; becoming impatient will not solve anything. I want to accommodate as many people as possible, but in such a matter, I believe that the public will agree that it is better to look twice before leaping.

The whole situation is undergoing a maturing process, a certain evolution. Of course, after what happened in the last few years at Dorval, if the plan continues, if new facilities are provided, the next few years will see new growth, new balance and, in the final analysis, people will not be perturbed to any great extent. At least, that is what I hope.

Mr. La Salle: Mr. Chairman, the minister is surely aware of some of the comments of the hon. member for the area who, for instance, is concerned about the delays, that long overdue development, the projects that could be integrated at Dorval, at Mirabel; he even wonders if the civil servants may not be somehow responsible for those delays. In light of the study on train services between Mirabel and Montreal, the future use of Dorval versus possible progress and changes at Mirabel, is the minister in a position, for instance, to indicate whether or not he intends to conduct public hearings at which all interested parties, in Montreal, and Mirabel, as well as probably all hon. members who are interested in the Mirabel project, can be heard, through his own committee or a special committee that could be instructed to look into the matter and see what changes are indicated? There is doubt about it: the viability of Mirabel is important to the government and, as a consequence, to the voters, the citizens. Can the minister tell us whether he would consider an open study of the matter to allow all those whom the project interests to comment on it and participate in it?

The Chairman: The time of the hon. member has now expired. If the minister wants to reply very briefly, he may do so.

Mr. Pepin: Mr. Chairman, the study is in progress. It is the type of question that could lend itself to open discussion once the study has been completed. With regard to the use of Mirabel, I would like to refer to the recent change that happened when First Air received the mandate to cover Ottawa-Mirabel, while Air Canada had only one daily service. First Air will have three round trips. This is the kind of optimal utilization the ministry is striving for in the case of Mirabel to improve utilization, to encourage people in Ottawa to use Mirabel when travelling abroad, to the Caribbean or elsewhere, so they will go there rather than elsewhere.

Mr. Roy: Mr. Chairman, I am pleased to take part in this debate on the estimates of the Department of Transport. The minister stated he wanted to add additional information to the matters raised by the hon. member for Joliette. I will give him later an opportunity to do so, because I also have certain questions for him.

I am amazed to see how eager the hon. member for Joliette was to get answers he already knows. It will be remembered that when he was minister for the northern region, wherein Mirabel lies, his remarks or press conferences earned him nothing more than a reputation as a minister for patronage, because he stated he was ensuring that people doing the census came from the Tory organization. Certainly everyone must remember that speech by the hon. member for Joliette. He looked more anxious to ensure that the people doing the federal 1981 census would be members of the Tory organization.

● (1750)

On his second contribution to this debate, Mr. Speaker, the member for Joliette is suggesting another public study, but as far as I am concerned it seems to me that we have had enough of them, and when the minister says that he is very careful, I can only agree with him about that.

However, I am quite conscious of the complex nature of the responsibilities of our Minister of Transport. He is responsible for maritime, air and land transportation in this country. I

have had an opportunity to learn a bit about his activities when I was parliamentary secretary and at that time I had mentioned, like other colleagues, that the present structure of responsibilities within the Department of Transport which covers the field of air, maritime and land transportation, not to mention the Canadian Wheat Board, made it humanly and physically impossible to ask a minister to be responsible before the House for the management of all its activities and I have not changed my mind on this subject.

Mr. Chairman, we are speaking of the Department of Transport, of its activities. Because of its strategic location in the northeastern corner of North America, Montreal has become a natural hub of all modes of transportation: surface, rail, water, and air, both domestically and internationally. As member for Laval, in greater Montreal, I am convinced, having seen them speak in caucus, that all my colleagues agree we must take this opportunity to make the minister and his staff aware of our concerns as members of Parliament for the development of greater Montreal in the transport sector.

There are 80 million people in a 1,000 kilometre range around this city of three million residents. Because of its privileged position in eastern North America, Montreal has become one of the most industrialized and richest cities in America and since the beginning of aviation in this country, it has become the main port of entry to the rest of the country and the main jumping off point for Europe and the rest of the world. Air, marine, rail and road transport operators converge on the city to make it into an international transport centre. With that objective in mind, we Liberal members of that area will continue to call on the minister to ensure the development, as was mentioned earlier, of Mirabel international airport. Situated 1,500 kilometres from the ocean, the Montreal harbour allows large ocean going vessels to get to the heart of the continent; well situated at the head of the St. Lawrence Seaway, it controls all movements from the ocean to the Great Lakes.

World aviation capital, Montreal houses the seat of the International Civil Aviation Organization and the International Air Transport Association. Situated at the heart of the most travelled rail corridor in the country, Montreal is also where two transcontinental railway systems have their head offices. From all directions, major highways penetrate Montreal's urban fabric whose topography is criss-crossed by all sorts of expressways.

It is, therefore, recognizing Montreal's strategic importance in international transportation, that I rise tonight to speak in this debate. It is obvious that these characteristics were taken into account when the site of Mirabel airport was originally chosen. I do not intend to go over all the points that have been made thus far, but I would like to take this opportunity to find out in what direction Mirabel international airport is headed.

For months, not to say years, the members who are working at the regional level have studied several departmental papers to ensure the development of Mirabel. However, it seems to be almost impossible to know what direction will be taken. I was wondering this evening when the Minister of Transport was answering the member for Joliette and listing the number of departments involved at Mirabel if he does not think that the present structure was not too cumbersome. The minister said that when a decision concerning the peripheral areas of Mirabel was made the Department of Public Works had its say. When livestock exports are concerned, the Department of Agriculture gets in the act. The Department of Transport, as well as the Department of Finance, Treasury Board, etc. are, of course, involved in the development of Mirabel.

It seems to me, Mr. Chairman, in light of the facts acquired after almost ten years of experience, while the economic context is different, that the planning and development schemes have been altered, but I feel that the structure is too cumbersome and that decisions are not taken because studies are multiplied and consequently Mirabel is endangered.

If the minister is willing to hear me, I would like to make a suggestion. Unlike the member for Joliette I will not refer once again to another public inquiry or anything else. The member of the area, Mr. Chairman, have been considering the problem for many months. Given the complexity of the structure and the fact that the Department of Public Works, the Department of Transport and the Department of Agriculture all have their say in any decision, I take this opportunity to suggest to the minister that we should lighten the structure, set up a board of directors at the airport who would be responsible to the Minister of Transport and would co-ordinate the activities of Mirabel, Dorval and Saint-Hubert. In addition, the board of directors at the airport would endeavour to develop the area and the trade at the industrial park of Pica. The board of directors would also be asked to organize step by step the implementation of the Mirabel plan. It is a suggestion I am making to the minister. The present organization seems to me to be extremely heavy. Decision-making takes an enormous amount of time and we now find ourselves in a dilemma. When a minister becomes responsible for the administration of the airport, new studies are undertaken and it causes further delay. I make that suggestion. The problems seem to have been identified.

● (1800)

I am thinking about the problem of transferring flights from Dorval to Mirabel, of completing the development of a road transport system, of rapid transit on rail or otherwise. I have made perhaps ten speeches in the House on the importance of developing roads to Mirabel. A very modern airport for passengers as well as cargo has been built, but there is no road system and the province of Quebec under a PQ administration does not have any confidence nor any interest in developing Mirabel. We have been told Mirabel did not rate as a priority. It seems to me it is up to us to ensure the development of a road system to try to improve the situation.

I should like to ask the minister a question about commuter trains. I am addressing the minister, Mr. Chairman. With regard to commuter trains, I asked in October what the policy of the Canadian government would be, while abiding by the fact that urban transportation comes under provincial jurisdiction. We have had the sad experience of the abandonment of

road transportation, of CP rail service. The province of Quebec refused to take responsibility for providing service to users. Then the Quebec transport minister wrote to the CP Rail director once again to express pious thoughts, and not only was the service discontinued but after my conversation with CP Rail authorities, it was suggested that the Lakeshore service could also be discontinued in December if the provincial government, that is the government of Quebec, does not fulfil its responsibilities in that area. I should like the minister to tell us about his policy on the improvement of commuter train service.

Mr. Pepin: Mr. Chairman, I must say that to be able to make a comment on the administrative structure, on the structure the hon. member for Laval is suggesting for Mirabel, I should ask him first two questions: Does he suggest the establishment of an executive board or an advisory board? I have to know that. And I have to know what kind of source of financing he has in mind. What will be the financial responsibility of that board?

Mr. Roy: Mr. Chairman, I am pleased to answer that question. To me, that board should be administered somewhat like the National Harbours Board; it should be a kind of board of administrators with such powers that decisions would be a little closer, we would have a much closer centre of decision. I made that suggestion because it seems to me that as far as current structures are concerned, given the involvement of three or four departments in the decision-making process, the results we have seen so far fail to indicate that the present structure is the most efficient. There are some Crown corporations—I refer to schedule C—whose board of directors reports directly to the minister, and I am now thinking of a board like Canadair's, class C. That board has some powers and is directly responsible to the minister.

Mr. Pepin: Mr. Chairman, if the hon. member for Laval did not see the study the department made on airport management, that will demonstrate that great minds think alike because that study advocates something along the lines of the hon. member's suggestion. It even indicates how we could conciliate the local board with the management of the Department of Transport since the department must assume some reponsibilities for the security aspects, for example. According to this study, which proves that studies are sometimes very useful, the Department of Transport and that local board could share the responsibility and the authority. I could go on, but I will not. This study also shows how the financing could be shared, how some taxes could be earmarked for these airports and how the airport administration could raise funds to extend the runway, to build a roadway or a parking lot, which goes to prove that great minds think alike.

But the problem is that this study made by the department met with quite a bit of opposition in the country and it is interesting to note that it has a lot to do with psychology and culture. In some areas, people say that these airports—I am talking about Mirabel for instance—are too fraught with responsibility to be entrusted to ordinary people who are not qualified to assume these responsibilities. It is therefore very difficult for me to sell this policy by showing to what degree it is applied across Canada.

But to encourage the hon. member I would say that the second part of his speech is also very pertinent because some people suggested at the same time that it might be risky to entrust the local administration with this responsibility, that it might be advisable to establish the equivalent of the harbours board at the national level, with subsidiaries at the local level and this body would be the same across the country. That, I think, is what the hon. member for Laval was saying at the conclusion of his speech.

In any event, we will try that line of action with harbours. Because as I stated yesterday we have a document addressed to my colleagues in which we are trying to establish a structure which would consider the National Harbours Board as a strong super-corporation with mini-administrations in Montreal, Vancouver and elsewhere. We will test that system. We will see if the response of cabinet to this approach is positive and if its application to harbours can be extended to airports. I thank the hon. member for his contribution to our consideration and this area.

[*English*]

Mr. Munro (Esquimalt-Saanich): Mr. Chairman, I am delighted to take the first opportunity I have had to participate in a debate of this sort. It gives one an opportunity to get into some of the problems which cannot really be dealt with in question period, for example, and it enables one to bring to the attention of the minister concerns which are better dealt with through an exchange across the floor rather than in correspondence. Correspondence can go on interminably.

It seems to me that one of the suggestions made in the speeches up to this point is that the minister had been expecting that nine months of Conservative government could have solved the problems created in the preceding 11 years. I think those of us who have had a few years in this House can remember the word "mess" being used in connection with the Department of Transport by one of the minister's own predecessors from that side of the House. So it is understandable that there are problems there.

I am wondering if the minister in his visits across the country in his ministerial jet was able to take a few minutes out to visit some of the airport facilities on his route, or whether he is rushed off by the staff through the side gate. I would like to ask the minister if in either the Kamloops or Victoria airports he has ever gone into the airport to examine the facilities.

Mr. Pepin: Certainly not in the aiports the hon. member has mentioned, no.

Mr. Munro (Esquimalt-Saanich): That is unfortunate. I wonder, then, if he is aware that, aside from there being a study into the Victoria airport expansion, which has been going on for three or four years now—I hope he is aware of that—there is a problem between management of the airport and Air Canada and PWA with respect to the ticket counter

and baggage-handling facility. Has the staff ever made the minister aware of this problem?

• (1810)

Mr. Pepin: Mr. Chairman, if the hon. member is suggesting that the minister get involved in such matters, he is either having some fun with me or he has not reflected on the matter. It is impossible for me to be kept informed on all the discussions with employees at the counters at all the airports in Canada. It is the job of the hon. member to bring such matters to my attention, whereupon I would be delighted to investigate for him. But for the life of me, I cannot visit all the airports and ports, large, medium or small, in the country. I have taken a sampling here and there. I would go nuts and be unable to do the job which is required of me as minister if I were to satisfy the apparent demands of the hon. member.

Mr. Munro (Esquimalt-Saanich): Is the minister aware of the development study with regard to expansion at Victoria international airport?

Mr. Pepin: I am aware that there is a plan for the airport and that it covers such areas as runways, terminals and so on. I am aware that the matter is being debated in the community and of the excellent discussions between my officials and the community. My officials have been praised for their part in the discussions with the community of Vancouver. If that is not the case, then it is the responsibility of the hon. member to tell me so.

Mr. Munro (Esquimalt-Saanich): I am talking about Victoria international airport.

Mr. Pepin: I thought you were talking about Vancouver.

Mr. Munro (Esquimalt-Saanich): I am talking about the Victoria airport, and I can see it in front of me as I speak. I will concede that perhaps the minister does not have a spare five minutes to view the terminal facilities when he arrives at an airport. We heard yesterday about a dash of some 300 feet from an air terminal to the aircraft. I wonder whether the minister realizes how far that is. Ottawa was a fine example up until two years ago, because we all had to go outside the building to get to the aircraft. I think I am correct in saying that Victoria is the only capital in Canada which does not have proper boarding facilities of a regular terminal design. I hope the minister will ask his staff to look carefully at the arrangements which are being made for Victoria.

I would like to put on record, so that his officials may look into the matter, the fact that there is a problem at the Victoria airport which could result in a strike, I refer to the handling of baggage from the ticket counter to the baggage-carrying belt. Perhaps it would serve the minister well if he were to take a commercial trip from time to time and go through some of the processes at Victoria international airport, or at Kamloops airport where the same problem exists. While in Kamloops a couple of months ago, I learned that the airport has a converted outhouse just outside the airport terminal which is used to house freight and unclaimed baggage. It is an absolute disgrace, as is the space available for the staff at that airport.

If I heard the minister correctly, he said at one point that $47 million has been made available for modernizing the radar system across Canada. Am I correct?

Mr. Pepin: You are being too modest. It is $147 million.

Mr. Munro (Esquimalt-Saanich): And it is for modernization? I ask the minister what sort of radar is being used for this modernization. Is it the same type as that used at the Moncton area control centre?

Mr. Pepin: The hon. member is referring to JETS, the joint enroute terminal system. The first major installation has been established at Moncton, and there will be six more such installations across the country. It is a control system which connects with local systems.

What I was referring to is the radar program which is known as RAMP. I have indicated the price. The equipment is being developed now and we are trying to get the money from the usual source. The system should begin to be implemented by fiscal year 1984-85, and Victoria has a good position in those plans. The reason for the change is that the radar system in Canada is beginning to age. It has an average age of 20 years. It has been kept in excellent condition, which is typical of the Department of Transport; consequently, there is no hazard to safety, but the time has come to modernize the system, and that is what is taking place now.

Mr. Munro (Esquimalt-Saanich): The minister mentioned the RAMS system. Is that an acronym?

Mr. Pepin: Yes. It stands for the radar modernization system.

Mr. Munro (Esquimalt-Saanich): It is not a type of radar which involves installing JETS across the country in the six locations and elsewhere? Or is it just where terminal installations are required?

Mr. Pepin: JETS stands for the joint enroute terminal system. RAMP stands for radar modernization program. They are two different programs.

Mr. Munro (Esquimalt-Saanich): So there is a program presently in progress to instal these JETS, the joint enroute terminal system; there is one installed in Moncton and five more to be installed. Is the minister aware of when these systems were developed, and how modern are they?

Mr. Pepin: I will have to get advice on that topic. Could the hon. member go on with other contributions?

Mr. Munro (Esquimalt-Saanich): My understanding is that they are obsolete, but I do not know why I should be giving the minister the answer to the question. I think I have just done so.

Mr. Pepin: That was not my intent. I merely wanted to ask my air adviser about the matter. On the general point, the debate among experts as to the quality of a particular piece of equipment is the same as the debate among experts on all other subjects. There are always people, and we read about it every day in the press, who will say that a certain piece of equipment is the greatest invention since sliced bread. Then others will attack that same piece of equipment as if it were of no use at all. There is a similar debate on the quality of the equipment purchased by the department, or by any other department for that matter.

Mr. Munro (Esquimalt-Saanich): I am not talking about the quality of the equipment; I am talking about the obsolescence of the equipment and the technology that is involved. The minister should be aware that the equipment is at least 20 years old. I find it very strange that the department would continue with the installation of obsolete equipment while putting across to the general public the illusion that it is modernizing or bringing up to date the radar system across Canada. Is the minister prepared to comment on that point?

• (1820)

Mr. Pepin: I am not prepared to give advice on what is the best equipment. The department has a lot of qualified people for that particular purpose, and they have discussions. I take the advice of my officers on these matters. I am not competent to judge, nor do I know anybody in the cabinet who is, what is the best radar available in the market now. I really do not know what the member from Esquimalt-Saanich expects me to say at this particular moment. Does he want to say that I have personal views on this matter? I have none. I take the advice the air transportation administrator gives me when he says that this is the most modern piece of equipment available. We could have a debate on the importance of rail compared to buses, or buses compared to airlines, or big jets compared to STOL aircraft, and so on and so forth.

Mr. Munro (Esquimalt-Saanich): I think we were talking about radar. I wonder whether the minister could tell us to which corporation the contract was given to develop this system for installation.

Mr. Pepin: It has not been given. I have also received correspondence from Raytheon to the effect that they should be given the contract without competition, but this is not the view of the department, and this is being attended to now.

Mr. Munro (Esquimalt-Saanich): Perhaps the minister could tell us whether CAE Electronics is in this operation in any form.

Mr. Pepin: Well, that sort of proves the point I was making, that another company feels it should be given this contract, I understand, almost automatically. Others would like to participate in it too and, of course, this is what is happening now. It will be an open tender.

Mr. Munro (Esquimalt-Saanich): Will it be given to those who have expertise in the development of radar equipment, or will it be given to those who have been developing simulator equipment for training pilots? I wonder whether the minister is aware of that part of it.

Mr. Pepin: If I were aware of all these questions I would be senior air adviser. I am sorry, but my hon. friend is old enough, he is experienced, he is a former diplomat, he is a great intellectual, he is a great thinker, and so on and so forth, and he knows very well that there is no minister on earth who can explore and find out all about the different pieces of radar equipment. The answer is that there is an interdepartmental committee involved in ensuring open competition and that all developments and purchases are in accord with government policies and practices.

Mr. Munro (Esquimalt-Saanich): Does the minister become involved in this committee once it has decided what it is going to do, or does the minister have any say whatsoever in this?

Mr. Pepin: I would not care to give advice to Mr. McLeish on which of the radar systems would give the best bang for the buck in Canada at this time. Really I am at loss to find out what the role of a minister is. I read MacGregor Dawson and he tells me on page so-and-so that the minister should not be an expert. I do not want to teach political science to my hon. friend. I am not supposed to be an expert. I am not going to say, "Hey, McLeish, buy this radar, it is the one I like", because it is red or blue or whatever it is. Is that the role of a minister, according to my hon. friend?

Mr. Munro (Esquimalt-Saanich): I wonder if the minister has ever been brought up to date on some of the problems confronting air traffic controllers at Victoria international airport? Is he aware, for example, that within the last six months there have been near misses reported at the rate of at least one a month? I also hope he is aware—if he is not, he has not been listening to my question—that there is no radar in use at Victoria international airport.

Mr. Pepin: I am certainly aware of it because my hon. friend has taken very good care to make me aware of it. As to the radar system, he asks me the question every time he sees me—on elevators and everywhere. So how can I not be obsessed by it? I have consulted people who know about these things and they have assured me, on a stack of Bibles, that Victoria is not in trouble now, that the service is covered from Vancouver, that the distance is not an abnormal one, and that this is done in all other civilized parts of the world. There is nothing abnormal about it. I keep repeating that to my hon. friend, and he keeps not believing what is being said.

On the subject of misses, near misses, separation, or whatever you want to call it, he brings all of these cases to my attention. I pass the information on. The department makes inquiries, surveys, analyses, investigations, and what-not, on location. I am assured that this is not the case. I pass on the news to my hon. friend who keeps not believing what he is being told. Maybe that is why he was such a distinguished ambassador. He never believes what he sees but prefers to go

and find out for himself. So, be my guest. Is there anything else I can humanly do to satisfy his curiosity? Am I not being responsible in what I am doing?

Mr. Munro (Esquimalt-Saanich): I hope on the next visit to Victoria international airport the minister does not have a near miss. Has he had any feedback from his officials, from Mr. McLeish or anyone else, about aircraft going into Victoria international airport through parachutists—through 20 or 30 parachutists?

Mr. Bockstael: Mr. Chairman, that report was verified. I read it. Radar would not pick up parachutists, even if we had radar that was operating at that time. That question from the hon. member for Esquimalt-Saanich has been brought up several times. The term "near-miss" is an expression used by the media. There is great variance between what a civilian considers a near miss and the certain minimal loss of separation that is required to be reported to Transport Canada.

Mr. Munro (Esquimalt-Saanich): I would like to ask the minister one final question with regard to civilians. One of these incidents was reported by an RCMP officer, and I think his testimony could be relied upon. I suggest to the parliamentary secretary that parachutes and parachutists do not grow up out of the ground; they are dropped from aircraft. The aircraft, at least, would be picked up by radar if radar were being used. These were American parachutists and they were over American soil. Why is there no co-ordination in that area, particularly on a flight path? I think this situation is worth inquiring into. Why is there no co-ordination with Vancouver when there is going to be a parachute drop on the flight path to Victoria international airport, which is presumably controlled by Vancouver? Why is there no co-ordination between Vancouver and the military in the United States which are going through an exercise? Has there been no report on that? If there has, why has it not been made public?

Mr. Pepin: I am sure there is such co-ordination between the United States authorities and Canada.

I just want to say I am sorry I showed a bit of impatience a moment ago. It is part of the exercise, presumably; I apologize. What made me a bit impatient is that I thought I had done my job in these matters. I had brought these situations to the attention of the officials who had conducted the inquiry in the Victoria situation. I remember regularly signing correspondence to my hon. friend on these matters. I want to philosophize for half a second. It is strange the way things are seen. The last time I was in Victoria—which was in recent times—I forgot to go and see the radar system. I must say I regret that, though I would not have understood it anyway.

Mr. Munro (Esquimalt-Saanich): It is not there. There is no radar.

Mr. Pepin: I remember the baggage tray located outside the airport. I thought it was beautiful. I thought it was remarkably poetic, pretty, useful, convenient and what-not. I took it that the assumption was that it never rained in Victoria, and I regretted not having accepted an invitation some years ago to teach there.

Mr. Munro (Esquimalt-Saanich): I was not talking about that.

• (1830)

Mr. Pepin: I thought you were talking about baggage facilities.

Mr. Munro (Esquimalt-Saanich): Yes, but behind the baggage counter.

Mr. Pepin: That is what I am talking about. If that is not what the hon. member is talking about, I am sorry.

The Assistant Deputy Chairman: Order, please. I did permit a last question, but with the news that the question and answer are dissociated from one another, I have no choice but to recognize the hon. member for The Battlefords-Meadow Lake.

Mr. Anguish: Mr. Chairman, I have a number of questions I would like answered. These concern the closure of express offices throughout Canada. There was an article in *The Globe and Mail* on November 18, 1980, which reported a decision of CN Express to close about half its 70 terminals in Canada, many before the end of 1981, starting with 15 express terminals in the Atlantic region.

I have a letter with me from employees of CN Express in Nova Scotia in which they express their concern at the reduction of about 40 per cent of the services. This will result in the loss of 254 jobs in the maritime provinces alone and over 1,100 jobs across Canada. At the same time someone from Newfoundland phoned me. He was concerned about what was happening to the rail service in that province and its turnover to Terra Nova Transport, the company now responsible for rail services in Newfoundland.

My first question is this. When the ten-year period is up—the amount of time which was given by a previous minister of transport, the Hon. Otto Lang, to prove whether the rail service in Newfoundland was a profitable venture or not—will the rail service be pulled out completely? What will happen to the fellow who called me with 35 years' seniority in CN? Will he be out of a job along with many others? At the end of the ten-year period which Mr. Lang talked about when he was minister of transport, will you reassess the situation and look at the service which is called for under section 262 of the Railway Act, or will you close down the rail system in Newfoundland?

Mr. Pepin: Mr. Chairman, I welcome this participation. I meant to speak about the railway situation in Newfoundland in my opening remarks but I did not finish my remarks because of the time limit. The hon. member for Regina West knows all about the railway and he is always on track.

Mr. Anguish: Don't use my time on him.

Mr. Pepin: If my memory serves me correctly, the Sullivan report came out in 1977. One of its recommendations was the elimination of the railways in Newfoundland, not because that board did not like railroads, but because the railroads did not fit into the transportation system. Since then there have been a number of debates and federal-provincial meetings. There have been only a few in the last year or so because of the two elections, among other reasons. However, the officials were still in contact, but the warmth of the relationship was not as good as that which normally exists.

A few weeks ago I went to St. John's. I met the premier and the minister of transport for that province. We had a very good conversation. I tried to sell him the idea of trade-offs. This idea of trade-offs is in the Sullivan report. One of the fears provinces have, particularly in the east, is that the federal government will not continue to support them financially as well as they have in the past. My hon. friend is aware of the tremendous sums of money which go into the subsidization of transportation in the Atlantic provinces.

The idea is to create a transportation envelope, a sum of money going from Ottawa to province X. The province, then being assured of that minimum sum of money, could then begin to allocate money, in consultation with the federal government, to the best form of transportation for the province. That is the philosophy. In other words, envelope, trade-off, multimodal and so forth.

That is the notion I was trying to sell to the province of Newfoundland. In that context, knowing that the money which goes to the railway now would not be lost, it might be that the province could look at transformation or maintenance in a slightly different light. Anyway, that was my purpose. I was trying to convince the authorities in Newfoundland to accept a five-year global transportation plan and a five-year railway plan, with an experimental phase to find out whether the railway was a viable proposition. It was with the thought that, if the province itself realized that it was not a viable proposition, the money would not be lost; it could be used to build roads, buy buses, or whatever.

An hon. Member: So much for your energy program.

Mr. Pepin: It is debatable which is more costly, a full bus or an empty train. Officials have met since that time. I have not had a report because I have been too busy here. In any event, this exercise will be continued in the coming weeks.

Mr. Anguish: Mr. Chairman, I take it that we will not know what is to happen when the ten-year period is up, as announced by the Hon. Otto Lang. He said that the rail service would terminate under Terra Nova Transport. However, I am still concerned about the closure of the CN Express stations across Canada. I have mentioned the people who will be losing their jobs in the maritime provinces. At the same time, I am also concerned about western Canada.

Prior to the announcement on November 18, as reported in *The Globe and Mail*, I knew that the express station in The Battlefords community in which I reside had closed on October 24. Even after much protest from the community and from myself as a member of Parliament, the station closed. We asked for a hearing to be held. We made reference to section 262 of the Railway Act. We mentioned the erosion of services in the area over the past number of years. We wanted all of this looked into very closely. If I look back over the years I have lived in The Battlefords-Meadow Lake area, which is a part of western Canada, I have seen the rail service deteriorate, even in my young years. The constituency of The Battlefords-Meadow Lake covers over one-third of the geographic area of the province. There is no point in the constituency where you can have rail passenger service. The train goes through there, but there is no passenger service at any point in the constituency. There is no mobile operator in The Battlefords. There is one mobile operator in the Meadow Lake area. Then we had the closure of the CN Express station in The Battlefords. There is no service at all in The Battlefords-Meadow Lake constituency from rail, other than for the movement of grain, which has not been very effective either in past years. There is a story of plugged grain elevators from Medstead to Robinhood, Meadow Lake and many other points in the constituency. I am concerned about this.

• (1840)

My next question on this erosion and closure of service is whether this is because the service is too costly to upgrade and keep in place. Are these closures a money saving item, or are they because of the bad service provided by the railways in the past. Which of those two is it?

Mr. Pepin: With regard to CN Express, Mr. Chairman, I have already answered a number of questions today and on previous days. I emphasize that even if money was an important consideration, it was not the only one. It may not even have been the most important. However, the money aspect is there. CN Express lost $14 million in 1970. It is now losing $57 million or $58 million yearly. If it goes on, it will lose more and more money. I explained that this afternoon. As I said earlier, because of the nature of the beast, being relatively heavy in administrative terms, it is not in a position to compete with smaller operators, operations of ten guys with five trucks. They can operate faster, working weekends, off hours and so on.

Mr. Benjamin: CN used to do it, and they quit.

Mr. Pepin: The argument being made is an understandable one. In any event, they are not in a position to compete because the smaller companies can specialize, carrying smaller parcels and so on. CN decided to get out of this area while continuing with larger shipments. There is a technical word which escapes me at the moment—less than carload, I am told. We are witnessing the consequences of this.

Some people will lose their jobs. I stated previously that CN Express has guaranteed that up to 90 per cent of those affected by these moves will be pre-pensioned, relocated or retrained. They are going out of their way to act in a humanitarian fashion.

Mr. Anguish: Will 1,100 people across Canada be retrained and put in other jobs?

Mr. Pepin: Yes. CN says they are guaranteeing the employment of all those people.

Mr. Anguish: Can you promise those 1,100 people they will not lose their jobs?

Mr. Pepin: I am repeating the guarantee CN has given to the union which, by the way, is co-operating in this. The president of the union is co-operating with CN Express.

Mr. Anguish: He is not very happy with 1,100 people losing their jobs.

Mr. Pepin: I am saying that co-operation with the union is a fact. The hon. member can verify that if he wants. The 90 per cent figure is one that CN used in a communique they issued on this matter. The biggest problem, accepting the fact that employment is an important one, is with the communities. A number of communities feel they will be affected too harshly by this. Discussions are now going on. This afternoon I raised the question as to whether it would be possible for CN Express to maintain one point in Prince Edward Island, to establish a slightly different kind of relationship between Moncton, which will be the headquarters for CN Express operations in the maritimes, and Halifax, Sydney, and so on. This is the sort of adjustment which is now taking place.

Mr. Anguish: I thank the minister for that reply. I have a couple of questions following up on that. Will the minister agree that the services I describe to places such as The Battlefords have decreased over the years? Second, does he relate the closure of the express stations to an expenditure item, the fact that the railways will save money? I would like to know how money would be saved by the closure of express stations. The minister must keep in mind it cannot be a total saving. Other carriers have to be paid, such as Kindersley Transport which does the interlining in the area of Saskatchewan I represent. How much money will be saved? Does the minister agree there has been an erosion of service over the years?

Mr. Pepin: Mr. Chairman, in all of these discussions there is a bit of a philosophical base. The hon. member appears to believe the government should play a major role in all of these matters. He has been well trained by the hon. member for Regina West in believing that section 262 of the Railway Act orders the railways to deliver wherever in the country there is something to be sent. That has been contradicted by the Supreme Court, yet the hon. member for Regina West will believe it "until death do us part". This is the debate.

What happens when CN Express leaves a community because it cannot compete as it operates differently than it used to, is that somebody picks up the work. It may not be the same person who gets the work. That is why CN is offering pre-pensioning and relocation. However, the work does not disappear. Somebody else does it. It is no longer the Government of Canada through CN Express. That is why so much of the debate is in the minds of the two members. I do not believe the Government of Canada has to do it all directly. If the private sector can do a job as well and cheaper, why not?

Mr. Anguish: Will the minister please answer how much money will be saved by closing the express stations as opposed to bringing in by carrier? What is the dollar saving? There was a meeting in the Battlefords with Mr. Dawson of Winnipeg who told us that a great deal of money will be saved. He stated that the reason for closing the express stations was to cut the deficit of CN. How much money will be saved?

Mr. Pepin: Mr. Chairman, I do not know exactly how much money will be saved in the Battlefords. However, the general impression I have gained is that there will be a reduction in losses when the program is complete. I am advised $50 million. I do not know exactly what these figures mean. I would like a bit more discussion on this subject. The figure I have in mind is $57 million, and increasing. Presumably CN Express hopes that by getting out of small parcels and remaining in the less than carload trade, it can cut its losses. Because it hopes to cut losses, it is in a position to be rather generous to its employees who will be affected by this move. As I said, the employees will be pre-pensioned, relocated or retrained. I have repeated ad nauseam that the information I have is that up to 90 per cent of those affected will be so treated. It is difficult to stop the world, to prevent change or transformations from taking place. This is one of them. CN Express is trying to do it in as responsible a fashion as possible.

Mr. Anguish: I think I have time for one final question. I sincerely believe there is a problem. We understand the railways are losing money. With the loss of passenger service, express service and mobile operators, all the railways will do is haul grain, and they do not do that very efficiently. Will the minister, under section 262 which he referred to and the member from Regina West referred to, hold a hearing in the Battlefords area into the lack of services not only for the Battlefords but for places like St. Walburg, Turtleford, Medstead and Meadow Lake to see what the people in those areas have to say and what their concerns are about the loss of services? The area is going through an economic boom right now. They are into heavy oil, they are into mining. It is an area of the country that is developing. We need better rail service and not a deterioration of that service. Will the minister consider holding a hearing in The Battlefords-Meadow Lake constituency, preferably in the Battlefords, so that the people there can express their concerns to the minister and to the Canadian Transport Commission?

● (1850)

Mr. Pepin: The Canadian Transport Commission knows what it has to do. I do not have to give them instructions on these matters. I will not contradict myself to the point of asking the Transportation Commission to do that. I have been standing on the floor of the House today, and last week, defending what CN Express is doing. Since they cannot compete, they want to get out of the transportation of small parcels

rather than defend the way they are doing it. It will have to take place.

As a general proposition, CN are not in business to lose money. They have CN Express, on which they always lose money, so they want to lose less money so they can pay the Government of Canada better dividends next year than they were able to pay last year. That is what I meant when I talked about CN being both a business and a responsibility. This is where the balancing act takes place, and no one has written a description of that because it varies from one circumstance to the other. If CN find out that there are a number of things they do not do well and others that they do better, then they should do what they do best.

Mr. Collenette: It is somewhat novel for me to be speaking on a matter of substance rather than procedure or points of order, or questions on the order paper. It reminds me of the old days when I was vice-chairman of the transport committee. I want to inform the House, for those who do not realize it, that the members of the transport committee, over the years, have worked very well together and basically co-operated with one another on a very non-partisan basis. I would draw the attention of hon. members to the fact that the member for Vegreville, the former minister of transport, the member for Regina West, and the member for Dartmouth-Halifax East are here. All of us worked together on a non-partisan basis to improve passenger rail service in this country.

I am not that immodest that I would not take credit along with those individuals I have mentioned for the fact that VIA Rail was created in 1977 at the behest of myself and other members of that committee who have been concerned about the deterioration of passenger rail services, for years and years. I think that credit must be given where it really falls, and that is to all members of this House who have supported passenger rail. I might say to hon. members, Mr. Chairman, and to the minister, because he was not here between 1974 and 1979 when we had that really tough fight to get passenger rail service re-established, that it was a tough fight. It was a fight that was won, over the resistance of people within the Department of Transport.

● (1900)

I commend the minister's predecessor, Mr. Lang, and those senior officials in his department who recognized that the formation of a totally dedicated passenger rail corporation would be in the best long-term interests of this country, and was long overdue. I commend to the minister certain parts of the speeches made by the hon. member for Vegreville and the hon. member for Regina West on the subject of VIA Rail, and I can say to him that I share some of their concerns.

I share the concern of the hon. member for Regina West about the unenviable position VIA Rail was put into when it was first started, in that it had to take CP and CN equipment which was not maintained properly or well. In the case of CP it was in an absolutely disastrous state. The locomotives were so run down that I believe many of them were actually written off. And we expected a passenger rail corporation to do a credible job! I think Mr. Roberts and the people at VIA Rail have done an excellent job over the last three years, but they are going to need a lot of help from all hon. members on this side of the House because, as the hon. member for Vegreville pointed out, with the escalating energy costs and with the shortage of oil something must become apparent to the government and the officials in the Department of Transport. It certainly has been the case with me for many years.

What must become apparent is that the future for transporting large numbers of people in this country has to be passenger rail in the corridor areas. I know that the government gave about $200 million to VIA for the purchase of the new LRC equipment which will be coming on-stream next year but, with all due respect, that is not enough.

Mr. Benjamin: Right on.

Mr. Collenette: Mr. Roberts, the president of VIA Rail, wrote a letter to me. I have regular correspondence with him. We should write a book. I try to keep up my interest in passenger rail, and I have the letter here. I have Mr. Roberts' permission to make this public, and at the end of my remarks I propose to have it appended to *Hansard*, if there is the unanimous consent of the House. Some of the things Mr. Roberts says in his letter are quite startling and contrary to the given line—when I say the "given line", I say that with all due respect—by the department over the years as to why we cannot have in this country a truly rapid, viable, passenger rail service in the corridor. I will not read the letter now because I hope I will get the consent of hon. members to append it to *Hansard*—

Mr. Benjamin: Agreed.

Mr. Collenette: —but the president of VIA Rail talks in terms of plans which are now on the drawing board of VIA Rail. VIA Rail would like to realize within the next five years a travel time between Quebec and Montreal of one hour and fifty minutes; Montreal and Ottawa, one hour; Ottawa to Toronto, two hours and forty minutes; Toronto to Windsor, two hours and thirty minutes; and Montreal to Toronto, three hours and forty minutes. This is the first time I can recall that the president of VIA Rail has actually been pinned down to the fast service members of this House have been advocating for years.

In his letter Mr. Roberts went on to explain to me how this is to be done. It is to be done largely through a solely passenger dedicated track operating from Quebec City right through to Windsor. This involves using part of the special tunnel in Montreal, the Mount Royal tunnel, and negotiations have to be undertaken with the railways. It involves using the CP line from Vankleek Hill, which I understand was built about 80 or 90 years ago by Canadian Pacific to take trains, in those days, at speeds of up to 95 or 100 miles an hour and which has been allowed by that railway to become run down over the years. Only one train runs over it just to keep the company's options open. I think that is "The Canadian"

passenger service which has now been taken over by VIA Rail. That goes through Vankleek Hill, Ontario. That is one aspect.

The other aspect would be going through Smiths Falls, and we all know about that problem. It is absolutely ludicrous to visitors to this country who take rail between Ottawa and Toronto. It is fine from Toronto to Brockville, but then they have to be switched. It takes about half an hour to switch them on to the track. I believe it is a CP track to Smiths Falls. I may have it the wrong way around, but the track between Brockville and Smiths Falls has a slow order of 25 miles an hour on it because the track is so rotten. I have been stuck on that train many a night. I do not know whether the tracks have seized up, or the trains have seized up.

I think that not to have the nation's capital lined by rail to the second largest city in the country is indeed unfortunate, and something which I am sure the minister will correct, because I have talked with the minister here and there about these concerns, and I know that he really would like to see an improvement. It must be seen within the context of my remarks that I note good faith on the part of the minister and the government in trying to improve passenger rail.

Mr. Roberts also talks about building a new 60 kilometres line to link Smiths Falls with Belleville. That would be a completely new track. It would join the main line and then go right to Toronto.

I do not really want to make too much of a speech because I would like the minister to reply, and I am sure he is making notes of some of the things I say. On the main line a few years ago there was a special run of the Turbo at 142 miles an hour. That was clocked going through Kingston. Admittedly, Department of Transport personnel were involved in the test. All the crossings were closed off. It was done at a quiet time of day, but I submit that if that could have been done three or four years ago under very strict supervision, we do not have to bury all the underpasses and we do not have to build bridges and involve astronomical costs to make the main line truly viable.

I became frustrated in the Standing Committee on Transport when I heard people from the department and Mr. Lang at the time, saying it would cost half a billion dollars or a billion dollars to improve this section of track. That does not seem to be the case, because I think that with the appropriate crossings and signalling equipment we can run trains much faster.

One specific thing I would like the minister to answer is who it is who determines that no train can run more than 95 miles an hour along that stretch of track when, in the test run a few years ago, a train was clocked at about 142 miles an hour. I asked Mr. Benson a few years ago because I was always told by the minister—I am not talking about the present minister but the former minister—that the CTC was the one. The railway said it was the CTC. I talked to Mr. Benson in committee, and he said, "No, it is the railways". I would like to find out who is responsible for artificially limiting the speed of passenger trains on the main passenger rail line in this country.

Mr. Roberts also mentioned the fact that the corridor service is not limited to Quebec-Windsor. It also involves Edmonton to Calgary. I understand that there are discussions under way with the Alberta government on building a high-speed demonstration track between Edmonton and Calgary. It would be cheaper than building a new four-lane highway, with all the extra costs involved.

If it is agreeable—I know I cannot table documents other than those pertaining to official government business in my role with the Privy Council—I will ask for the unanimous consent of the House to append Mr. Roberts' letter to me of October 29, 1980, to *Hansard*.

The Assistant Deputy Chairman: The House has heard the suggestion made by the Parliamentary Secretary to the President of the Privy Council to the effect that he be permitted to append the document he has in his hand to today's *Hansard*. Is that agreed?

Some hon. Members: Agreed.

The Assistant Deputy Chairman: So ordered.

[*Editor's Note: For text of above letter see appendix.*]

Mr. Collenette: I hope I get the letter back because I did not make a copy before I came here. I am sure I will because it will be in *Hansard*. I think the comments in Mr. Roberts' letter will be beneficial to the minister and all members of this House. As I say, I have the permission of Mr. Roberts to make that letter public.

I want to deal with another aspect just briefly, and to throw out an idea. I am not an expert on western Canada, and I defer to those hon. members here from western Canada who know their region best, but the government announced a $4 billion western development fund in the budget.

Mr. Benjamin: That is after you take out eleven.

Mr. Collenette: One of the premises involved is that, by virtue of the fact that more moneys will be accruing to the federal government, the oil and gas industry will in a sense be channelling money into this western development fund. The federal government has undertaken that, with the excess revenues it will get, there will be a $4 billion fund. I am in favour of that because one of the things I fervently believe in is Canadianization of the oil and gas industry.

I throw this out as a novel idea. It may get me into trouble, but I have been in trouble in the past, and I am not worried about that. I think it might be a good idea to look at it. If we expect the oil and gas industry to contribute a higher amount of moneys accruing from oil and gas—and I agree with that—then perhaps we should also—and I am sure Mr. Ian Sinclair will quiver or quake when I say this—look at the fact that Canadian Pacific was granted enormous land titles a hundred years ago. Yes, it was private capital which built that railway, but it was back here every year to John A. Macdonald and his successors, cap-in-hand saying, "Give us some more money".

I think Canadian Pacific International, Canadian Pacific Investments, CPR or whatever its official title is—I know there are a number of companies—is a great standard bearer for Canada throughout the world. I have great respect for Mr. Sinclair as an individual, and for the members of that company, but it seems to me that if we are to ask the oil and gas industry to pay a royalty back to western Canada and to Canadians in general—I suppose that is what we are doing with the extra money coming from that—then perhaps we should also look at the fact that it is long overdue for the people of this country to receive a dividend from the land we gave Canadian Pacific a hundred years ago. I think a good case could be made that that kind of dividend should be paid to the people of Canada.

I know that CPR is investing heavily in electrification and in other improvements to its track. I fully accept its plans, and I think they are made in good faith, but CP has been a successful company. I should leave a few minutes for the minister to respond. I think this might be an idea which might be worth the government's consideration.

Mr. Benjamin: Mr. Chairman, I rise on a point of order. The hon. member has made some points about the CPR. I wonder if he knows that in addition to 34 million acres of land and hundreds of millions of dollars, Canadian Pacific owes the people of Canada $1 billion in deferred taxes, that that is why CP is making a profit, and that that is why it appears to the hon. member to be successful.

Mr. Blaikie: An excellent point of order.

Mr. Pepin: Mr. Chairman, I will comment on that last remark. This subject is a popular one, as my friend the parliamentary secretary knows. It was the object of a resolution at the Winnipeg Liberal convention. An investigation into what CP has done with all the money it received way back is a popular subject.

I understand that CP has been investigated a number of times. Whoever made the decision came out with a balanced judgment that yes, indeed, CP received great favours and yes, indeed, it served Canada well, so perhaps there is a need for another one of those. I do not know.

On the subject of rail, the parliamentary secretary reminded us that the government created VIA and supported it strongly through the first two or three years. I said this morning that it was a bit too early to conclude, but I did recite a number of the good things VIA is doing now and pointed out the great aspirations the government has that it will continue to pursue. I spoke yesterday about load factors, lower losses than anticipated, and all that, so I do not want to repeat it.

With respect to Mr. Roberts' letter I will read it with great pleasure, I am quite sure, because I want to know if he has estimated what will be needed in order to reach the high speeds on the line mentioned. When my hon. friend asked who makes the decisions as to what speeds can be reached—is it the CTC, the government or VIA—I felt like shouting "the bed". The bed of the track itself decides what speed can be reached, because I presume this is what gives out first. I questioned Mr. Marsham on the subject, and he tells me that our railway beds in Canada are freight beds. They were built for freight and not for passengers, as opposed to the beds in Europe. I am talking always about railway beds, not ordinary beds, in Europe, for example, or in Japan.

• (1910)

In Japan, the bullet train runs very rapidly on a specialized passenger railway bed, be that as it may. What the minister sees in all that, just to be confidential for a minute, is the competition. We had an expression of that yesterday when the hon. member for Regina West said he believes the Minister of Transport should help only the railways.

Mr. Benjamin: I did not say that.

Mr. Pepin: The hon. member said it in committee, and I am quoting him with a smile on my face because I know the hon. member for Regina West was making his point with a slight exaggeration. However, there is competition between the different modes of transportation. Each of them thinks the other one has more advantages. That is what they have in common. I received representations from owners of bus companies who have said, "What the heck are you doing spending some $420 million on railway transportation when we, the people operating the buses have no subsidies whatsoever?"

Mr. Benjamin: Highways.

Mr. Pepin: Yes, that is the kind of discussion that could start now. All I want to do is to make this one observation. I think that theory will not carry you very far in these matters. It seems to me that we must save the best of railway transportation and occasionally move to STOL, notwithstanding some opposition to it, because it is a mode of transportation which is convenient in certain localities and for certain tasks.

Mr. Benjamin: In the right place.

Mr. Pepin: Yes, indeed. I just want to say on this occasion that I am not being theoretical. I think there is a balancing act between the different modes of transportation in Canada. With respect to railways, I want to say that I am almost as romantic on the subject as are my friends.

I am the son of a railway employee who worked for 45 years in Drummondville, Quebec. It is almost unbelievable that the CN tracks go right through the town of Drummondville. They will be coming up for a relocation program one of these days. The CP goes the other way. The house where my parents lived was right in between those two, so we were woken up in the mornings by the sound of locomotives. One could say I was born with smoke in my nose, and perhaps that has something to do, although quite remotely, with the fact that I became Minister of Transport, which is obviously the climax so far as I am concerned.

Mr. McKenzie: Mr. Chairman, I wish to discuss, in the minister's estimates, the Sherbrook-McGregor overpass, and

to call on him once again to reimburse the city of Winnipeg for $2.5 million for the cost overrun which is the direct responsibility of the federal government.

I wish the minister would listen because this is a rather important matter. It is the Sherbrook-McGregor overpass. I am once again calling on the minister to reimburse the city of Winnipeg for $2.5 million which is the direct responsibility of the federal government for delaying the permit which was originally to be issued between December, 1978, and February, 1979.

I want to quote from a letter which the minister wrote to the mayor of Winnipeg this week, which was received only a couple of days ago. I will not read the whole letter. In the letter the minister points out that the city made a request in 1977 for a permit and for financial aid in the building of a structure to span the CPR railyards, which is the Sherbrook-McGregor overpass. Mr. Otto Lang, the former minister of transport, realized that if he were to approve such a grant on a simple application for funds, he would forever after be subject to criticism for making this serious and locally significant funding decision without knowledge of the cost of the alternatives, and one example is rail relocation.

As I pointed out to the minister before, $1,100,000 worth of studies had been done prior to December, 1978. Here is one of them, and I suggest the minister read it sometime to see all the work that has been put into studying railway relocation and the overpass. There is no need for any more studies, and I will be covering that in a little more detail in a moment.

In the minister's letter to the mayor, he also stated:

> Consequently, he replied that it would be normal to consider the approval of a grade separation grant only after having assurances that the alternatives had been investigated to the extent that would support the decision being requested. The response on the alternatives containing the basic decision factors was not provided by the city.

That is a false statement. The city was not asked to provide any additional information, and I will refer to the dates in just a moment.

The letter goes on to read:

> As a result, the federal government was required to undertake its own study to assign a cost to the rail relocation options before taking the decision to fund the construction of the bridge. I must advise you that in this situation the federal government cannot accept any additional financial responsibilities.

That is for the cost overrun. The city of Winnipeg has good grounds to sue the federal government if the department does not reimburse it for $2.5 million. I will go into the chronology of events right now. What is disturbing to me is that the man who is aware of the chronology of events and of all the details, is the gentleman sitting to the minister's right, his parliamentary secretary who was on the city council at the time when all of this was happening. He knows all about it. He knows perfectly well that the contents of the minister's letter to the mayor are incorrect.

I will go into the chronology of events to bring the minister up to date. By December, 1978, the then minister of transport, Otto Lang, had approved the construction of the overpass, and his approval was to be forwarded to the CTC for its approval. The $7.6 million in initial costs of the federal share was approved as well. Design work would have begun immediately and construction could have commenced two or three months later. Mr. Lang was ready to give authority to CTC to issue the permit, and design work could have been started immediately. But, as the minister well knows, it was owing to the interference of the present Minister of Employment and Immigration who put pressure on Mr. Lang that the permit was withheld. Otto Lang was ready to issue it, and he did not ask the city of Winnipeg for any further studies.

On December 6, 1978, Mr. Lang telegraphed the mayor of Winnipeg saying that the federal government was giving its approval in principle for the construction of the Sherbrook-McGregor overpass, funds to be provided under UTAP. On December 20, 1978, the mayor sent an acknowledgment to Mr. Lang expressing his delight that the overpass had finally been given approval. The mayor then asked for details on how to proceed with the project, but there was never any correspondence, telegrams, or anything else saying that they wanted an additional study from the city of Winnipeg. The hon. member for St. Boniface, who is sitting beside the minister, knows that only too well.

On February 7, 1979, Mr. Lang replied that there was little to do. All that was needed was an agreement from the province that a portion of the UTAP money would be assigned to the Sherbrook-McGregor overpass. On February 16, 1979, Mr. Mercier, the attorney general of Manitoba, wrote to Mr. Lang and confirmed that the 1979 budget included the provincial portion. This project was given top priority by the province in its 1979 budget. So there was no request at all for a further study which the minister wanted from the city.

I will now ask the minister to make an apology to the city of Winnipeg, in writing, for the contents of his letter. The information contained there is incorrect. The department never asked for any further study to be done, and I am asking the minister once again to reimburse the city.

● (1920)

If the minister has any evidence or proof that he sent any letters, telegrams or anything to the city of Winnipeg requesting a further study in December of 1978, it is the minister's obligation to produce that documentation. I was in touch with the mayor's office today and was told that they have never received such a request from the minister, his official, or whoever was in charge of the department at that time. As I indicated previously, the mayor was happy that Mr. Otto Lang was to issue a permit and give Winnipeg the funds to proceed with the needed overpass. They never received any request for a further study. I challenge the minister to produce the documentation.

We all know why there was a delay of the permit. It was caused by the present Minister of Employment and Immigration who was then a member of the Manitoba legislature. I refer to an article which appeared in a Winnipeg newspaper in December, 1978. It was headed: "Local lobbying stalls funding for new bridge". It had nothing to do with asking the city to

conduct another study. The caption under the minister's photograph read: "Lloyd Axworthy . . . wins round". In part the article indicated:

> Lobbying by Liberal MLA Lloyd Axworthy . . . has killed, or at least stalled, special federal funding for the Sherbrook-McGregor overpass.
>
> Deputy Mayor Bill Norrie said Tuesday federal Transport Minister Otto Lang told him in effect that the city's request for $3.9 million in special funding has been turned down.

This was because of the interference of the hon. member for Winnipeg-Fort Garry; it had nothing to do with the city not conducting another study.

Also I should like to point out to the minister and the hon. member for St. Boniface some of the comments made in the Manitoba legislature about this chain of events. As reported in the *Winnipeg Free Press* on April 29, 1980, a Manitoba MLA called "the myth of rail line relocation . . . one of the cruelest hoaxes ever perpetrated by any level of government".

When the hon. member for Winnipeg-Fort Garry contacted Mr. Otto Lang, he should have asked him to hold the permit for one week until the minister of finance and the president of the treasury board were asked whether there was any funding for rail relocation. If he had done that, he would have found out that there was no program, no funding, and no intention of getting into a rail relocation program. Then he could have said, "That is it, you will have to issue a permit for the Sherbrook-McGregor overpass". But, instead, he interfered all the time, which cost the city of Winnipeg an additional $2.5 million.

In June, 1980, a city of Winnipeg councillor attacked the federal government for suggesting that the $168.6 million relocation project is still possible. He said:

> It's a pipe dream. It will not happen, it cannot happen and it's about time we said so.

There was never any reference to the federal government asking the city for another study. Also the urban affairs minister, Mr. Mercier, as reported in the June 17, 1980, edition of the Winnipeg *Free Press*, said that the federal government should pay the $2 million additional cost because it caused a delay in construction. That additional cost has now risen to $2.5 million.

On September 11, 1980, Mayor Bill Norrie said:

> I don't agree with what they're doing because they're not being realistic. There isn't enough money for rail relocation and they should recognize that reality.

In that instance "they" meant the federal government. Also the Leader of the Official Opposition questioned the Minister of Finance and the President of the Treasury Board a few months ago in the House about funding for rail relocation. I have never witnessed two more evasive answers in my life. They had absolutely no intention of providing any funding for rail relocation in Canada. They simply did not have the money. If it was ever given to one city, they would have to provide the funding to other cities as well.

I find it somewhat strange that while I am asking the minister questions in Committee of the Whole he should walk out of the chamber; it is a real "sweetheart" arrangement. I want some answers to my questions. I hope the grinning parliamentary secretary, who thinks it is a big joke that the citizens of Winnipeg are required to pay this additional $2.5 million, will run out to the lobby and bring the minister back in here to provide some answers.

Mr. Bockstael: Mr. Chairman, I should like to point out that the Minister of Transport has been sitting here since the commencement of oral questions at two o'clock. He has been granted permission to go and get a bite to eat.

Mr. McKenzie: In the middle of my question.

Mr. Bockstael: I welcome this opportunity because I do not know how many times the hon. member for Winnipeg-Assiniboine challenged me in the House saying that I do not speak in the House, that I will not answer, that I do not pressure the minister.

A couple of days ago I was fortunate enough to move a motion under Standing Order 43. It was challenged because members opposite felt that a parliamentary secretary should not rise to ask any questions or to move such motions in the House. The hon. member has been a member much longer than I; he knows the rules, yet he attempts to make his point in such a way that people will believe I am not doing my job. I speak to the minister in his chambers, I have his ear, and I make representations on behalf of Winnipeg and Manitoba.

Some hon. Members: Hear, hear!

Mr. Bockstael: I was part of the Winnipeg city council. I came here with Mayor Norrie, Mayor Steen and Gerald Mercier who is now the attorney general of Manitoba. We saw Otto Lang; we made application for UTAP funds. UTAP funds are based on a per capita rate. With one million people living in Manitoba, over five years Manitoba is entitled to $10,500,000. The province of Manitoba indicated that it was willing to dedicate $7.5 million of its UTAP funds to build the Sherbrook-McGregor overpass. There was no escalation clause, it was Manitoba's per capita fund. If that province wishes to attribute it to a certain project, it may do so; but there is nothing in UTAP funding which provides for an escalation because costs have risen.

The second point is that the city of Winnipeg never conducted the pre-required studies to consider rail relocation versus overpasses. It is customary for a city to pay 25 per cent or 50 per cent of the cost of a study, yet Otto Lang's department agreed to pay $90,000 or 100 per cent of the cost of that study. The study was completed and the city received its permit from the CTC to go ahead with the overpass. Last week the executive policy committee indicated that it would go in reverse, that it would conduct a study and consult with the people to see which project should be followed—the overpass or rail relocation.

I should like to refer to rail relocation because I think the facts should be on the table. Rail relocation was estimated at a cost of $168 million. One could say it was high or low. But, I was part of the executive policy committee which went to see

Ed Schreyer, who was the premier of Manitoba at the time, and I am able to say that rail relocation requires the consent of the provincial government. The city of Winnipeg made its case to the government of the day, and the government of the day indicated that it would consent to the relocation of the yards but that it would never consent to the relocation of the lines.

When main lines are relocated, one must know where they are to be placed and one must have the consent of all municipalities affected. One is supposed to make a study to determine where the lines are to be relocated. None of those studies was ever perpetrated. The city of Winnipeg indicated that it did not want to make the proper application, but that it would like to find out in advance. It was similar to a person going to a bank manager and saying, "Lend me some money; I do not have a plan but I will build something some day. How much will you lend me?" This was the manner in which the city of Winnipeg and the province of Manitoba approached the federal government.

The fact of the matter is that even if the federal government had $80 million or $85 million for rail relocation, the city and the province would say that it was not a priority with them. If they had the $85 million, they would spend it somewhere else. It is time the facts came out. The hon. member did not come forward as a spokesman for Winnipeg, when Winnipeg itself did not make its case.

• (1930)

Mr. McKenzie: We now have more grounds for the city of Winnipeg to commence a lawsuit, after the absolute rubbish we have heard from the hon. member for St. Boniface.

I guess he was not listening to what I was saying. He was chatting to the minister there when I spoke earlier. The $7.6 million in initial costs of the federal share was approved by the minister, Mr. Otto Lang. He was to issue the permit before the member for Winnipeg-Fort Garry talked him out of it. You were not listening when I mentioned that to you.

On December 6, 1978, Otto Lang telegraphed the mayor telling him that the federal government was giving its approval in principle for the construction of the Sherbrook-McGregor overpass. He did not ask for another study as the minister says in his letter of this week to the mayor. He did not ask for another study. How many times do I have to say that to get it across to you? He said "We are going to issue the permit."

The mayor sent an acknowledgment to Otto Lang—I must keep repeating this, Mr. Chairman, because it is so difficult to get it through to some of these people—the mayor sent an acknowledgment to Lang expressing his delight that the overpass had finally been given approval. He did not wire back and say "We will do a study" or "What study are you talking about?" He thanked him for saying that he was going to issue the permit to build the overpass. The mayor then asked for details on how to proceed with the project. Lang replied that there was little to do. He said there was little to do. He did not say, "Do another study". He said that there was little to do. All that was needed was an agreement from the province that a portion of their UTAP money would be assigned to the Sherbrook-McGregor overpass. Do you understand that?

Mr. Bockstael: Much clearer than you do.

Mr. McKenzie: I am not finished yet. The attorney general then wrote to Mr. Lang—

The Assistant Deputy Chairman: Order, please. I regret to advise the hon. member that he is finished, unless there is unanimous consent for him to continue.

Mr. McKenzie: I will just read one more sentence.

The Assistant Deputy Chairman: I must recognize another member, unless there is unanimous consent for the hon. member to read one more sentence.

Mr. McKenzie: They do not want to hear it, that is for sure.

Mr. Dingwall: Mr. Chairman, despite some of the inferences and suggestions by the hon. member for Winnipeg-Assiniboine, I wish to go on record and say to the many good people in St. Boniface that they ought to be very proud of their member of Parliament. Not only does he serve them well and with distinction, but he serves this country very well as the Parliamentary Secretary to the Minister of Transport.

I think congratulations are also in order for the Minister of Transport, who in recent months has had to grapple with a great many difficult issues. Many of those issues are in Atlantic Canada. I must say he has done a great job in the short period of time in which he has held that portfolio. With reference to one particular instance in my area of the country, he made a substantial allotment of funds to the Canadian Coastguard College. In making that announcement and in making those moneys available to that institution, it speaks well for our area and that particular institution.

Notwithstanding some of the positive things that the minister has been able to do in his short tenure in that particular portfolio, I take issue with one of the very serious announcements made by Canadian National Express, that is, the announced closure of various CN Express offices in Atlantic Canada. I have gone on record before, Mr. Chairman, to oppose this particular decision, and I wish to reiterate that here this evening.

Mr. Crosbie: Why do you vote with the government then?

Mr. Dingwall: Mr. Chairman, I hear the very paragon and defender of the little guy from St. John's West.

Mr. Crosbie: Why are you supporting them?

Mr. Dingwall: The great thing we did for this country was defeat him on February 18. I hope he continues to sit on that side of the House providing his barrage of what I would call stupid commentary.

Mr. Crosbie: Why are you voting to support him if you are against this move? What bluff!

Mr. Dingwall: Mr. Chairman, I am in opposition to this particular announcement by CN Express. I believe it is wrong in principle. If one is trying to develop Atlantic Canada this is certainly not one of the tools one should do away with. In addition to providing the service to the business community of industrial Cape Breton, CN also provides in excess of 52 jobs. Those jobs are important to industrial Cape Breton where we have high unemployment.

I would like to raise a few other concerns with the minister and his officials with respect to the urban transportation assistance program. It is my understanding there was a five-year allocation of some $8 million for Nova Scotia. I am wondering if the officials or the parliamentary secretary could indicate to me if any of that money will be going to industrial Cape Breton. I understood, particularly, that there was a proposal before the provincial government to provide some sort of bus service from the town of Dominion in the area better known as Sydney-Richmond. I am wondering if the parliamentary secretary has any better information with respect to those two areas.

In addition to those concerns I would like to raise another. It has to do with the airport which is in my constituency, the Sydney airport. The present landing systems which are being utilized at that airport leave a great deal to be desired. The present system is better known as the instrument landing system. This particular system is in competition with a new modern system called the microwave landing system.

The new system has a great many advantages, not only for the Sydney airport, and if it were utilized in other airports across the country I am sure Canadians, as well as the experts in that field, would see it would prove worth while. First, it provides high precision for zero landings and multiple approach passes for jets and helicopters. It has 200 frequency channels as opposed to the instrument landing system which has only 40. There is minimal site preparation needed, and it can be set up anywhere, from large airports to remote strips, to helipads, oil rigs, etc. I am advocating that the minister's department go for the microwave landing system.

I think it is a fact that the international civil navigation organization agreed that in 1983 they would embark upon the use of the microwave landing system and that it would be completed by 1995. This means that all airports would have the microwave landing system. I am wondering if the parliamentary secretary could indicate whether or not the airport in Sydney would be one of the first chosen and, if not, when it might happen in that area.

There are a number of other concerns I would like to raise in relation to the Sydney airport. Some of these concerns are quite appalling, Mr. Chairman. One is in relation to the baggage handling facility at that particular airport. The Sydney airport is very well maintained by the staff there. Unfortunately, the baggage faciity is somewhat old and it is not providing the type of service travellers out of Sydney should have. When you go across the country and see various airports with modern baggage handling facilities—

Mr. Munro (Esquimalt-Saanich): What about in my constituency?

Mr. Dingwall: The hon. member mentioned the facility in his own constituency and how great it is. But in our airport we do not have a great baggage facility. I would like to see some renovations and improvements made to it in the next few years.

Another concern of mine is in relation to the provision of a gate for passengers to use when getting on and off planes. When one goes to the airport to embark upon a trip to other parts of the country or, indeed, to anywhere in the world, one must walk 700 or a thousand feet in stormy or wet weather. We do not see why people in my constituency and the people of industrial Cape Breton have to put up with that when other areas of the country have facilities which are much more modern.

• (1940)

I hope the department will give consideration to these requests, particularly the baggage facilities, the gate facilities, and the request for turning toward the microwave landing system. I have some other concern in relation to the Sydney airport with regard to the extension of the runway, but perhaps I could get into that matter at a later time and make specific representations to the minister himself.

Another area of concern is with regard to the enlargement of the customs office. I am in the process of making representations to the appropriate minister. While I raise my concerns I am aware that everything cannot be done within a six-month or eight-month period, but I am hopeful that over the next couple of years we will be able to rectify some of the major shortcomings in an area which is deserving of a modern facility and which looks forward to having that facility in the very near future.

Mr. Bockstael: Mr. Chairman, I can say to the hon. member for Cape Breton-East Richmond that the Minister of Transport has made representations to CN to consider the continuation of some of its express operations in Sydney. I am hopeful that he will be successful. The minister has also made representations to CN that the express service at Charlottetown be continued. However, these matters will be dealt with tomorrow, and we should have definite results early next week.

The program to which the hon. member referred in Cape Breton comes under UTAP. Two such programs have been approved; the transit vehicle acquisition which is receiving a contribution of $800,000, 50 per cent of which is being provided by UTAP; and a transit facility which is estimated to cost $750,000, with UTAP's share being $600,000. I refer to the bus portion of the Atlantic Provinces Transportation Program. The Mount Cabot bus line is to receive assistance of $31,000. To date it has received $5,400. Further details will be forwarded to the hon. member by letter, if requested.

The hon. member spoke of improvements to the Sydney airport, which is being served by ILS. The Department of Transport has made a commitment to ICAO that it will

commence with microwave landing systems, and it is now in its early development stages. As to which airport will have priority, the decision has not yet been taken. The whole matter of the implementation of that kind of program will be taken into consideration, and then the priorization will be established.

The hon. member also spoke of baggage facilities, improving the handling of cargo customs clearance, improvements to the terminal, another runway and passenger gates at the airport. Many of the passenger gates are owned by the airlines. One of the problems which we face, for example, in Winnipeg, is that there are not enough of these passenger gates. When people come down from the north and the temperature is 30 below, they feel as though they are discriminated against because there is no gate at their facility and they must put on parkas to get from the aircraft to the terminal.

A committee on transport has travelled across the nation. The Ministry of Transport is expected to look after 24 national airports, 76 regional airports, 455 local commercial airports, and 503 smaller airports, for a total of 1,058 airports. As we made that trip, we also learned the demands and requirements of all the principal cities we visited and all the provincial governments. If we had $15 billion, we could not meet all the requests. The budget of the Department of Transport is approximately $1.2 billion, and one does not have to be a master mathematician to understand that we cannot meet all the demands in one year, that we must rely on priorization and consider all the statistics as to passenger demand, number of flights—both incoming and outgoing—and so on, and we are doing the best we can with the dollars we have. In fact, that is why we should hurry and approve the estimates and budget of this department so that we may get on with the job.

Mr. Dingwall: Just one final comment, Mr. Chairman. Perhaps I do not need to say so, but I would remind the parliamentary secretary that on some of the questions which I raised he was not able to give specific information. I hope that he and his officials will follow up in writing with the answers to my questions.

Mr. Crosbie: Mr. Chairman, I am disappointed that the minister is not here. Oh, there he is. I have some serious questions on some serious issues. I am not here to make a speech, but merely to get some information.

Mr. Fox: That is good news.

Mr. Crosbie: It will be news if I get answers. On September 30, 1980, I wrote to the minister about the drydock and the famous synchrolift which was announced by his predecessors, Messrs. Jamieson and Horner, on December 29, 1978, at St. John's, Newfoundland. On June 20, Canadian National wrote to the Department of IT and C about proceeding with the installation of the synchrolift. On August 6, Canadian National wrote the minister about the delay and setting out the alternatives. On August 22 the minister was sent another letter from Canadian National advising him that the government of Newfoundland had provided an acceptable offer of financial assistance and stated that if the Government of Canada would not go ahead, the province would. In that letter it was also stated that the province and CN had reached an agreement and that CN was asking for the transfer of land, and there were comments on other matters.

I also understand that the minister was sent a letter from Mr. Bandeen of Canadian National on November 20, 1980. The exchange of land with National Harbours Board has been approved. Approval is needed for certain land owned by the federal government, other than the land owned by the National Harbours Board, at the dockyard to be transferred to CN. As far as I know, Mr. Bandeen in waiting for the answers to three questions with regard to whether the Government of Canada will permit CN to go ahead, along with the province, with the project, as an alternative to the federal government continuing its direct involvement itself.

The first question is, Will the federal government provide the necessary funding as outlined in this correspondence? If the federal government will not, although of course it should, will it permit the province to provide the financing in accordance with an agreement worked out with CN? The third question, as I understand it is: In the event that the province finances the synchrolift, will the Government of Canada convey title to the dockyard at St. John's to CN to operate that dockyard, or will it give them a 99-year lease so that it may go ahead with the modernization and save the dockyard?

I would remind the minister that the Economic Council of Canada report of a week or so ago shows that Newfoundlanders receive only 53.6 per cent of the national average earned income of Canadians. One-twelfth of all total personal income in Newfoundland comes from unemployment insurance as compared to one-fortieth, which is the average across Canada. Through these projects I have mentioned, we have a chance to secure jobs for 350 people and provide for 150 more.

So, Mr. Minister, you have a letter from the president of CN dated November 20. I want to know if it has been answered and, if not, when it will be answered. Every day that passes is a vital day if construction is to begin next spring. Hopefully, the minister will answer the question.

• (1950)

It is vital for the operation of this drydock at St. John's that Russian crews be permitted to use Gander airport as they travel back and forth from Russia, when their ships come in to be repaired. Canadian airlines cannot provide the service from St. John's to Montreal. The Air Transport Board has given permission for Aeroflot to be used for these purposes, operating through Gander until the middle of December. It is vital that this continue or the whole Russian repair business will have to stop. This year, by the way, 31 Russian vessels were repaired in the dockyard of St. John's. That is $2.5 million worth of business. Of these, 25 were scheduled and six were emergency repairs. There is a contract for next year for 25 more vessels. That will go up to 50 or 60, once the synchrolift is installed.

Will the minister urge the Air Transport Board to allow the flights of these crews to take place through Gander by Aero-

flot, rather than having them travel via Montreal in view of all these troubles and difficulties they had last year. Those are my first questions.

The Assistant Deputy Chairman: Order, please. Before the hon. minister answers, it has been brought to the attention of the Chair that I have permitted hon. members to address one another in, grammatically speaking, the second person. I do not want to convert the House to the more serious rules of formality, but *Hansard*, tomorrow, I am told, will rewrite some of the addresses made by members so that they will refer to one another in the third person, as is the custom in the House. I would ask hon. members if they would assist the Chair and continue in that tradition.

Mr. Pepin: On the subject of Aeroflot coming directly to Gander to pick up people working on the Russian fishing fleet, as I understand it, this agreement has been reached. Authorization given as of November 1, so this is actually taking place. In other words, on a temporary basis, Aeroflot does not have to come to Mirabel and then have some other airline take the Russian citizens to Gander or other places. When I heard that, I inquired about it and was told of the advantages to the Russians of doing it in this fashion. I was also told that EPA was not now available to do that job. I inquired whether proper attention had been given to other carriers, and I was told that it had. So, on a temporary basis, it is being done.

On the subject of synchrolift, we are faced with two situations. One has to do with the relationship between CN and the government of Newfoundland in connection with the construction of the facility itself. It is well known that IT & C does not disagree with the government of Newfoundland taking over that responsibility, and that discussion is going on now.

Other talks are going on between the National Harbours Board and the CN as to the land on which this will be built. CN and the National Harbours Board, have been discussing this matter for a number of days and I understand that they have reached agreement in principle. There are still some money matters to be concluded, but that discussion is on the right track too, and should be concluded very, very rapidly.

On the first matter, negotiations between CN and Newfoundland are progressing, as I said. CN apparently needs to know what sort of financial agreement they will have with the National Harbours Board before concluding the first one. My information is that things are progressing quite normally, and that they will come to a conclusion very soon.

Mr. Crosbie: The hon. minister's information is not correct. These things have all been concluded—I have it right from the horse's mouth, if you want to call it a horse. There is a letter to the minister, dated November 20, from Mr. Bandeen, setting out that the exchange of lands has been agreed to with the National Harbours Board. There is some other federal land about which they now need the minister's formal approval in order that it can be transferred to the dockyard for this synchrolift. He wants a decision from the minister. If the federal government is not going to carry out its obligation to finance its own shipyard's extension of the synchrolift—if that is reaffirmed as being the case—then he wants the minister, on behalf of the Government of Canada, to agree that he may go ahead with the agreement the company has with the province. They have reached agreement with the province. CN is putting up $14 million and the province $7 million. There is an agreement with the province. If the federal government confirms it will not meet its responsibilities, then he wants the minister's consent to go ahead with the province.

If they do go ahead with the province, CN wants title to these assets at the dockyard—the land—the synchrolift, the machinery and the tools that are there, because the Government of Canada has never put one red cent into the dockyards; only CN has. If the province of Newfoundland puts in the money for the synchrolift, CN wants to own the operation, and no longer just hold it as an agent of the federal government. There is a letter from Mr. Bandeen, and every day it passes unanswered, is another day's delay.

I will ask the minister again whether he would look into that matter as soon as he gets a chance, and answer the letter. The next step is to advise the consultants to prepare the final plans and specifications and try to get ready for tender calls next spring. That is a very favourable time, because the construction companies in Newfoundland are hungry for work then, and will offer very good prices if they can go ahead. The letter is there. I am not going to argue or go into the details of the behaviour of the Government of Canada, I just want the minister to agree. If the government is not going ahead, it is out to punish the people of St. John's West for electing me, which is what it has done. There is $2.5 million provided in the estimates for this project to go forward this year. The government should at least let the province do it, so that Newfoundland can get some economic development.

By the way, the temporary agreement made through the Air Transport Board is only valid to the middle of December. The dockyards cannot deal seriously with the Russians who want to plan their schedule for next year, if they cannot be assured that they will be able to exchange crews and have this arrangement continue for a considerably longer period. Therefore, I would ask the minister or one of his officials to check into that and try to get the extension approved beyond the middle of December, for a few months at least, particularly since Canadian airlines cannot handle the business. Their service is unsatisfactory and the cost of their charters has doubled over a period of months. This is an immensely important economic project for St. John's, and the province has a fantastic unemployment problem.

There is another point. A committee has been set up, comprising federal and provincial officials, to study transportation issues and spending on transportation on Newfoundland. There is a three-year agreement on the Trans-Canada highway. It is called the Canada-Newfoundland primary highway strengthening and improvement agreement and it terminates on March 31 next. Under this agreement, and Newfoundland had $60 million to spend on it; it was to be a 50-50 division, federal and provincial. In effect, the agreement this

year is 25 per cent federal, 75 per cent provincial. It is of immense importance to the government of the province of Newfoundland, to know if there is to be a renewal of this agreement, and what the financial basis of it will be. The Trans-Canada highway in Newfoundland is a very inadequate highway. It is an extremely dangerous, two-lane highway, which carries a huge amount of traffic. It is deteriorating rapidly and needs further work. Is the government going to enter into another Trans-Canada highway strengthening agreement or not, and if so, what are the financial terms?

When is the minister going to make known to the Newfoundland government, through his officials, just what the transportation spending envelope is for Newfoundland? That is the new jargon. No one seems to know what it is. There is supposed to be a long-term strategy. There was a meeting on November 23 of federal officials and Newfoundland officials, on the long-term strategy—the usual palaver is an envelope based on last year's spending. It does not include DREE spending. Federal officials do not know how much money they have. There is some suggestion that it might be a $25 million total program, half federal and half provincial, which is entirely inadequate. What is the position on that?

What is the position on the Sullivan transportation royal commission report? What is the federal position on the latest statement from Premier Peckford on the program for the revitalization of the Newfoundland railway, and on the studies done by a project management and design company and by Canadian Pacific's consultant services in Montreal? As hon. members know, they want to integrate the Newfoundland railway with the North American railway system by converting to standard gauge. The province of Newfoundland wants a new federal Crown corporation established to own the Newfoundland railway and the railways assets of CN in the province. They no longer want CN there. With reference to the railway, they want a new federal Crown corporation. There are other recommendations. The province has said it is now prepared to sit down with representatives of the railway unions, the CN and the federal government to implement that program. What is your reaction to that? What is happening on the Newfoundland transportation scene? There is no province in Canada where transportation is more vital and where there are greater problems.

● (2000)

Before sitting down to give the minister a chance to respond, I have one other item. It is the situation respecting DREE agreements. No DREE agreement has been signed since the new government took office. There has not been a DREE agreement since May, 1979. Apparently DREE does not want to spend any money on roads. All road spending under DREE is going to vanish. Is that true or not? What is going to happen with respect to road construction in Newfoundland.

Is any planning being done for the St. John's harbour facilities. A fire tug is badly needed. It has been requested for the city. There is no tug in the harbour, yet St. John's is located only 160 miles from the new Hibernia development. Here is a port with all this activity going on which does not even have a tug which can go outside the narrows. The only tug, the *Glenmount* is not allowed outside the narrows. There is no fire protection; there is no fire tug. Will any action be taken by federal government to do anything to meet this fantastic need, particularly in view of all the offshore activity? All we hear about are pilotage fee increases. Another attempt is being made to get a pilotage fee increase. What is to happen there?

The minister might also deal with the St. John's airport and the need for an improvement in the ILS landing system. I think runway 11 has to be used when there is an east wind. Runway 0826 and runway 11 need to be upgraded to standard category 1 or category 2 ILS. There is also the question of whether St. John's can be used for international service. These are some of the questions of great moment which occur to me and I would like to hear from the minister on those, if I may.

Mr. Pepin: Mr. Chairman, let me take them one by one, if I can remember them all. First, concerning Aeroflot. As I have indicated, permission has been granted to Aeroflot to stop at Gander. This is a temporary measure in order to give us time to work out a satisfactory permanent arrangement with Aeroflot. My officials are talking to the Russians now. The present situation is that Aeroflot stops at Gander on its regular Moscow-to-Montreal route. These flights drop off fresh fishing crews, pick up tired crews and continue to Montreal, returning non-stop to Moscow. It is a temporary arrangement to permit negotiation toward a more permanent situation.

On the subject of Synchrolift, my hon. friend has an advantage over me. He appears to have copies of correspondence which I do not have here with me. But the latest piece of paper I received today at noon says: "CN is waiting for their final cost analysis of the project before making a firm commitment with the government of Newfoundland." If my hon. friend is better informed than I am, I will bow to his competence. However, that is the situation now. It may be somewhat of a chicken-and-egg situation but we will try to get the chicken out as fast as possible. I am assured by all parties, the CN and the National Harbours Board, that I should not worry because there is no problem. There is no prevention of progress at this point. Consequently, I will not lose sleep on this matter. I will get to it first thing in the morning to be absolutely sure that what I am saying now is correct.

Mr. Crosbie: Thank you.

Mr. Pepin: On the subject of the primary highway strengthening program, my hon. friend gave a description of it. This is coming to an end now, both with respect to the maritime provinces and with respect to Newfoundland. The maritime provinces and Newfoundland have returned for a second round. Both parties have justified what they have done with the money in the first round. I will indicate what they will want to do in the second round, though we still have to find the money. It is the question of money again. However, this is where we are at now. It is in the famous envelope stage with which my hon. friend is familiar.

Again, this highway reinforcement program should be seen in the light of broader Newfoundland transportation interests. This is where we refer to the Sullivan report and to present negotiations presently going on. If there is one thing on which I will not stand too much chastisement, it is on this subject. I indicated my interests very early in the game. Since then, delays have not been caused by me or by my department. The delays have been caused either by circumstances or by the government of Newfoundland.

The Assistant Deputy Chairman: Order, please. I regret to interrupt the hon. minister but unless there is unanimous consent, his allotted time has now expired. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

The Assistant Deputy Chairman: I recognize the hon. member for Capilano.

Order, please. I apologize to the hon. member for Capilano. I should have recognized an hon. member to my right. With the hon. member's permission, I will recognize him after I have recognized the hon. member for Bonaventure-Îles-de-la-Madeleine.

Mr. Huntington: You have my permission, Mr. Chairman.

• (2010)

[*Translation*]

Mr. Bujold: Mr. Chairman, I am pleased to take part in the debate this evening and especially to have the opportunity to question the minister and perhaps also to make some suggestions and criticisms which are meant to be constructive. I hope that by making some suggestions and criticisms which are not necessarily aimed at the minister or at his officials but rather at the unwieldiness of that large department which has to deal with problems throughout the country, he should necessarily find some solutions.

And it reminds me that last night the minister referred specifically to the problems in his department. And he said very eloquently that time and patience are more productive than strength and frenzy. However, I would tell him that with too many scruples we would never have accomplished anything. I heard him this afternoon repeat to my colleague from Algoma (Mr. Foster) that he understood his frustration and that of his colleagues. Last evening he spoke about the frustration of civil servants. I agree with him that there is surely some frustration within the department but I only want to point out to him a certain difference which exists among the public servants, some very able individuals who are aware of the issues and are working for the common good but it is merely that such a difference exists only at 5.30 or at 6 p.m. When civil servants go back home, they do not have to return to their constituencies or to travel across the country to face the electors who also feel frustrated when they see how slow the decision-making process is. Sometimes all they know about is their local administration or their local problems. People find it hard to understand why decisions are not made more quickly.

Mr. Chairman, as I said, that is the big difference for civil servants who are extremely competent men and women, who know their files. That is the big difference. I should like to tell about a little incident I experienced in 1978, when the former minister, Mr. Otto Lang, sent to the Magdalen Islands a civil servant from headquarters in Ottawa to become acquainted with the problems first hand. That civil servant had to face a blockade in Gaspé, to be more precise. The people there blocked the aircraft on the runway, with the civil servants and the people representing the government aboard. The civil servant came back and reported that he simply could not have imagined that the problem was as serious as it was in fact.

So, Mr. Chairman, having said that, I could perhaps deal with two points my hon. colleague from Laprairie brought up yesterday, to make some contribution and tell the House how I see them, namely, the problems of regional carriers and Nordair. With regard to regional carriers, I see the minister spoke to the problem again today, saying how eager he was to solve it; according to the newspapers in the last two days or so, the department is about to submit to cabinet a policy on the matter.

I should like to point out to the minister the extreme importance of reunification and the need to have a coherent policy in the field of regional carriers. In an area of the country such as eastern Quebec or eastern Canada, it is imperative that there be some correlation between the various regional carriers.

In vast areas that are sparsely populated, regional carriers are needed that can co-ordinate the means of air transport. At the present time, eastern Canada has three regional carriers. Now, when one has to cover as short a distance as 200 miles, and yet has to change carrier three times, to deal with the three airlines that serve the area, how can there be co-ordination or correlation between the three? I am sure the minister, to whom I addressed the question, will bear in mind those extremely important problems when he discusses his policy with the regional carriers.

With regard to the Nordair problem, colleagues have spoken about it even as recently as this afternoon. Our hon. colleague from Joliette mentioned it. Our hon. colleague from Montreal did so as well. Obviously, a decision will have to be made soon. The minister is perfectly aware of it. In his answer this afternoon, he pointed it out very clearly, but I find it hard to understand why there should be concern about the possibility for Quebec interests to be major shareholders in the company that might possibly take over Quebecair or Nordair? Why create problems, why ask questions about the fact that the people of Quebec, with other parties, even possibly from

Ontario, and Air Canada, should hold at least 50 per cent of the shares of the company that would eventually become the main regional air carrier in eastern Canada? I fail to understand that fear. Obviously, as pointed out so eloquently by my hon. colleague from Laprairie, if the shares were split 40-40-20, with the 20 going to Air Canada, with Ontario interest, for instance, Air Canada would still hold extraordinary powers over the future company that is in the process of being created. I therefore beg the minister to take into consideration these facts and to act in such a manner that nothing serious, nothing disgracious for the Canadian government happens at the present time and to act in such a manner that a company with its headquarters in Montreal, with a majority of Quebeckers as shareholders, will retain at least 50 per cent of the shares of a company which would make a bid for the purchase of Quebecair and Nordair.

Mr. Chairman, this brings me to another extremely important problem for our region, in eastern Quebec and in eastern Canada and it has a little to do with the administrtion of Transport Canada. You are aware, Mr. Chairman, of the fact that I represent a riding that encompasses the Gaspé Peninsula and the Magdalen Islands, this little group of islands located right in the middle of the Gulf of St. Lawrence where we must face two levels of administration be it in the field of air, sea or rail transportation, namely the Quebec regional administration and the Atlantic regional administration.

So, Mr. Chairman, I do not know if you can imagine the kinds of problems we must face when we discuss a particular problem and have to deal with two separate administrations. When I am in the Magdalen Islands discussing the harbour in Cap-aux-Meules with CTMA, which operates the ferry service between Prince Edward Island and the province of Quebec, they tell me: Of course, in Cap-aux-Meules a Quebec company operates the service but its administration comes under the Atlantic region with regards to the seaport. So I must try to get explanations from two administrations. It is easy to imagine the communication problems that exist when two directors general must meet to discuss certain things. That requires a great deal more time, and despite the good will shown by Department of Transport officers, it can take months before discussions can begin.

I would be grateful if the minister would consider, whenever it is administratively feasible, to give back to Quebec, to the Quebec region the administration of those small centres which pose no problem. For example, the harbour in Cap-aux-Meules or in Havre-Aubert, in the Magdalen Islands could come under the Quebec region. I see no reason why the administration of those two seaports could not be transferred to the Quebec region.

Mr. Chairman, I would like to touch upon another issue which is of great importance in our region, and the minister will no doubt appreciate the problems this can cause for the people in our area; I am speaking of intermodal public transportation. In eastern Quebec and eastern Canada in general there are three main means of transport: the airplanes, the railways and Voyageur bus in Quebec and other bus companies in eastern Canada.

Because of our weather, one can leave Quebec City in the morning under bright sunshine and get into Rimouski under cloudy skies and finally arrive in Gaspé in a snowstorm. If someone flies from Montreal, he or she can be told in Rimouski that he or she cannot go any further, that a snowstorm has fored the airport in Gaspé to close down. But, if there was such a thing as intermodal transportation, the traveller could hop on the bus or the train. But no, Mr. Chairman, the plane from Montreal or Quebec City arrives in Rimouski at 9.35 a.m., the bus left at 6.10 a.m. and the train at 5.20 a.m. so the only thing that person can do is rent a car and continue his or her journey.

However, Mr. Chairman, if we had intermodal transportation, that person could get there by plane then, a half hour later, take a train or a bus and continue on towards eastern Canada into the maritimes or to Gaspé. The same applies to the return leg from Gaspé to Montreal. The plane flies out of Mont-Joli at 9.15 p.m.; the Gaspé-Quebec City bus gets into Mont-Joli at 10.49 and the train coming from eastern Canada and the Gaspé peninsula goes by at 1.15 a.m. This means that once again we have three transport companies serving the same area where the temperature can change very quickly, where small towns are strung along the coast of the Chaleur Bay, both on the New Brunswick side and the Quebec side, where the population is scattered among those towns and where three companies are fighting for customers who have the means to travel. It is extremely important for the Department of Transport to discuss with these three companies, two of which are private companies, namely Voyageur and an airline, and another which is the Crown corporation VIA Rail. All of them should sit down at the same table to determine whether they can arrange their schedules so that people can take the bus and transfer to the train or board an airplane.

● (2020)

At the present time, those three companies are fighting to get the greatest number of customers that they can among an extremely sparse population, since there are only 120,000 inhabitants in the 600 miles around the Gaspé peninsula. These three companies now have deficits in this area and are constantly fighting to get more passengers.

I hope, Mr. Chairman, that the minister and his department will be able to study this whole issue. I know that there are certain firms which would ask nothing better than to co-ordinate the schedules of these companies. We could have plane service from Quebec City, for instance, to Mont-Joli, and then take either the train or the bus from Mont-Joli to Gaspé.

Mr. Chairman, this brings me to a third matter which is closely related to the two others, namely, the railway problem.

Last summer, a study was made concerning the Gaspé area which clearly shows the importance of transport in our region. As I said earlier, we have a population of 120,000, but the number of people from Gaspé who live elsewhere is much larger. These are people who come and go often, and they need some means of transport. This study made last summer shows that 69.5 per cent of these people travel by car. And heaven knows the great distances we have to cover! In view of all the problems caused by the price of gasoline, which will increase even more in the future, we have to think about developing some type of public transport to solve this problem, which brings me to the train service. In this regard, Mr. Chairman, I would like to quote some extremely revealing figures. At the present time, a round trip from Gaspé to Rimouski over a distance of 310 miles costs $138.25 by car and $30 by train. A round trip from Gaspé to Quebec City over a distance of 490 miles costs $218.54 by car and only $46 by train. The trip from Gaspé to Montreal, which some people make regularly every weekend because the people in our area are not afraid of covering great distances by car in spite of the weather, this trip of 600 miles costs $390 by car. By train, it costs only $50 for the round trip.

So, Mr. Chairman, I am saying to the Minister of Transport how important the train can be in an area where, as I said before, the majority or most of the people in the Gaspé peninsula have relatives or friends living in Quebec City, Montreal or Toronto. These people badly need a low cost means of transport they could use during the Christmas holiday or the summer vacation either to go back home or to visit their relatives outside the area. That means finally how extremely important it has now become to provide these people with a means of transport they could benefit from.

So, Mr. Chairman, we in the Gaspé peninsula have a train which leaves Halifax in the morning and arrives in Montreal the morning after and this train links with a sideline at Campbellton for the people coming from the bay.

As I was saying a while ago, maybe we should ask our officials, or our minister, if he has time for that, to leave Gaspé at four o'clock in the afternoon—and I do not know if the minister has young children—and arrive in Campbellton in the evening, after managing to put his three or four kids to sleep around 9.30 or 8.30 so that when he arrives at Campbellton at 10.15 he must then wake the whole brood up and change to another train. And again you have to spend so many hours to put them back to sleep again, while they are bothering the father and the mother who are in turn upsetting all the other train passengers. That is what we do, Mr. Chairman. We the representatives of this area have to live through that each time we go to our constituency. I wish our officials could go through this routine for although they are conscientious persons they unfortunately do not always have time for such experiences.

Let them come to see us with their families, let them visit our beautiful area, and by the way let them take that train. During the winter, even during snow storms you have to wake the kids and change trains at 10.30 in the evening. There is not even a light at the station. I invite them to try the experience. This is what the people in eastern Quebec, the people in the Gaspé peninsula must put up with every day.

The frustration of certain colleagues referred to by the minister, it is the frustration of the people in our areas. When we go back home and meet our constituents, when we attend political or social events in the area, this is the constant complaint we hear. How can we help sharing that frustration?

Speaking of that train, and the two administrations I referred to earlier—the Atlantic region and the Quebec region with a train leaving Montreal in the evening for the Atlantic region—why not have one or two trains only? One could serve all of eastern Canada, the other could go to Gaspé. This way we could avoid the Campbellton connection, a serious deception for people who have to use the train.

Mr. Chairman, with the figures I referred to earlier, do you know who takes the train in an area such as ours? It is the people most in need, those who have a minimum of opportunity to travel by other means. Families boarding the train cannot afford to take the bus let alone the plane. They are the people who have the least, who can hardly make ends meet, who fortunately once or twice a year can come to Montreal and visit relatives who were forced to leave the Gaspé peninsula or other jobless areas of the country, and who must put up with those annoyances. Those are the same people, Mr. Chairman, who each time we meet them tell us how frustrated they feel when they realize the government that is supposed to look after their interests cannot solve their problem.

Those were the points I wanted to make, Mr. Chairman—

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

[*English*]

Mr. Riis: Thank you very kindly, Mr. Chairman. I must say it is a real pleasure and a real opportunity to stand before the Committee of the Whole to address this topic of transportation. It is a topic in Canadian history which has been fundamental to the success and to the development and certainly will be to the future of Canada, starting from the early canoe routes across the country, followed by the canals, the railways, the air services throughout the north and more recently by the ships connecting Canada to the rest of the world. Indeed, transportation has been a factor that has welded this very diverse and varied country together.

● (2030)

Transportation is an integral element of Canadian development. When we consider the tremendous costs associated with transportation development and the very high cost connected with infrastructure development within Canada, we are encouraged to ask where we should be spending our money. Should we be spending it in the more depressed areas of

Canada which are experiencing economic recession? Should we be spending it in the parts of Canada where development is neutral and where growth is minimal or perhaps static? Or should we be spending it in areas of Canada which are recognized as growth areas in our economy where sound economic development is accelerating on a daily and weekly basis?

I want to paint a picture of a part of Canada for the Minister of Transport. I recognize that British Columbia and western Canada are experiencing some of the lowest levels of unemployment in the country. We are generating the highest rates of real growth in all of Canada. British Columbia and western Canada are increasingly attracting labour from all regions of Canada.

We are experiencing high rates of investment in new productive capacity in British Columbia. This year investment is up by more than 16 per cent over the corresponding period last year. In western Canada and British Columbia we are experiencing tourist growth the like of which we have never experienced before. The total number of United States vehicles entering British Columbia is up by more than 30 per cent over the past year. Rogers Pass westbound traffic is up this year 14 per cent, indicating that the number of visitors from central Canada and the prairies is increasing. Of course, there is increased traffic on the Yellowhead highway. This very crucial route is often referred to now as the "route to the resources", and traffic on it is certainly up from the corresponding period last year.

Within the Kamloops-Shuswap area itself, economic growth in 1981 will unquestionably be higher than the national average. Population is growing, and there are major new developments as a result of the major newly-found copper deposits in the Kamloops-Shuswap region. The growth of the region is illustrated by the following: the value of building permits issued in Kamloops during the first ten months of this year totals in excess of $72 million compared with $34 million in the same period last year, an increase of over 100 per cent.

In the Salmon Arm area, the centre of the Shuswap area of British Columbia, the value of building permits jumped to in excess of $11 million in the first ten months of 1980 compared with $5 million in the same period last year, an increase of well over 130 per cent.

Retailing is the second largest industry in the Kamloops-Shuswap area and, as in most other parts of Canada the great majority of retail stores are small, independently owned and operated enterprises. The strength of this sector in my riding reflects what is happening throughout the west. In the 12 months ending June, 1980, retail sales in Kamloops totalled $5,245 per capita compared with the national of $3,596 per capita. By 1985, per capita expenditures in Kamloops will likely reach $8,200. This buoyant local and regional economy provides a confident environment for the establishment of new business. So far this year 770 new business licences have been issued in Kamloops and 160 in the Salmon Arm area.

The conclusion to be drawn from the picture I have painted is that a very strong local and regional economy exists in this area of central British Columbia. Yet the transportation infrastructure which is so crucial to continued development is lacking.

Back in 1969, for example, the Kamloops airport served fewer than 100,000 passengers and experienced what was at that time referred to as a major expansion. A new coffee shop was added and a few additional feet to a lobby space. Then in 1975 there was a proposal by the government for a major expansion. In 1979 the number of passengers served was in excess of 200,000. In 1980 another significant expansion occurred at the airport. An addition was made to the baggage-handling rack. Expansion has always been promised but always put off. Expansion never took place. On July 28 I received a letter from the Minister of Transport indicating that expansion of the Kamloops airport facility had been postponed again until 1983.

Let us recognize that we are talking about a part of the province of British Columbia which is experiencing tremendous growth. Access to the area and the opportunity to leave the area for business purposes and for moving labour in and out has become crucial, yet the facility which existed in the sixties remains in place unchanged. We need an airport which can handle more traffic. We need an airport which is dependable under varying weather conditions. We need an airport which can provide an adequate and acceptable level of service. We heard earlier today about problems associated with Mirabel and the tremendous sums which have gone into the Mirabel airport near Montreal. Yet the returns are somewhat questionable. One has to ask whether it is unreasonable to request that a few dollars be spent to expand and improve the terminal facility in this dynamic part of the country and to invest in the economic development of that area.

Is an improved terminal and improved landing facilities to allow access to the airport under inversion layer atmospheric conditions too much to ask? Can we ask the minister to reconsider the decision to hold off any expansion to that airport until 1983? I will put the question to the Minister of Transport: Can we ask for an acceleration? Can that date be moved up to one more acceptable to the people and the entrepreneurs of that area?

Mr. Bockstael: Mr. Chairman, I want to thank the hon. member for Kamloops-Shuswap for the very encouraging picture of his area he painted for us. Economic growth is advancing there, and that certainly reflects the need for good transportation facilities.

Since the program to upgrade the Kamloops airport is deferred to 1983, his question is whether it can be brought forward. Well, it is not in this particular budget. In 1978 we

spent $37,000 on a garage, and $44,000 on runway stabilization. In 1979 we spent $205,000 acquiring some land. The hon. member for Kamloops-Shuswap drew attention to the need for specific improvements to the terminal and to runway facilities.

Members of the Chamber of Commerce from Kamloops appeared here in delegation and pointed out that the inverted fog layer which exists over the airport prevents aircraft from landing at Kamloops—they must carry on to another airfield because of the level of the present runway. They even went so far as to suggest that Kamloops needs a whole new airport at another level which would not be subject to that kind of influence from the atmospheric buildup over Kamloops.

Some hon. members have several airports in their ridings, and individual members come to the Ministry of Transport saying that conditions at their airports warrant higher priority than others and asking that improvements at theirs be advanced. At this stage there are no reserves to include Kamloops in this year's budget, but I am sure the minister and his officials are willing to look at the hon. member's proposal to see whether there is any possibility of taking his submission into account when preparing the next budget—and they look forward to doing that.

Mr. Riis: Mr. Chairman, I appreciate those remarks, and I certainly encourage a re-examination of the priority and the timing of the expansion of that airport, in recognition, perhaps, that it is time to be investing more money in airports. Such investments would perhaps result in more money flowing back to the Canadian government than investments in other locations at this time.

• (2040)

Speaking along the same line, we recognize that the centre of economic gravity is moving to the western provinces. Alberta and British Columbia are becoming more important all the time in terms of the country's economic development. The Yellowhead highway is a major interprovincial route, increasing in importance, and sometimes called Canada's road to the resources. It links up the Pacific coast to northern Alberta particularly. The daily traffic counts on that highway are now higher than on corresponding sections of the Trans-Canada highway. One of the major uses of the Yellowhead route is for heavy industrial traffic in recognition of the industrial development which is taking place in the western provinces. Would the minister comment for a moment on whether or not he sees any possible cost-sharing program to provide for present and, perhaps more important, for future needs, from the $4 billion western development fund to encourage the improvement and development of this crucial highway system?

Mr. Bockstael: Mr. Chairman, may I say to the hon. member for Kamloops-Shuswap that I had the opportunity of assisting at the Yellowhead highway convention in Saskatoon about a month ago. The problem stems from highway improvement programs which were based on cost-sharing with the four western provinces. Some of these agreements were signed earlier; they were five-year programs. I do not remember the particular ones which were started in 1975 and which terminate in 1980, but there are some that have a couple of years to go. It is relevant to me that under a federal-provincial agreement, the provinces take their allocation and decide to apply it to highways which have priority in their mind. As they have not applied these funds to the Yellowhead highway, they are now hoping that the government will see it as a parallel to the number one Trans-Canada highway to the south. They put forward many arguments, they produce figures regarding the volume of traffic and other statistics, but it is a matter which has to be negotiated between the provinces, the ministers of transport of the provinces, and the federal government. When a certain program has expired and there is no allocation in the budget of additional funds for such a program, special legislation or supplementary dollars would be required in order to arrive at such an agreement with the provincial counterparts as is suggested. I do not believe the western incentive program was designed to be applied to highway programs.

When I went to the convention, I had a list of the moneys which had been made available. When I met the B.C. minister, he said to me, "You have only given us $8 million for our highway. You should have given us a lot more." That is the type of demand the Ministry of Transport receives from all the provinces. If I may digress for a moment, let me point out that one usually sees a big sign saying, "This is a provincial highway program". And on the bottom of the sign it says, "A little bit of it was funded by the federal government."

Mr. Riis: I thank the parliamentary secretary for his response. I would say, if that is what it would take to get funding for such a highway system to provide better economic opportunities to that part of Canada, I would be quite prepared to see the federal government take the top part of that sign and put it in neon lights every few hundred yards along the highway. That would be fine with me if it encouraged the federal government to provide that kind of funding. I would ask, however, that consideration be given to investing money in highway systems which would guarantee returns to the Canadian government.

I want to refer now, Mr. Chairman, to a point which was introduced earlier by the hon. member for Cape Breton-East Richmond regarding the cutbacks in the express stations particularly along the CN rail. I think one would recognize the problem clearly if one saw it in the context of the lay-offs by CN and CP over the last 20 years which have resulted in something like 60,000 positions being cut back. As a result of the decision to reduce the CN express service, we have seen a loss of about 1,100 jobs across the country, affecting places such as Kamloops, Kelowna, Victoria, Prince Rupert, Terrace, and Smithers. A similar situation has arisen in other regions of Canada. In some parts of the country this has resulted in a complete lack of express service by railroad or by highway and dependence upon very expensive air services. I wonder, if the effect of this move has been considered, what kind of impact it will have on the small community.

I would like to give one example of a small business which received a support grant from the federal government of

$150,000 to open up a modern pottery factory exporting goods out of the region. It depended upon the freight rates established for CN express service. When this service was eliminated, the cost of freight of the goods in and out of this centre doubled, which made it impossible for the entrepreneur to compete with the national and multinational firms throughout the region. As a result, we saw another bankruptcy, another small business caving in because of the cutback in the express service.

We see a cutback in rail transportation jobs. I understand that earlier the minister indicated that perhaps 90 per cent of these positions would not be lost, that individuals would be moved into other parts of the rail service. But I would like to ask him whether there is a need to continue the phasing out of this service, particularly during these crucial energy times when it is recognized that to move goods by truck costs four times as much in terms of energy per freight mile as it does by rail. To me this does not necessarily seem the most logical progression when we are concerned about the conservation of energy. Also, I should like to remind the minister that section 262 of the Railway Act compels the railway by law to handle all traffic offered for carriage, which means the government can step in and require that the express service be maintained throughout all parts of Canada.

Will the minister explain why this absurd cutback is occurring which is costing Canadians jobs, service, and, perhaps most important of all, jobs in businesses which will fold as a result of increased transportation costs because of this particular decision?

Mr. Bockstael: Mr. Chairman, may I say in answer to the hon. member for Kamloops-Shuswap that I believe his area is served by CN express, is it not?

Mr. Riis: By CN and CP.

Mr. Bockstael: It is not the desire of the department to cut back on services or to elimitate a service. It is simply that CN has been losing $53 million a year in its express operations because in many areas CN is facing competition from other operators. To use an example, in Amherst, Nova Scotia, when CN speaks of cutting out its services, it is reported that 12 private contractors are willing to take on the job and replace them in providing that service. Essentially it is a lack in the traffic volume or the high cost of operating the express services traditionally provided by the railways.

The hon. member gives the example of a pottery firm. His colleague, the hon. member for Regina West—

The Deputy Chairman: Order, please. I regret to interrupt the parliamentary secretary, but the time allotted to both members has expired.

Mr. Huntington: Mr. Chairman, it is indeed a pleasure to have this opportunity to question the minister through you, Mr. Chairman. I was fascinated by the minister's answer to my colleague, the hon. member for St. John's West when he said, "money, money, money". The minister talked about the brown envelope question which was introduced by this side. It is very interesting how easy it is for the government to find $28,400,000 for propaganda purposes just like that; it is not even in the estimates. The excuse the minister gave the hon. member for St. John's West that there is not money is just hogwash.

● (2050)

Also I was fascinated with the minister's answer on JETS, the radar problem or dilemma in Canada. I was told by officers of the Air Traffic Controllers Association that the JETS system is approximately eight years old and is completely obsolete. There is one installation in Moncton, and now it is planned to instal others across Canada over the next three years. Updated systems are already in place in the United States. JETS are computer simulators which predict by calculation where aircraft will be, and now there is a system of live definition of where aircraft will be. JETS are obsolete, yet they are continuing to spend millions of dollars on them. The system is so obsolete that it cannot even transfer aircraft from one zone to another in Canada.

The executive of the Air Traffic Controllers Association of Canada has invited industry representatives to luncheons so that they might understand the problem the association is having with the Department of Transport. I appeal to the minister to invite the executive to lunch so that he will hear the same lecture they are giving to industry representatives throughout the land. The minister should not lecture them; he should listen, because they have an interesting and valuable story about how our aircraft communication can be first class. It is ridiculous to continue to spend money on an obsolete system.

I should also like to question the minister about the government's offshore sickness. It seems everything is in place to serve interests offshore rather than Canadian or domestic ones. For example, the matter of tax treaties and banks lending subsidiaries of foreign corporations money from Canada was raised in the House. The interest on this money comes back into Canada tax free through various wrinkles of the Canadian government tax treaty. One matter which pertains to the minister's responsibility is the 25 per cent of one one hundred and twentieth of duty and taxes paid on dredging and other marine equipment on an as-used basis. If a Canadian corporation builds or owns a Canadian dredge, it pays all its duties and taxes up front in cash, or "baby, you just don't get it". But we allow foreigners to come in and pay 25 per cent of one-one hundred and twentieth of duty payable over a ten-year basis and on an as-used basis. How can Canadian plants compete with that gimmick?

There are foreign dredges in the country. Our own Canadian dredging plant capacity is utilized only 20 per cent. The capital is sitting with an interest burden building upon it, yet there are gimmicks which allow foreigners a preferred status. There are three foreign dredges working in the Arctic with live-aboard crews. There is tokenism. They bring four or five Canadians up to these dredges to learn the foreign technology,

but they are not allowed to touch one thing. They are nothing but deckhands. As a matter of fact, the minister might talk to a couple of them who have quit because they would not put up with it. The wages of the foreign crews are not subject to income tax. They are advanced money for expenses, little trips and holidays, but their wages are paid at home. What is happening to the country? Where are we in terms of common-sense? They are working against Canadian marine unions, and there is correspondence on file from the unions complaining about it.

I should like to refer to Mount St. Helens in Washington which blew its top. Great, massive quantities of mud came down and filled the river systems there. We saw tragic motion pictures of fish dying in the heat of the water. There was a national emergency on the west coast of the United States, and the U.S. government called for all the dredges it could get. They were brought in from San Francisco, Los Angeles, Long Beach on the west coast, from the gulf and even from the east to handle this national emergency. At that time there was dredging equipment in British Columbia which was not being used. It was available; it was absolutely ideal to bail the mud out of these rivers in Washington. But, the Jones act of the United States would not allow the use of any of that equipment, so the emergency situation did not provide any revenue to Canadian companies.

Moving from that situation on the west coast and the protectionism of the United States to the Miramichi bids which opened on December 3, I should like to indicate that four out of the five bids were foreign ones. Apparently a brand new company called Ledin is the low bidder. If a person in the dredging business was asked about the company, he would not have heard of it; it is a new company, and no one has ever heard of it. The low bid this year is $1 million higher than the Canadian bid of last year, but I am told by a responsible official that the bid is based on the leasing of a United States dredge. So, the United States piece of equipment will come here and take work away from a Canadian plant which is working at only 20 per cent capacity. I understand the dredge is being leased from Great Lakes Dredge and Docks Company.

What are we doing to ourselves? Let me deal with Roberts Bank which is close to my home. Canada has entered into coal contracts with Japan, but we do not have in place the dock capacity on the west coast to fulfil the coal and delivery contracts with that country. If there had not been a depression or a recession in the Japanese steel industry, we would have been called on for lack of delivery. We desperately need a second pad at Roberts Bank. This has been known for some years. It would put in place enough capacity in order to handle the contracts that already exist, yet it is not done. It was almost arranged and in progress a year ago, but what troubles me is that Canadian companies do not have the inside track. Who has the inside track on Roberts Bank? It is a foreign company. Somewhere in the system the definition and the terms for dredging contracts are such that Canadian dredging companies just cannot do the job within the time-frame set.

This is absolute insanity. What is the matter? Canadian equipment and crews are available. All of a sudden a design turns to a contract and our equipment is not big enough; only a foreign company from Holland can do the job. Is that not interesting?

I have in my possession one of the most amazing telegrams I have ever read. If the minister doubts me, let him listen. This telegram was received on December 3 from Holland. It is addressed to Sceptre Dredge and it is entitled "Subject—Vancouver, Roberts Bank Tender for Dredging and Reclamation". It is from Amstelveen, Amsterdam Ballast Dredging, a division of Ballast-Nedam Groep. That is the largest group of dredging operators, I guess, in the world. It says:

> Amsterdam Ballast Dredging, a division of Ballast-Nedam Groep, N.V. is interested in establishing a suitable partnership to execute the above works.

Can you imagine the audacity of this?

> It is our intention to carry out all or (of) the major part of the dredging and reclamation works and whereby your share would be the slope protection and servicing works.

● (2100)

Isn't that nice, Mr. Chairman? A foreign company says it is their intention to do the major part of the dredging work and "your share would be . . ." Mr. Minister, what the heck is going on in this country?

Mr. Siddon: Who is advising the minister?

Mr. Huntington: The telegram continues:

> Please advise us of our willingness to co-operate either on a joint venture or on subcontractor status, preferably by phone—

And the phone numbers are listed. It goes on:

> —or by return telex. We are primarily interested in the alternatives to complete the dredging in one season.

Isn't that fascinating? We had to go and set the terms for a big dredging contract to get a great big turning circle inside for the ships to turn around in so that we could dredge up three or four new pads. The turning circle on the inside basin was the reasoning behind that.

The secondary reason was that no Canadian company could do this within the limited time-frame the Department of the Environment set down since they say the dredging shall be done between this period and that period otherwise the crabs will get hurt. I am also told that the crabgrass they are trying to protect started to grow after the first dredging. Perhaps it is time we looked at some of these applied biologists and began to apply some common sense in terms of the total picture before us.

The point I am making is really an appeal: what the heck is going on? There are many Canadian dredging companies for the Arctic, Roberts Bank and Miramichi, yet we get into deals like this where somehow or other outsiders have the inside track, where they can make requests of Canadian companies such as this. I think something is very wrong.

Mr. Siddon: It smells fishy, too.

Mr. Huntington: I would like the minister to answer these questions. What are we to do about dredging in the Arctic? Why cannot Canadian equipment be used in the Arctic? Why must we have foreign crews aboard who are not paying their full share of taxes? How long do you think the Canadian maritime unions are willing to put up with this kind of nonsense? We have all this unemployment. We know what our needs are. We are dredging knowledge, yet find it taken over by foreigners. We are talking about the heart of a serious problem, a serious lack of communication between the department and the Canadian public at large.

Before I go on to the next subject I would like the minister to answer those questions.

Mr. Bockstael: Mr. Chairman, I would like to address the first—

Some hon. Members: Oh!

Mr. Huntington: Mr. Chairman, on a point of order. I wonder if the minister could answer these questions. He is here and I do not think he should have his parliamentary secretary answer for him.

The Deputy Chairman: Order, please. I see the minister is rising, now, to the satisfaction of the hon. member.

Mr. Pepin: Mr. Chairman, it was a matter of dividing the job between my parliamentary secretary and myself. I was going to speak after he was finished. He was to answer the first part of the hon. member's comments.

Mr. Nielsen: He is here and he is responsible.

Mr. Pepin: On the subject of contracting, and in particular contracting abroad, I want to emphasize that the hon. member took a one-sided approach to this thing. For example, he neglected all kinds of nuances. There is no doubt that allowing foreigners to contract in Canada on dredging has some good consequences. First of all, as to the lower cost and in providing more competition, obviously. I could quote chapter and verse with respect to that. Also, there are instances where the equipment is not available in Canada. There are situations where the equipment is not suitable.

Mr. Siddon: Who fed you that?

Mr. Pepin: There are all kinds of situations which really do exist—

Mr. Forrestall: You be careful how you respond to this.

Mr. Pepin: I am simply expressing that there are two sides.

Mr. Forrestall: Of course there are two sides. You had better be very direct and honest with the Canadian Seafarers in this country.

Mr. Pepin: I am simply making the point, and I will repeat it, that this is a two-sided story. When you close your bidding to foreign companies you may very well create problems for yourself, for example, in terms of competition on cases other than the one in which you are involved at the particular moment. I could give examples of that. It is not as black and white as has been presented here tonight.

Mr. Munro (Esquimalt-Saanich): It is pretty muddy.

Mr. Pepin: With respect to the subject of the importation of dredges, I do not know if I understand the argument very well. I did take note of it. I do not know if I understand what the hon. member for Capilano said about the foreign importer only having to pay one-twentieth of the 25 per cent duty each month he has his equipment in place.

Mr. Huntington: Twenty-five per cent of one-one hundred and twentieth of duty and tax payable.

The Deputy Chairman: Order, please. Either we hear from the minister or we hear from the member for Capilano.

Mr. Huntington: I would like him to have the facts.

Mr. Pepin: I was trying to answer to the best of my capacity. What I understand is that he must pay one-twentieth of 25 per cent duty each month he has his equipment in place. The hon. member says that if a Canadian was to do that he would have to put 25 per cent up front. Is that it?

Mr. Huntington: He pays his duty and taxes up front on his own equipment.

Mr. Pepin: My understanding is that he is in exactly the same situation. If he imports the foreign dredge he would be in exactly the same situation as a foreigner would be.

Mr. Huntington: What about Canadian equipment? How will you encourage the use of Canadian equipment?

Mr. Pepin: I do not have that here and I will try to decipher it further. This does not seem to be the great injustice the hon. member is referring to.

I am impressed by some of the things the member for Capilano has said and I will certainly give that a lot of attention. I have already done this. I have suggested to the chairman of the National Harbours Board that Canadian dredging companies should be accommodated. I also expressed a wish that if foreigners were to be retained they should enter in consortia with Canadian dredging companies. I was told this might lead to difficult situations. I understand other people have said that the way for Canada to make the best of these situations is for the Canadian government to buy the equipment and then lend it back to the dredging companies.

Mr. Forrestall: That is a long-term solution to tomorrow's problem.

The Deputy Chairman: Order, please.

Mr. Pepin: I am impressed by the argument—

The Deputy Chairman: Order, please. I regret to interrupt the hon. minister but the time allotted to both members has expired.

Mr. Nielsen: On a point of order, Mr. Chairman. Obviously the minister is woefully ignorant of the point or he cannot answer the—

The Deputy Chairman: Order, please.

Mr. Nielsen: —very legitimate questions put by the hon. member for Capilano.

• (2110)

The Deputy Chairman: Order, please.

Mr. Nielsen: I am rising on a point of order, Mr. Chairman.

The Deputy Chairman: I have listened to a few words of the point of order and I fail to see a point of order.

Mr. Nielsen: I am rising on a point or order. The point of order is that the government in such an exercise is responsible to account to hon. members for their estimates. That is not happening because the minister has not informed himself or his officials have not informed him.

The Deputy Chairman: Order, please. The hon. member might not be satisfied with the answer he received, but I see no point of order in that.

Mr. Nielsen: Mr. Chairman, you have not even heard the point of order, so how can you make a judgment?

Mr. McRae: Mr. Chairman, once again, I am pleased to take part in this exercise. I think it is one of the better functions of the House of Commons. I certainly associate myself with the hon. member for Qu'Appelle-Moose Mountain in praising this particular exercise. It seems to me the people of this country who are interested and who are watching the proceedings on television are seeing the House in one of its better moments. It is a good deal better than the question period, which is really a case of one-upmanship. In this exercise we get down to business, and individual members put national and local interests in front of the minister and receive replies.

I am pleased with the replies of the minister, both throughout today and yesterday. Transport is probably the most difficult department in any government and certainly in the government of Canada. It deals with a very large number of issues and a great deal of diversity, all of which makes it extremely difficult for the minister. In the few months in which the minister has held this portfolio, he has handled the problems extremely well. It may be very trite to say that transportation is of vital importance to Canada, but it is important to remind Canadians, again and again, of the importance of the industry.

There is probably no other country in which transportation is so important and so complex. I challenge anybody to name a country in the world in which transportation is as complex for a population of 25 million. The distances are great and there are all kinds of regional problems. A sophisticated transportation system is necessary to link those regions which are interdependent, if not totally dependent on such links. Canada has a high growth, sophisticated economy and there is a high volume of goods and service equipment moving across the country.

On a per capita basis no country in the world has as much export trade as Canada. Certainly, we are the world's number one exporting country. When I refer to transportation on a national plane, I am also thinking of my own community because it is one of the few constituencies where the national interest almost invariably applies directly to the constituency. So when I talk about transportation in Thunder Bay, I am usually talking about a key national interest, because that community is key to the whole movement of goods and services in this country.

Thunder Bay is located almost at the centre of the country geographically or, as we say, at the heart of the country. The distances to other parts of the country from Thunder Bay are very great. Without a doubt, that community is the largest exporting community on a per capita basis in Canada. No other community has the export trade in grain, pulp and paper, transportation of equipment and so on, at least on a per capita basis. This year was a record year for the port of Thunder Bay in the movement of grain. It was probably the greatest amount of grain moved through any port in the history of mankind in one year. It is a vital port in the movement of goods and services throughout Canada.

I would like to cite some of the problems which I foresee for Thunder Bay. The port came very close to its capacity this year. The Lakehead transportation study, which was part of the Central Access study of three or four years ago, said that Thunder Bay would not reach capacity for 20 years. But three years or four years hence we have already come very close to that capacity.

It is important that we begin to devote attention to Thunder Bay. One must not forget that almost two-thirds of all Canadian grain moves through it, and will continue to do so. We must begin to look at ways in which we can improve the situation if, indeed, we are coming close to capacity. I refer hon. members to a comment which was made by Doug Radke, the deputy co-ordinator and the acting co-ordinator at present of the Federal Grain Transportation Authority in the Montreal *Gazette* on October 7. He says there are problems with regard to turn-around time and sorting out trains in Thunder Bay and that action must be taken to improve the situation. He goes on to say that the turn-around time for most grain trains is approximately 14 days to 16 days, and comments:

> Reducing Thunder Bay's turn-around time is as good as adding more hopper cars to the system,... For instance, a 15 per cent reduction in the port's turn-around time would represent the same boost in grain shipping capacity as the addition of 4,000 hopper cars by 1985.

He goes on to explain in this article why Thunder Bay is not as efficient as it should be and how it can become more efficient.

I presented to the minister earlier this year a proposal designed to improve the movement of grain. I did not ask the minister for more money. I was suggesting that if the government intended to spend $1 billion on hopper cars and other items, it should look at spending $30 million at Thunder Bay as a better alternative. And Mr. Radke, three or four months later, supports me in this particular article.

The proposal which I made in the spring, Mr. Chairman, has been reviewed again. Comments have been received, some of which were adverse, from the department and from the grain companies. We are now looking at another proposal which we think will achieve some of the same results—perhaps it is a better proposal. This new proposal tries to solve the same problems as were outlined in the other, and it deals with the fact that most of the shunting by CPR is done on the main line. We went back to a proposal brought forward by CPR in 1969 or 1970 when it acquired land to the west of the city in order to build a yard so that the movement of grain and other goods could be improved. I bring this subject to the attention of the minister with the idea in mind that in the next two or three months a new proposal will be presented, and we hope it will receive very close attention.

As Mr. Radke says, a 15 per cent improvement in turnaround in Thunder Bay is as good as 4,000 hopper cars. We believe this would cost $30 million or $40 million, whereas 4,000 hopper cars would cost many times that amount. The community of Thunder Bay has become far more aware of its potential as a major port. It has set up a civic transportation committee to study these matters, and we hope we will be able to have the support and attention of the minister, with the idea that someone will appear before the committee or become part of that committee in the near future as we consider these larger problems.

● (2120)

We are also concerned about the future of the St. Lawrence Seaway. The transport committee had a meeting with Mr. Turner in Regina in September and it was very interesting. He put it to us that one of the problems the grain industry was really concerned about was the future of the Seaway. This was the line of reasoning that was used: They said, "Look, the Americans are going to increase their grain shipments and their exports in other areas very, very considerably, and their Mississippi waterway system is operating nearly at capacity. They are going to require much more of the Seaway. We will have to increase our tonnage through the Seaway considerably, particularly of grain; also, as energy problems develop, far more coal and other goods will he shipped, and so the pressure on the seaway will be very considerable."

The key problems are, I think, twofold: one is the Welland Canal, which is a bottleneck. I know the ministry is looking very carefully at this because we have had testimony to this effect in committee. The other problem is, of course, that we must keep the system competitive; Seaway costs cannot be allowed to grow any more than the market will bear. Those are two very significant concerns the grain industry has and which I share as a member interested in the movement of grain, along with our community of Thunder Bay.

In the two or three minutes I have left before I ask the minister to respond, I would like to say something pleasant about VIA Rail because so much is said about VIA Rail that is unpleasant. I think a lot of it is said by people who just do not use the service. I have had occasion in the last couple of months to use the Transcontinental and the Ottawa to Toronto rail service three or four times, and I have been very pleased with the improvement in the service. There is no doubt in my mind that we made the right move when we took the two major railways in this country out of passenger service and put the project into the hands of people who wanted to run a passenger service, and whose business is running a passenger service. I can tell you that the attitude, the cleanliness, the whole approach to the service shows great improvement.

Now, there are all kinds of problems, and I will admit that. There are problems with terminals not being clean and so on. But I think that on balance, in two or three years, we have come a long, long way, and that praise is due to Mr. Robertson, the whole VIA group, and all of the employees. With that I will give a minute to the minister to comment.

Mr. Bockstael: Our colleague from the constituency of Thunder Bay-Atikokan has agreed that I can answer his question.

We are very interested in his proposal regarding improvements that could be effected in Thunder Bay but since he has indicated that the proposal is under review and is being studied further, there will be no comment at this time, but we look forward to receiving that proposal.

On the subject of the seaway, research and development is perfecting its technique to keep the grain berths ice-free. We hope this will lengthen the shipping season through the St. Lawrence Seaway, and to that end an icebreaker, the *Alexander Henry* is based in Thunder Bay. It will be there, as required, at the close of the run. We will co-operate with all the grain shippers to achieve the earliest possible opening in 1981. He has our concurrence that the cost of shipping through the Welland Canal will be kept down. It is evident that this government is supporting VIA Rail in improving the service to passengers and it will continue to do so.

Mr. Ellis: Mr. Chairman, I want to spend, if I may, about ten or 15 minutes going into a subject that I discussed with the minister previously. I probably will discuss it with him again, and unless I get different answers, I definitely will. A few weeks ago I asked the minister a series of questions about general aviation. In fairness, I spoke rather quickly, and I rhymed off about eight separate questions in that exchange. I probably passed them by the minister so fast that he did not get a chance to answer them properly. He latched on to one of them and gave the stock answer that we have been given for some time.

This evening, Mr. Chairman, I would like to go back over those questions, which are all related to general aviation. Frankly, I intend to press again the concept that I put before the minister previously—that within the last decade the Department of Transport has taken an adversary position with regard to general aviation, a position that did not exist earlier. In the regulations it set down, in the manner in which it has dealt with organizations and groups within the general aviation, with reckless abandon the private aircraft operators in this country—country that has more private aircraft per capita than any other company in the world—it has incurred the wrath of a group of men and women who are, by and large, pretty law-abiding citizens, who normally pay their own way, and ask for nothing free from the government.

The first item, which I know the minister will want to answer in exactly the same way he has in the past, has to do with this confounded $5 landing fee that was imposed on private plane operators about five weeks ago. I contend now, as I have contended in the past, that it was put on for one purpose only—to deter private aircraft from going into four airports in Canada. Private aircraft operators and owners do not object to the user-pay principle. Rather, they object to the method that the department uses to collect the fee. Private operators are quite willing to pay their fair share through gasoline tax concession fees or taxes, but not by landing fees. I have been the recipient of those landing fee invoices. They are expensive to produce. Obviously, the $1.65 that was collected did not come near to covering the cost of them. The $5, it seems to me, will barely cover the cost of those multicopied computer-produced, sometimes erroneous invoices. I suggest, Mr. Chairman, that this is the wrong way to go about things. Surely, if any motorist driving through a major city in Canada were faced with a barrier at the edge of that city, and had to pay a $5 fee every time he drove in, he would raise particular hell. And you could not blame him for that. Private aircraft in this country fulfil an identical utility transportation function. I see no reason at all why they should not all be treated similarly. Motorists pay taxes on their gas. Private aircraft owners are already paying a much larger amount on the gas they buy. In fact, the amount right now is about 13.1 cents per litre. Unless that is changed, the tax on motor fuel is about two-thirds of that. If that is the case, why should we have to pay a landing fee, one that is difficult to administer, expensive to collect, and obviously a deterrent to landing at major airports?

● (2130)

Those of us who fly feel very strongly and, as a matter of public policy that this usurious fee should and could be dropped. I shall ask the minister to keep this in the back of his mind and remember that point because I am afraid of what his answers might be.

I shall go on to one or two other points on the long list I have and see what kinds of answers I get to them before the minister comes back to this one. One factor which supports my request those fees be dropped is that the ministry is not providing any alternate service. If, for example, at Vancouver there was an adequate airport at Boundary Bay or if at Toronto there was an adequate service at Toronto Island, there might well be a case. They are only a few miles apart. In an answer given to me some time ago, I heard that we should look at Hope airport. I am not in British Columbia very often, and I am sure my British Columbia colleagues will correct me if I am wrong, but the last time I drove from Hope to Vancouver international it was a very long drive. I would never consider it as being a substitute.

There are other things which bother aircraft operators. We are told that Toronto international is extremely busy. I have read it is the third, fourth or fifth busiest airport in Canada in terms of landings and takeoffs. But in the north end of Toronto international, runway 1028 is rarely used. In most major airports there are taxiways which would be perfectly adequate for light aircraft, up to and including the twins of the major manufacturers. There is no reason at all why those taxiways could not be used. These aircraft can land, unless they are extremely heavily loaded, in 1,500 feet to 2,500 feet and take off quickly. It would not take a great deal of expertise to have that happen. Yet, unlike many airports in the United States, the ministry in Canada will not allow this. Aircraft are used in Canada to a much greater degree than they are in any other country. I see the minister and his parliamentary secretary writing away feverishly, so I think I will go through my list. I will let them answer my questions and then I will make one final request at the very end.

One thing that bothers private pilots excessively is the extremely arbitrary system used when a pilot is discharged for medical reasons. There is no way a pilot can get a good second opinion and convince the ministry of his ability to fly. Pilots must use those medical officers—admittedly they are usually good doctors—who have been politically appointed. Pilots are not allowed to go to an independent specialist, particularly a cardiologist, to get a second opinion which would perhaps convince the department of their ability to fly. Surely the minister will recognize that probably one of the safest pilots is one who has had a problem and is taking proper medication, exercising properly and eating a proper diet. After all, that pilot has no desire to have a heart attack at 2,000, 10,000 or 20,000 feet.

Mr. Nielsen: The hon. member for Brandon-Souris is one of those.

Mr. Ellis: My colleague, the hon. member for Yukon has made a point that the hon. member for Brandon-Souris had a serious heart operation two and a half to three years ago. By looking after himself, he is probably in better physical shape now than he has been for many years.

Another item which plagues Canadian pilots concerns the regulations covering instrument ratings. The regulations in Canada are so difficult that there are more than 60 times as many instrument-rated pilots registered per capita in the United States than there are in Canada. Yet we have more pilots per capita in Canada. We have need of instrument rating because of our weather and because of long distance flying. We allow U.S. trained pilots to fly in our air space but

we do not allow Canadians to become instrument-rated without complying with a particularly difficult set of regulations. Let me at this point toss in a little item—it exemplifies the type of thing which makes me state over and over again that the ministry has become an adversary to general aviation when it should be the support of general aviation. The department requires encoding altimeters at about 14,000 feet but the regulations with regard to installing an encoding altimeter in one's aircraft are maddeningly difficult and unreasonably expensive. It is not impossible, but it is very difficult to comply with them. Again, these are regulations with which they are not faced in countries where the aircraft are built.

I think I am getting close to the end of my allotted time, Mr. Chairman, but I want to put just one more question before the minister, his staff and his parliamentary secretary. It concerns the matter of emergency locator transmitters. I have been on my feet in this House about ELTs for all the time I have been here but I have not had a good straight answer to that question yet. The minister, and certainly his staff, will remember that private pilots were forced to put ELTs in their private aircraft. In principle, perhaps it was not a bad idea. If at that time the minister had admitted they had been warned that lithium batteries would cause difficulties, we could have made some representations. The Ministry of Transport was warned by manufacturers in the United States that the lithium batteries they were about to make mandatory in Canadian aircraft would cause difficulties, but the department neglected to heed that warning and went ahead and forced Canadian owners to put ELTs in their aircraft with lithium batteries.

● (2140)

When those batteries gave rise to difficulties and, indeed, caused a couple of serious crashes, the ministry backed off and said pilots were not required to have an ELT in their aircraft. I repeat, we are a country of people who fly. These pilots were forced to put in these ELTs at a cost of never less than $250. They were then told they could and should take them out.

We are now faced with a conflicting set of regulations. Frankly, as one who flies regularly, I do not know specifically what those regulations are. I put an ELT in my aircraft with other than a lithium battery. I hope it will work. The Ministry of Transport should take advantage of the size of this country and the number of aircraft here and develop an electronic locator transmitter which would be the envy of the world. We certainly have the brains and the technology to do that. The department deserves to do it and should do it for all pilots who fly in Canada. However, they are not doing it. I expect that very shortly we will again be told to put those ELTs in and pay for them again. I hope the minister will tell me this evening that if pilots are again forced to put in ELTs, the department will at least help pay for them.

I could go on and elaborate on this theme but I know my time must be running out. I ask the minister to tell me why the ministry has taken on the adversary position it has with the general aviation public in Canada.

The Deputy Chairman: The Parliamentary Secretary to the Minister of Transport.

Mr. Nielsen: Mr. Chairman, I rise on a point of order. This exercise is an examination of the estimates for which the minister is accountable to the committee. That is the name of the whole exercise, the accountability of the minister. He should be answering the questions, not the parliamentary secretary. That is why he was given all sorts of notice for his department to be called. That is why he is here. It is the minister, not the parliamentary secretary who is accountable. Our practices and procedures require him to account to us on the questions that are put to him.

Mr. Pepin: Mr. Chairman, I do not have to teach you or the member for Yukon any constitutional law and practices. The member knows and Your Honour knows that the fact that I sit here makes me responsible for what my parliamentary secretary says. That is a customary practice and I would not think the member for Yukon would bother to raise that. It is anchored in our practices. I have seen it hundreds of times, as has he. If he has not, it is because he was not looking. It is done regularly. Therefore, I do not see why I should have to defend myself.

[*Translation*]

The Deputy Chairman: Order, please. I recognize the President of the Privy Council.

Mr. Pinard: I only want to invite my colleague to read the Parliamentary Secretaries Act. It is very short and only says that the function of a parliamentary secretary is to assist the minister in his parliamentary duties. So I wonder why my colleague blames the parliamentary secretary for doing his duty. The minister is present in the House and the parliamentary secretary is assisting him in his parliamentary functions.

The hon. member is very lucky to have at the same time the minister and his parliamentary secretary to answer his questions as completely as possible. If he is really sincere, if he really wishes to obtain detailed information, he should be happy to get the red carpet treatment because he has here tonight to answer all his questions a minister and a parliamentary secretary who respect the law and three department officials. I wonder what more the hon. member wants. I wish I could understand the motives of his complaint. Is he sincere? I have some doubt about his real intent, but I give him the benefit of the doubt. I only tell him that he is treated royally and that he has no reason for complaining.

[*English*]

Mr. Nielsen: On a point of order.

The Deputy Chairman: The point of order has been disposed of.

Mr. Nielsen: No, it has not been disposed of. I want to speak further to the point of order.

The Deputy Chairman: The hon. member has spoken on the point of order. The Chair understood the hon. member to insist on having the minister answer the question. It is the privilege of the minister to answer or not to answer. In this case, when the parliamentary secretary wanted to answer, the minister rose and said that he was responsible for what the parliamentary secretary would say. I do not see why we should entertain further the point of order.

Mr. Nielsen: On a point of order.

The Deputy Chairman: I am prepared to hear a different point of order, not the same one.

Mr. Nielsen: You are going to hear the same point of order. The minister does not need you to—

The Deputy Chairman: Order. The Chair has made a ruling. I have listened to the hon. member's point. He is not satisfied that the minister is not answering. The minister said he would be accountable for what the parliamentary secretary would answer. I have recognized the parliamentary secretary.

Mr. Nielsen: On a point of order.

The Deputy Chairman: If the hon. member has a different point of order, the Chair is prepared to hear him.

Mr. Nielsen: I move, seconded by the hon. member for Prince Edward-Hastings:

That the Minister of Transport be now heard pursuant to Standing Order 29.

Some hon. Members: Hear, hear!

Mr. Pepin: Mr. Chairman, I thought it was the gracious thing to do. The parliamentary secretary is extremely competent in these matters.

Mr. Nielsen: On a point of order. Standing Order 29 is not debatable. The motion must be put now.

Mr. Forrestall: Put the motion immediately. It is not debatable. It should have been put two or three minutes ago.

The Deputy Chairman: Order, please. I have received advice from the officers at the Table. The hon. member has put his motion under Standing Order 29. I will read that Standing Order for the information of the hon. member:

When two or more members rise to speak, Mr. Speaker calls upon the member who first rose in his place; but a motion may be made that any member who has risen "be now heard", or "do now speak", which motion shall be forthwith put without debate.

Mr. Nielsen: That is the wrong one.

The Deputy Chairman: I did not see the minister rise to seek the floor. I then saw the minister rising to speak—

Mr. Nielsen: And I was on my feet.

The Deputy Chairman: The minister was not seeking the floor. Therefore the motion that he be now heard does not apply.

Mr. Knowles: What is happening to the time of the hon. member for Prince Edward-Hastings?

The Deputy Chairman: The rule states "when two or more members rise to speak". The minister had not risen to address the committee. The Chair did not make a choice one way or the other. The Chair recognized the only member who had risen, namely the parliamentary secretary. I then recognized the hon. member for Yukon on a point of order. If I failed to recognize the minister seeking the floor, and someone suggests that he now be heard, I stand to be corrected, but I did not see the minister rising to be heard. Now I see him rising to be heard. The Minister of Transport.

Mr. Nielsen: Now you see the two of us. Please put my motion.

Mr. Collenette: On a point of order, Mr. Chairman.

Some hon. Members: Question!

Mr. Nielsen: It is not debatable.

Mr. Collenette: It is out of order.

Mr. Nielsen: It must be put immediately.

Mr. Collenette: Mr. Chairman, I think you made yourself clear. The hon. member for Yukon did not have the floor in this debate. He was recognized on a point of order. He could only make that motion if he had the floor and was speaking to the debate. If the hon. member for Prince Edward-Hastings wants to make the motion, that is his prerogative. It is not the prerogative of any member on a point of order to move that a certain member be heard.

Mr. Nielsen: It certainly is. The minister could solve it all by answering the questions.

Mr. Pepin: I resent that—

The Deputy Chairman: This is the third time the minister rises to speak. I hope the hon. member for Yukon will accept that the minister wants to address the committee.

Mr. Nielsen: Absolutely.

The Deputy Chairman: Should I recognize the hon. member on a point of order rather than the minister? That was not a point of order. For the fifth time I see the minister seeking the floor. Perhaps later on the hon. member will want to seek the floor.

Mr. Nielsen: If the minister will answer the questions, I will gladly withdraw my motion.

The Deputy Chairman: That is not for the Chair.

• (2150)

Mr. Pepin: I consider the behaviour of the member for Yukon rather unfriendly. I have been here since three o'clock

this afternoon enjoying myself very much. I have a very talented parliamentary secretary.

An hon. Member: Right on!

Mr. Pepin: I do not know how many times it has been said here that ministers are not making proper use of their talented parliamentary secretaries.

Mr. Nielsen: He can reply when you are away, and not on estimates.

Mr. Pepin: I explained my constitutional position very clearly. I am responsible and that is the name of the game. The hon. member for Yukon knows it very well. If anybody knows, he knows it very, very well. We are trying to answer questions. I was preoccupied, of course, by the round of questions directed to me previously. I was rereading while my hon. friend was speaking. I was reading the submission to the Treasury Board on the dredging at Roberts Bank, which is quite normal. The hon. member for Yukon would have done the same thing.

I have already been in committee and have answered the same series of questions the member is asking now to the best of my ability. The hon. member for St. Boniface, my learned, talented, distinguished and handsome parliamentary secretary was paying particular attention. One thing that was said troubled me very much and it was the claim that there is an atmosphere of antagonism existing.

An hon. Member: Adversary.

Mr. Pepin: I was troubled by that. I do not see it, but I will be looking into it and inquiring about it. My officials, as far as I know them, are extremely friendly. Maybe the member should talk to me personally about that and give me some examples. It is a very serious allegation.

I do not know how many times I have answered on the subject of increased landing fees; I have written to members on that.

Mr. Ellis: You gave the wrong answer!

Mr. Pepin: Well, I gave a long explanation and said it only applied to small piston engine aircraft under 7,000 pounds, and that it only applies at four Canadian airports. Five dollars is not the end of the world. It is a great increase from $1.65. It is less than what is paid at other airports. It is one-tenth of what is paid at Boston and the Kennedy airport. It is not indicative of an unfriendly disposition to general aviation. Other satellite airports are available, Buttonville, Maple, for Toronto; Pitt Meadows and Abbottsford for Vancouver. I have recited all these places. I cannot go on repeating them. My officials came to me and asked if I thought it would be too much. We debated it at length and made the decision. Some will think it is unfair. We have debated it in committee and here tonight.

On the subject of pilots' licences revoked by doctors, I am told there is an appeal procedure. There is a well-documented appeal procedure which reviews all medical evidence. I have received correspondence on almost all of these matters. An appeal can be made to the minister in the final analysis. Spread the message that the minister has very good judgment, is very thorough, very prudent—

The Deputy Chairman: Order, please. Even after allowing time for the point of order, I think the hon. minister has taken up his 20 minutes.

Mr. Masters: Thank you, Mr. Chairman. I think it is particularly appropriate that I should have an opportunity to speak on the subject of the Department of Transport because while we all recognize—and it has been said often during the debate—that transportation is vital to Canada it is especially so to the port of Thunder Bay. Thunder Bay is, as we know, the transportation hub of Canada. We are on the mainline of Air Canada, we are on the mainline of CP Rail, there are extensive CN operations in our area and we are an ocean port 2,000 miles from the sea. I was particularly pleased to note that at the beginning of this discussion on transport the minister mentioned the great growth which is taking place in the west and the anticipated growth which will be taking place there. We take a very special interest in that matter because by and large the grain from the prairies flows through Thunder Bay and, I am proud to say, very efficiently. We are also pleased to note that potash from Saskatchewan is being shipped more and more to the port of Thunder Bay and thence various points around the world. Coal from the west is used in Thunder Bay, reaching our port via rail. The coal which is not used in local plants is shipped elsewhere.

Built in 1959, the seaway showed a profit this year for the first time. It is certainly vindication for those men and women of vision who advocated the building of a project which has meant so much not only to Thunder Bay but to Canada as a whole. I also know that Transport Canada is eagerly awaiting, as we all are, a report from a seaway task force. The department recognizes that this mighty avenue to the world of commerce must be as efficient as possible. We need studies of this kind and we need this harmonious relationship between the federal government, the provinces and the ports themselves to make sure we have the transportation system we need and which we will need more and more in the future.

• (2200)

I remind the minister that we must continue to improve and upgrade our port facilities, our storage facilities and our cargo-handling capability. All ports in this country must be looked at including the port of Thunder Bay, the east coast, the west coast and the Arctic ports such as Churchill and so forth. We must be alert to maintaining our ice-breaking fleets, and we must improve our technology. I believe the parliamentary secretary made reference to that. We must continue to improve our technology to make sure that we can extend the shipping season through the cold Canadian winters. It has been proved that water transportation is still the most energy-efficient means of transporting volume goods, and therefore we think it is in the interest of the country to maintain programs

which will allow us to extend the life of the seaway and the use of our ports closer to a year-round basis.

While I have talked a great deal, as did my colleague, the hon. member for Thunder Bay-Atikokan, about our port, I would like to make a quick comment about the rail service which comes into Thunder Bay. Rail, of course, was our first major way of linking the country together from sea to sea, and I am happy that we as a government are continuing to look to the rail service and giving it its due. As we all know, more money has been allocated to the rail service in the budget to make sure that the system works effectively, and I think when we see and note that Thunder Bay had a record season in grain shipment this year, we must acknowledge that the rail system is indeed working, and working well. I just suggest to the minister that we continue our studies and our improvements, that we look to ways to improve the efficiency of rail handling and that we also look to the subject of rail relocation in the many communities in Canada which want things done to correct the lack of planning of years gone by or to catch up with the changes in our modern communities. Those are long-term projects, and certainly no one would expect that we would see those things happen in a day or a year, but I hope we are looking at plans which will put us in such a position to set policies which will lead to that desired end over time.

The air service we receive in this country is also very vital to keeping this country together. I am proud that Air Canada is showing a profit. I believe we have a great Canadian airline; I believe it is being recognized and will enjoy a very prosperous and good future.

I note that the federal government is working in northwestern Ontario on the northern Ontario aviation master plan. This means that the Ontario government and the federal government are working closely to improve the air safety situation in the north. Northwestern Ontario counts very much on feeder airlines and small private planes flying about to cover the vast distances involved.

I hope that we continue the work we have been doing in Timmins, and the Thunder Bay airport, the Kenora airport, and at Dryden. The new air navigational aid which has been installed at Wawa gives us an even greater safety factor.

I have talked much about Canada's water, air and rail services, and I am proud that Transport Canada serves all of Canada so well. We can all suggest changes and find fault in individual situations, but I think that if we are honest with one another, we must encourage the Department of Transport to continue giving us one of the best transportation systems in the world.

Finally, I will give the minister a brief reminder and ask him to be sure that his department is looking ahead and planning for the future because long-term planning is required in these vital functions. I know that the minister will want to be sure to advise his department to look at the transportation needs of the country in a long-term way so that when we need additional services and improved services, they will be provided.

Mr. Neil: Mr. Chairman, I would like to make a few comments about prairie branch lines and then pose a few questions to the minister.

The minister is aware that under his predecessor some 1,000 miles of line were given protection by order in council, 600 to the year 2000 and some 400 with the intention of doing a study of off-line elevators. After the minister took over I found it rather interesting to listen to some of the comments he made as he travelled about the west. The indications seemed to be that he was the one who saved these lines. I have also noted that the former member for Assiniboia has spent some time suggesting that he and his party saved these lines. More latterly members of the NDP in Saskatchewan have been saying that they saved the lines. I think it is rather important to make it perfectly clear for the record that the 1000-odd miles of line which were protected were protected by the Conservative government under the then minister of transport, the hon. member for Vegreville.

Some hon. Members: Hear, hear!

Mr. Neil: It was interesting as well to listen to the comments of the minister, who said that he himself did not think the lines should be saved, but after talking to some of his colleagues he felt it was in the political interest of his party to do so.

After the minister came to power he examined the order in council of his predecessor and did in fact leave the guaranteed lines alone, but he took steps to pass an order in council to the effect that those 400-odd miles of lines which were set aside for off-line elevator purposes were taken off the protection list. In newspaper reports and on the radio the minister's comments with respect to the off-line elevator concept were to the effect that there was no evidence of any kind before him which he could study to determine whether the off-line elevator concept should be considered.

I found this rather interesting because there is a public document in existence. It was put out by the research branch of the Canadian Transport Commission, and it is entitled "Economic Feasibility of Off-track Elevators". The date of that report is January, 1980, yet the minister said there were no studies and nothing to indicate that the off-line elevator concept should be considered. I hope the minister will take steps to obtain a copy of this public document. I hope he will read it and give consideration to try the off-line elevator concept at least on one line. The former minister suggested the Fisher Branch line, which goes some 80 miles without an elevator or a station on it. The cost of rehabilitation, as I recall, would be about $10 million. There is grain at the top end of that line which has to be delivered to the elevator. In our minds it made sense that the off-line elevator concept should at least be given a try on that line. However, the minister simply threw the suggestion out on the basis that there was no study. He had nothing on which to base a decision, so he arbitrarily passed an order in council to refer those 400-odd miles of line to the CTC for consideration and abandonment.

The minister is aware, of course, that the steps taken by his predecessor were based on certain recommendations made to him in a report. I know he has said publicly on several occasions that he did not have access to that report and was therefore not in a position to really understand the reason for the recommendations. But if the hon. gentleman had been watching the news releases which came out of the office of the Minister of Transport, he would have found that on December 20 of 1979, the department issued a news release setting forth several recommendations which the then minister said he was prepared to act upon. One recommendation was to the effect—I hope the minister will consider it—that an advisory committee should be set up composed of representatives of the various elevator companies, the railways and the office of the grain transportation co-ordinator to determine priorities for the rehabilitation of the lines. The minister is aware that until this time the consideration of the priorities is a matter for consultation between the railways and the minister's office. The basis of the recommendation which the former minister was prepared to accept was that the elevator companies should have a part in the decision-making because their decision as to which elevators on which lines would be upgraded or where new elevators would be built had to be based on a decision with regard to rehabilitation. The minister accepted that recommendation. I should like to ask the minister whether or not he is prepared to consider that recommendation.

● (2210)

The other point I should like to make also concerns a recommendation adopted by the former minister. Many people throughout the prairie provinces have been concerned about the validity of the charges set by the railways when they are rehabilitating their lines. The recommendation accepted by the minister was to the effect that when the rehabilitation work could be done by contractors in cases where the engineering skill of the railroads was not required, public tenders should be called. If the railway wished, it could submit a tender, and if it happened to be the lowest tender, the railway would be entitled to do the job. The calling of tenders would mean that the public and the government would know they were getting value for their money in the rehabilitation of the rail lines.

My final question to the minister is with respect to the time-frame and the money to be spent on the rehabilitation of lines. I understand that, in 1979 dollars, the total cost of rehabilitation was estimated at some $1.2 billion. The government recommended the expenditure of some $700 million for rehabilitating the lines. I am told that the cost of rehabilitation appreciates at the rate of 10 per cent a year. So it seems to me that, at the present rate of expenditure, it is doubtful we will ever catch up with the rehabilitation of the lines which have been guaranteed to the year 2000. So my third question to the minister is: what are his intentions with respect to the financing of the rehabilitation. I hope he will not say to us that we will be using that $4 billion which was announced a few months ago by the government as moneys which would be made available for economic development in western Canada. That $4 billion is money coming from the west, and if it is going to be used for economic development, I suggest to the minister that economic development does not mean rehabilitation of lines.

I have posed my questions and I will now sit down. I would appreciate hearing from the minister in response.

Mr. Pepin: Mr. Chairman, let me say briefly that the reason I did not accept orders 16, 17 and 18 approved by my predecessor relatively late in his tenure was that there was no overt, known or public justification for what had been done. I found that to be rather strange and that was why I hesitated. I also hesitated because there has been quite a lot of debate on other ways of transporting grain. A number of people have come out in favour of off-track and off-line elevators, transportation by truck, and so on, and I thought that this issue should be aired and that a debate should take place before a decision was reached on the spending of hundreds of millions of dollars. However, what happened is that I went round consulting a great number of people. I did not talk about studies having been made. I just happen to have the notes that I used and the communique which I issued at that time. It says specifically that my recent extensive discussions with almost all the grain handling companies in the west have led me to the conclusion that the subsidized hauling of grain by truck, which was considered by some as a possible alternative to rebuilding the rail lines, is not generally accepted.

Some hon. Members: Hear, hear!

Mr. Pepin: There is so much division on those things that you are happy when you have a few friends around. That is what I said. I did not say that there was no study, I just said that my experience demonstrated that there was no great, passionate movement in favour of the subject. That is why I did not pursue order 17, inclusion in the basic network for a period of five years, which was based on the concept of off-line elevators.

On the selection of branch lines for rehabilitation, it is as my friend described it. The selection is essentially decided by the railways and the department. I presume it is still the case. I am told, and I assumed repeatedly that it was being done, that the department consults with grain companies before taking a decision, and now, presumably, it does so with the grain co-ordinator. My hon. friend knows so much more about it than I do, or he can easily claim he does, so he must be aware that very often the grain elevator operators are not too keen to let it be known that they intend to close an elevator in a certain place. They are keener, of course, to let it be known that they intend to build a new one, which is the popular thing to do. Closing an elevator is not as welcome. That is why the process and the procedure are informal. When grain companies or pool operating elevators want to make it known that they want the government to rehabilitate a branch line, they find a way. I have been exposed to that process. So unless my hon. friend insists, and talks to me afterwards about it, I see no major difficulty there.

With respect to the contracts that lead to branch line rehabilitation, I understand that a great number of them, or parts of them, are open to bidding on a local basis on some of the less specialized jobs. But when it comes to the more specific railway work which needs to be done, generally it is done by the railways themselves for a good number of reasons. One of them is that there is what I would call a respectable agreement between the railways and the unions that the railways will go to their own employees to do the work before contracting it out. So, my friend will have to make a decision—to whom does he want to be friendly?

● (2220)

I think the regular employees of railways deserve some consideration when it comes to specific technical work; I do not take objection to it. But this is not the debate. The debate really is—who will do best the technical railway work? I think the railways would do it best.

Mr. Neil: There is no question about that.

Mr. Pepin: Also there is the element of protecting the regular permanent railway employees, which is why more of the work is not contracted out. As far as I am concerned the explanation is justified. I hope it is justified to the hon. member as well.

With respect to the size of the budget allocated to branch line rehabilitation, the hon. member knows better than I that $240 million has already been spent. The total amount has not changed since the hon. member for Vegreville was the minister. It is $700 million over a period of eight years. The point raised or implied is a valid one. If we had more money, it would be a good thing to accelerate the process, for a great number of reasons, one being the advantage of concentration. There is no doubt if more work was being done over a shorter period of time that there would be sizeable advantages. But, things have not really changed. The same amount of money has been allocated, and one thinks about what one might be able to do if it could be accelerated.

Mr. Neil: Mr. Chairman, I have one quick comment with respect to the off-line elevator concept. With regard to the Valleyview line, if it disappears and there is no offline elevator—

Mr. Mazankowski: They do not have a line now.

Mr. Neil: My colleague advises me that they do not have a line, that it is gone. This means 700 farmers are hauling grain 100 miles. Where is the equity in that?

The Chairman: Order. Unfortunately the hon. member's time has expired, but perhaps the minister has a brief reply.

Mr. Pepin: Mr. Chairman, I was going to say smilingly that the equity is in the same place as it was when my predecessor was the minister. My information is that my predecessor suggested—and I do not want to go through all the details—that in this particular matter, circumstances being what they are, the initiative might be with the government of Alberta. Also I understand my predecessor suggested to interested parties that they should knock at Alberta's door first. I think this is a good idea.

Mr. Nielsen: What does that have to do with Moose Jaw?

Mr. Pepin: There could be discussions between Alberta and ourselves to see what the division might be.

Mr. Mazankowski: At that time there were good relationships between the two governments.

Mr. Hovdebo: Mr. Chairman, I have three questions which I should like to put to the minister. I will put them one at a time and hope that the minister does not use up all the time answering the first one.

My first question concerns the estimates on the Prince Albert airport, that is, the present, past and future ones. My second question concerns boxcar requirements, and my third concerns the consolidation of express across the west.

Dealing with the Prince Albert airport, Prince Albert is an area with 30,000 people. It has a marketing area of another 30,000 people, plus 30,000 people in the far north which it services as far as transportation is concerned. In the last few years Prince Albert has been treated to the chicken-and-egg syndrome. When it asks for east-west air service, it is told that it cannot have that service because the planes cannot land at its airport; that it does not have the terminal nor the necessary navigational equipment. On the other hand, when it asks for an extension of the runways, the necessary navigational equipment and the terminal, it is told it is no use building at the Prince Albert airport because there is no east-west service anyway.

Last year there was a proposed extension of the runway which did not come about; terminal work and navigational aids are to be completed in 1980-81. What happened to these items—the extension of the airports, the apron, the terminal work and the navigational aids?

Mr. Pepin: Mr. Chairman, I was hoping the member would continue with his points so that we could find the sheet relevant to Prince Albert. It is impossible for a minister or even his very bright parliamentary secretary to know what is going on at each airport in Canada. Sometimes I consult with those people who spend their days there and they cannot tell me everything.

Mr. Nielsen: Otto Lang would have known.

Mr. Pepin: The member should know that we are personally familiar with the one in Winnipeg and the one in Ottawa, just to mention two airports. If the hon. member wants to continue and elaborate on his other points, we will be ready to answer by the time he finishes.

Mr. Hovdebo: In the last few years there have been a considerable number of commitments to the building of boxcars, particularly hopper cars. What are the plans for the

future? The Wheat Board has indicated that it needs 1,000 hopper cars a year for the next four or five years to ship the 30 million tonnes of wheat which will be shipped by 1985, and after that another 900 to 1,000 per year. What are the plans as far as the provision of hopper cars is concerned? How effective will the $4 million in the budget for rehabiltiation be? I wonder whether we are losing more boxcars than we are gaining by the process of rehabilitation. Also in the same area, what are the plans for more locomotives? Does the government have plans with respect to those? Last, does the government have plans to build five lakers which the industry suggests will be necessary within the next few years to move the grain out from Thunder Bay?

● (2230)

Mr. Bockstael: Mr. Chairman, in reply to the hon. member for Prince Albert regarding the airport at Prince Albert, completion of portions of runway extension, firehall and equipment and other improvements to the airport are dependent upon the air carriers selected by the CTC. There are two carriers competing for east-west flights, or, flights in both directions. One application was submitted in April this year, the other in May. It is contingent upon decisions by the CTC and as soon as that is decided upon the initiation of such flights will require the improvements to be in place. We will be governed accordingly.

Mr. Hovdebo: I would like to continue on that point, Mr. Chairman. I accept that answer but I take exception to it because we have been waiting now for three or four months for the CTC hearing. It does not seem to be coming off. We are being told there is no rush since we do not have the airport facilities anyway. That puts us back to the chicken and the egg situation. If we do not get those facilities we will not get the air transport. Therefore, let us get the CTC hearing on the road. Can the minister use his good offices to rush that CTC hearing?

Mr. Bockstael: The hon. member must recognize that the CTC is an autonomous body and it does not take instructions very lightly or directly from a minister. He can request the status of a hearing but he cannot order them to have one by a certain date.

Mr. Pepin: I am my own adviser on a number of aspects with respect to grain here tonight. With respect to hopper cars, it is well known the government has purchased 8,000 of them since 1973. If one begins to add others purchased by the Canadian Wheat Board and the provinces of Saskatchewan and Alberta—1,000 each—and the leasing by Manitoba of 540, the total amounts to 15,400 for 1981. I am sure the hon. member is aware of this. The question is: where do we go from here? By the way, the strike at Hawker-Siddeley in Trenton may be over and there are 600-odd cars which can be built there.

What about the future? We have asked the grain co-ordinator to look at it. He has produced a report in which there is a suggestion made that we will need, if my memory serves me correctly, 1,700 per year from 1982 to 1985. So we are considering three times 1,700. There is discussion as to whether it is too much or too little. Most people say "How do we predict it?" The situation for this year is very good, as everyone knows. There is no immediate problem. But as the hon. member seemed to imply, we must get into an anticipatory mood on this subject. We must try to forecast what will be needed; sometimes we will be wrong one way and sometimes right the other.

With respect to the use of the $4 billion western development fund for the purpose of purchasing hopper cars, I am quite sure the suggestion from the member for Prince Albert will not be well received in some quarters. People will say we used to purchase hopper cars before, why not continue.

If I may finish my assertions on this subject, this is closely related to the Crow question, with the modernization of the Crow issue. Obviously there is a relationship between the compensatory price and the purchase of hopper cars. If the railways were taking responsibility for the provision of hopper cars that would affect the compensatory price. But the general mood in the west is that one way or another the Canadian government, the Wheat Board and the provinces should continue purchasing hopper cars in order to make up for the neglect which has taken place in the past.

Mr. Hovdebo: I do not know where you heard I made the suggestion that the $4 billion be used for the purchase of hopper cars. I did not make any such suggestion.

Mr. Pepin: You said it.

Mr. Hovdebo: The next question I have is in relation to the Canadian National shutting down a great many of their express stations in the west during the last few months. For instance, in Prince Albert they have shut down their car lot station and they are pulling out of express entirely. This is happening in several other places as well. Have they not violated the terms which they accepted a little over a year ago when, if I am not mistaken, they closed down 55 railway stations? The suggestion at that time was that if they moved all the express into Prince Albert they would be able to provide much better service. Now they have taken it out of Prince Albert and put it into Saskatoon. My understanding a year ago was that if they closed those down they would have the service in Prince Albert. Are they not in violation of that agreement? Can the minister not do something to ensure that they do adhere to the Railway Act and the promises they made?

Mr. Pepin: I am not familiar with that situation, therefore I cannot deal with it. I will find out and consult with the hon. member on the subject of the number of hopper cars suggested by the grain co-ordinator. I indicated 1,700 for three years. I was extracting those figures from my memory. I now have other statistics in front of me, which show that the grain transportation authority recommends 1,290 for the four years, 1981-82 to 1984-85. My curiosity led me to try to find out what the difference was between the two sets of figures. Three times 1,700 is 5,100, and four times 1,290 is 5,160. So I was not too far out in my figures. The main point is we will have to

participate and make sure that the hopper cars are in the system in time.

Mr. Collenette: On a point of order, Mr. Chairman. There have been discussions among the parties and we have agreed that in the last 80 minutes of debate there will be eight ten-minute speeches: four from the Conservative party, three from the Liberal party and one from the NDP.

Mr. Nielsen: On the same point of order, Mr. Chairman. Because I want to be friendly to the Minister of Transport, we do not mind at all if his parliamentary secretary answers his colleagues on his side, and the NDP, but we will be obliged if he will personally answer our questions.

Mr. Knowles: We agree to the proposition put forward by the parliamentary secretary.

● (2240)

Mr. Flis: Mr. Chairman, on a point of order, it appears that we have just created two classes of members in this House. One class receives responses from the minister and the other class receives responses from the parliamentary secretary. It appears to me that it is up to the minister to determine whether he wants to answer or whether he wants to delegate that duty to his parliamentary secretary.

The Chairman: There is no point of order. There was an observation by a member of the opposition only. The House order relates only to the number of speakers and the length of the speeches.

Mr. Harquail: Mr. Chairman, I would like on this occasion to publicly congratulate the minister on his recent visit to my area in September for the inauguration and official opening of the new air terminal. The work of the Department of Transport is never completed, and certainly this is true in the minister's case. Transportation problems are continuous, and my area is no exception in that regard.

With regard to the highway strengthening program for New Brunswick, I would like to garner from the minister what type of understanding will be arranged with the Hatfield government and the provincial minister of transport to ensure that some of the additional funds to be negotiated for the program will be spent in northern New Brunswick, particularly on highway 11 and highway 17. I am told that once again the plan is to spend all the funds in the golden triangle area of Fredericton, Saint John and Moncton.

I would also like to take this opportunity to make a few suggestions to the Minister of Transport. Even if we cannot find the funds necessary for all the projects and even if we cannot obtain agreement from the bureaucrats and the officials who advise the minister on projects which we feel are absolutely necessary, could I at least receive agreement from the minister to assist us as members of Parliament by giving instructions to these officials to at least communicate to us some of the plans they have in mind?

I am thinking specifically of CN Express. I was surprised to return from the United Nations, after representing this country as a delegate there, and learn through the media that the great men of Canadian National had decided that they would close out certain offices thus laying off hundreds of Canadians in one fell swoop. I am sure the minister will fully understand why such a proposal is totally unacceptable to me. This is my first opportunity to say something on this matter, and fortunately we have more time left before CN implements its decision. I am told the date is August, 1981.

The other day I referred to this action as heavy-handed tactics. In so far as the good will and public relations of the head office of that corporation is concerned, it will have to learn to get a little closer to members of Parliament if it wants to enjoy our co-operation and support. I am talking about future estimates and expenditures and any other operations it might care to undertake.

The economy in my area cannot tolerate the closure of an office of such importance just when development is beginning to take place through DREE, regional projects, new mining operations such as a zinc smelter, modernization of the pulp and paper mill and so on. An amount in the order of $500 million is about to be spent on development which is beginning to show results, as indicated by the conference board; yet the CN seems to be in some other country or in some other space because it does not seem to know about this new development. Why would CN Express close out when a given region is just beginning to develop and will need its service?

We cannot afford heavy-handed tactics from the CN which would cause the loss of one job, let alone 30 jobs, as is the case in my constituency. I woud like the minister to convey my sentiments to the president of CNR. Right here in the House is the place for me to express my feelings directly to the minister so that he may personally pass them on to Mr. Bandeen.

I would like to move on to the subject of the dollars which would be spent on port development. My constituency has two ports, one at Belledune and one at Dalhousie. The minister may detect in my voice that I am just about out of patience.

[*Translation*]

It is not a question of being just about out of patience—I have lost patience!

[*English*]

We can all understand what happens to good will when one runs out of patience. It is not very pleasant, and I do not like to be put in this position. Based on the suggestion I made earlier with regard to corporations like CN getting closer to members of Parliament, I would also recommend that the officials responsible for marine and port development communicate and consult more with members of Parliament. When I say a little but more, I mean quite a bit, because those officials have not bothered to visit my constituency or advise me what their plans are. What is the rationalization for all the moneys which will be spent on the major ports of Halifax, Saint John and

Montreal in eastern Canada? But I am speaking about the Atlantic region.

In years gone by there have been agreements to spend dollars for the expansion for the Belledune port. We know what the agreements were. They still exist, they are still available, and they are being updated. It is strange, for example, with regard to the potash question, that although economies could be effected by utilizing the facilities at Belledune, the government is not even interested in saving a few millions of dollars. It is going ahead in an area where there is a dispute over the use of the land, over the availability of funds to instal the facility and a question of time. The people are ready to ship that product, and they are not interested in any particular argument. They want to get the product to market.

I suggest that we talk to CN about getting a unit train price to portage potash from Sussex to Belledune where the equipment is already in the place to put the potash over the side. Perhaps the $25 million or $30 million will not have to be spent for a new facility at the other place in New Brunswick. Other members have said tonight they are happy to have the floor, and so am I. It is part of my responsibility to my constituents to tell to the minister exactly what the situation is.

I also want to take this opportunity to express my thanks to the minister for his assistance not long ago with regard to the new development in air transportation. But that does not mean the job is finished. We need air passenger service to the capitals of the four Atlantic provinces—Fredericton, Charlottetown, Halifax and Saint John. We need the co-operation of the people in the business, and that includes Transport Canada. My plea to the minister is for his understanding and assistance in this regard. I am not talking merely about an indication of good will; I am talking about action. I would like the minister in the coming months to give concrete, written instructions that this is the approach which could be taken in order to get a little closer to finding solutions to some of the problems to which I have referred this evening.

I am also talking about the whole question of whether Quebecair, Nordair or airlines in Quebec could come from the Gaspé to New Brunswick and make use of that new airport at Charlo.

● (2250)

I am speaking also about having more discussions about the other maritime airline, EPA which was considering a linkage, a regional service, an interprovincial service to the six cities in New Brunswick as well as the four Atlantic capitals.

We are, Mr. Chairman, a long distance away from Utopia. The job is far from completed—very far from completed. As I have indicated already, it has yet to be decided where these dollars should be spent, who is to be favoured with approval and what equipment will be needed to modernize and expand the port at Belledune as well as additional facilities at the port of Dalhousie. If the minister is successful in getting his officials to discuss these matters with the people who are interested and responsible for the developments in this area, we are likely to enjoy some success in this regard.

Insofar as CN express is concerned—

The Chairman: I regret to interrupt the hon. member but according to the House agreement made a few moments ago, his time has expired. The hon. member for South Shore.

Mr. Crouse: Mr. Chairman, I want to raise a few questions that are of vital importance to my constituency and they follow along the same lines as those of the previous speaker.

On August 15, I received a notice of hearing from the CTC informing me that the CNR had made application to abandon the operations of the Yarmouth subdivision from a point near Liverpool, Nova Scotia, to Yarmouth, Nova Scotia, a total distance of 135.68 miles. The reason given was that the line was operating at a loss and the losses for 1975 were listed at $2,181,000: for 1976, $1,831,000, and for 1977, $1,769,000. It stated that the losses for 1978 and 1979 would be given at the hearings. Naturally when these facts became known, numerous briefs from outraged businessmen were forwarded to me as their member of Parliament, and, of course, these were sent on to the minister. Unfortunately, as I stand here tonight, to date, I have not received a concrete response from the minister, so my first question to him is to ask why there has been no answer to the questions I have raised concerning this matter.

What is happening, Mr. Chairman, in my riding, is a far cry from the promises that were made by the Prime Minister when he was campaigning in my province on Friday, January 25. At that time he was full of promises for our people, promises which were endorsed by Liberal supporters and repeated ad infinitum up and down the various constituencies of Nova Scotia. On the front page, for example, the Halifax *Chronicle-Herald*, on January 26, we read among other things, these words as stated by the then leader of the opposition, now our Prime Minister:

> We will use revenues raised through energy taxation to make big projects happen—railway building, pipeline construction, a western electrical grid, and coal liquefaction are only a few of the projects that the energy boom could produce.

I ask you, Mr. Chairman, how you can equate that promise with the actual facts. If you would call removing 135 miles of railway line railway building, I do not know what you would call railway destruction.

To add insult to injury, on November 5, the province of Nova Scotia received another body blow from the CNR. The Canadian Transport Commission at that time, and I am quoting from their order No. R-31558, stated, in the matter of the application of CN Railways to phase out certain services in the province, that the applicants were authorized to remove the agency positions located in eleven listed locations. I would point out, Mr. Chairman, that seven of these are in my own constituency. The order goes on to say that the station buildings in eight locations will be put up for sale. Seven of these are in my riding.

I raised this matter in the House on November 18, as reported at page 4802 of *Hansard*, only to be told at that time by the minister that the action was necessary because CN Express was losing money. He had previously stated that the

CN had lost $14 million in 1970 and will lose $57 million this year. When I asked him if he planned to close down Mirabel, which is also losing more than $50 million annually, he said no one should compare the two. I agree with him; for once he is right. He is right because the CNR in its express service is serving a vast area throughout the province of Nova Scotia, while Mirabel serves only one area. I say to you, sir, that if $50 million needs to be saved, the minister should close down Mirabel and use the money to upgrade and continue its CNR services in the entire province of Nova Scotia.

This is what the *Chronicle-Herald* said in part in a lead editorial, about the cut in our express service:

It has been announced that Canadian National is to cut back its express service right across the country. As a result of this decision, about half of its offices will be closed and 1,100 of a workforce of 5,500 will join the ranks of the unemployed. In the Atlantic region, it is estimated that some 254 jobs will be lost and 15 offices will go out of business.

In other words, this government, which is loud in its promises when it is campaigning in Nova Scotia, has now adopted a policy of "sock it to them. Sock it to the bluenoses." Close down the express service. As soon as they are in power that is the course they follow. Almost one-quarter of the personnel in all of Canada will be laid off in my province alone. Think of the economic impact that will have in a province which has less than one million people. I submit to you, sir, that this will be very disastrous.

The Deputy Prime Minister and the Minister of Labour—I regret that neither is in the House at the present time—also represent my province. They should hang their heads in shame, for supporting this type of measure which cannot help but be harmful to the people they were elected to serve.

Tonight, sir, I make a plea to this minister to call a halt to these disastrous measures. Canadian National must be faulted for applying for abandonment of unprofitable lines, while not putting forward its good case for continuing the lines it has in service. Once in a while we see an occasional advertisement on TV which shows one man pulling a freight car which reads, "Very low friction, a railway is energy efficient." It is a very good ad, but when I see it I cannot but ask: have we no energy problem in Canada, or does the left hand of CN not know what the right hand is doing? CN officials should be reminded that all Canadians—and that includes Nova Scotians, Mr. Chairman—have paid their share to forgive a CNR debt of many millions of dollars. This was done only recently, and now CN, through its present financial arrangements, can boast of large profits.

I submit, sir, that an obsessive drive for profits at any cost cannot excuse CN from its obligations to provide needed service. In my view, and in the opinion of my constituents, the profitable parts of CN's operations must carry the less profitable ones.

Finally, in support of my plea—and I hope my time permits me to do this—I wish to place on the record the brief prepared by the South Queens Chamber of Commerce concerning the proposed abandonment of service along the South Shore. I quote the following:

The South Queens Chamber of Commerce takes strong exception to the proposed abandonment of service, by CN Rail, of their Liverpool, Nova Scotia to Yarmouth, Nova Scotia, rail line. It has been apparent for some time that CN has been neglecting this rail service resulting in it becoming an unattractive and inefficient mode of transportation.

Listen to this, Mr. Chairman—

The crossings over public roads and highways are in such bad repair that highway travel is uncomfortable. Local automobile repair businesses are thriving on the undercarriage damage to cars using these crossings. The railway bed has deteriorated to the extent that trains travel at a reduced speed. (Roughly 15 miles per hour.) The cost to ship goods by rail is unreasonable considering the slowness and unreliability of the service.

It is my suspicion that CN through their neglect of this line, have created the inequity that they claim exists. To put it simply, if the line is losing money and has become unattractive to its potential users, CN must accept the blame and criticism.

Of particular importance to our county are the Bowater Paper Company and Steel and Engine Products Limited, our two largest employers. Both companies rely on rail service. With regard to Steel and Engine, abandonment of the rail line would probably cause this industry to relocate. The president and general manager of Bowater, Mr. Robert Weary, has suggested to me that the rail service is vital to that paper mill.

I have been informed by the Industrial Commission in Shelburne, Nova Scotia, that several industries in their industrial park depend upon rail service for a number of their materials. To threaten these businesses along the South Shore by abandoning this rail line, would appear to me, to defeat the political philosophy of our government. Although I disagree with many of the give-away practices of our federal government, this must be viewed as a necessary deficit situation. The people of the South Shore are proud, hard-working individuals who boast a low unemployment rate. We need the help of our government-sponsored Crown corporations in fostering growth for our communities.

• (2300)

Submitted by John L. Murray, president.

With the fuel problem in the world today, one which is predicted to become increasingly more severe, rail transportation is obviously a most attractive alternative to our petroleum-based highway service. The price of gasoline will increase dramatically in the very near future and some creative plans are needed. I strongly suspect rail service will play a prominent role in these plans of the future. Incidentally, many European countries enjoy efficient rail service and have had for many years. Could we not learn from their experiences?

The County of Queens and Town of Liverpool have begun to formulate a philosophy that will promote development in our area. Local and provincially sponsored plans have been studied and both councils have agreed to co-sponsor a development officer. The Queens-Liverpool Industrial Commission has broadened its scope to embark on an exploration of local industrial development. For the first time in years, there is evidence of growth.

Renewed growth in our inshore and offshore fisheries point to a trend toward new and creative means of transportation. Dried and salt fish are an abundant local product growing in number and importance. These products are potential rail users.

The Chairman: Order, please. I regret to interrupt the hon. member, but I must advise him that his allotted time has expired.

Mr. Crouse: May I just finish my last paragraph?

The Chairman: The hon. member may with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Crouse: We are led to believe that offshore natural gas will be on-stream within five to eight years. Any pipeline distribution complex will, according to the petroleum industry, not be extended into southwestern Nova Scotia. This will make it necessary for refined gas, or propane, to be shipped into our area. A complete rail line is the mode of transportation most often suggested as the most economical and most practical for this purpose. Let us look to the future and be prepared.

In summation, an adequate rail service is necessary for our present industrial needs. Unfortunately, our existing rail service is less than attractive. In light of my remarks concerning renewed industrial expansion and future needs, I strongly recommend that the present rail service not only be retained, but indeed, upgraded. This is the essence of equality for all Canadians.

Now that the minister has learned of these problems, I hope he will take some action to remedy them.

[*Translation*]

Mr. Leduc: Mr. Chairman, I have a few questions for the minister. The first one is as follows: The CN had given a contract to Marine Industries Limited for the construction of 1000 hopper cars for grain transport. Some time ago, the CN said that it wanted to back out of this contract and offered compensation to Marine Industries Limited. I would like the minister to tell us whether this commitment and the contract signed between Marine Industries Limited and the CN for the construction of 1,000 hopper cars still hold.

Mr. Pepin: I should say first of all that I have received letters from the hon. member for Richelieu giving me some background information. Of course, the situation of Marine Industries cannot be changed, and this contract was extremely important for the company and the representative of this constituency. I have spoken many times of this contract to Mr. Bandeen, and he told me this afternoon that he was now able to confirm that he would maintain his order for 1,000 cars. The order was for 1,000 hopper cars to transport goods other than wheat even though they could be used for wheat, and the CN and Marine Industries are discussing the possibility of changing this order to 700 hopper cars and 300 gondola or open top cars. I am happy to give this good news to the hon. member.

Mr. Leduc: Mr. Chairman, I now come to my second question. There is a coastguard depot in Sorel. There was a rumour some time ago that this depot would be moved to Quebec City or Montreal. Can the minister confirm that this coastguard depot, where buoys and boats belonging to the coastguard are repaired, will remain in Sorel? It has been there for over 150 years.

Mr. Pepin: Mr. Chairman, I know that I have already written to the hon. member about this. I sign about 25 letters every day, but if my memory serves me right, some changes were made some months ago, and if I am not mistaken, some boats have been moved and this has brought about the transfer of personnel. Unless I am mistaken, there have been shifts between Sorel and Trois-Rivières, but number one in the maritime division of my department tells me that he does not foresee—or at least his big books make no mention of any—any unpleasant changes for Sorel.

Mr. Leduc: Mr. Chairman, I now wish to speak about the merchant marine. Naturally, it is of great interest to me since we have a well-reputed dockyard at Sorel. Does the minister believe that Canada might have a merchant marine in the relatively not-too-distant future? We already have one but it should be enlarged to enable us to ship our goods abroad, especially the heavy material, and also to pick up abroad the goods we need for the well-being of our people; something should be done in that regard. Naturally, it is a major problem but I feel that Canada should have a high seas merchant marine as well as a coastal fleet. The present situation is a scandal. We have to hire foreign vessels to handle our inshore trade. It will probably be possible to build a coastal fleet for the St. Lawrence River and our coastal waters along the Atlantic. Might that be possible for the not-too-distant future?

Mr. Pepin: Mr. Chairman, I dealt with the subject in my opening remarks yesterday—is it yesterday only or a few days ago—but I would hesitate to deal with it in depth because I would not be doing it justice; still, one thing must be kept in mind and that is that Canada has quite a sizeable merchant marine in the Great Lakes, the St. Lawrence, etc. When we speak of the need for Canada to have a merchant marine, we are really thinking especially of the high seas, of international shipping; one of the main things I have learned is that ships belonging to Canadians carry 90 per cent of the freight handled on the Great Lakes. That really impressed me. We must therefore not underestimate ourselves as Canadians to the extent of thinking that we have no merchant marine; when we express the wish of having one, we are really thinking in terms of ships registered in Canada and built in Canada. That is an objective; to sum it up in one sentence only, I doubt that such an objective can be settled philosophically because our main rivals with regard to an international merchant marine, a deep sea fleet, are the manufacturers, the shippers. And what they fear is that they may be forced some day to use ships registered in Canada and that because of that it will make them less competitive on the world market because they will have paid a higher price for the advantage of using ships built in Canada and manned by Canadian crews.

The main opponents of a high sea Canadian merchant marine are the manufacturers: they will have to be convinced that such is not the case and this is now being done because the owners and the Canadian shipbuilders, thinking and in my

opinion partly rightly so, that the future calls for a Canadian high seas merchant marine, have started educating their friends in the manufacturing sector, have met with the Canadian Export Association to make them aware of the usefulness of a high seas merchant marine. That had to be said and I thank the hon. member for his question.

The Chairman: The hon. member for Richelieu may put one last question.

Mr. Leduc: In Sorel, we have a gravel airstrip. The pilots of planes and jets do not want to land, they are afraid a stone will hit the engine or something, I do not know exactly. Even the pilots of propeller aircraft are afraid that a piece of gravel will hit the propeller, and apparently the cost of repair is prohibitive. Does the Minister of Transport foresee that in the near future that strip could be paved, and I am thinking not only of the Sorel strip but also of the one in Dolbeau where I landed last winter and which is full of potholes. Those strips should be paved so that jets could land safely and easily?

Mr. Pepin: Unfortunately, the department cannot deal with that in the same way as it does with Mirabel, Moncton or Dorval. In that sort of case, the department does not really feel it has to take action for the simple reason that, unless there are reasons I am unaware of, it cannot force the people to maintain the strip after it has been paved. I would advise the people in Sorel to think this over carefully, to consult the people in Trois-Rivières, the people in Sherbrooke, especially, who are having trouble with their airport these days and who might be in a good position to give some advice to the people of Sorel on what not to do.

● (2310)

[*English*]

Mr. Friesen: Mr. Chairman, I would like to talk to the minister about the Fraser River Harbour Commission. As he knows, the commission ports pay no tax or grants in lieu of tax. I would like to know when he is going to bring in the ports act so that the commission ports will stop bilking the municipalities out of thousands of dollars each year. Please do not use the argument that the commission ports bring socioeconomic benefits to the community. If they do that, and I do not argue that they do, so do all the other industries in the area which pay taxes. It is about time the commission ports pay either taxes or grants in lieu of taxes. But they will not do it and cannot do it until the ports act is passed. We see the anomaly of the Fraser River Harbour Commission with an annual report showing a profit of $1 million and freeloading off the municipality at the same time. I wish the minister would give me an answer to that question.

Second, in the case of the Fraser River Harbour Commission, there is a port for fishermen called Gunderson Slough. The chairman of the commission, Mr. Chris Brown, has been telling me for the last couple of years with a very benign and beatific smile, how much he plans to do for the fishermen, how he plans to improve the harbour and how he cannot wait to get all of the riparian rights so that he can build this great harbour for the fishermen. He has not yet turned a spade or put in a plank. He will not even have the harbour dredged. However, he insists on hanging on to the Gunderson Slough. He loves to control it, but he does not want to do anything concrete for the fishermen. I might point out to the minister that I have a private members' bill abstracting Gunderson Slough from the Fraser River Harbour Commission and turning it over to the minister of fisheries who might take a little more interest than the Fraser River Harbour Commission does in Gunderson Slough.

I met with Mr. Brown last spring. He promised to bring together two other departments which have an interest in this, fisheries and public works. They were to have a meeting in the spring and Mr. Brown was to report back to me. Of course, I never heard from him again. The meeting took place. I did hear, though, from the Public Works office in Vancouver. They said, and I quote from a letter of June 19:

> The current policy of Small Craft Harbours was developed in 1975 and is applied to "scheduled harbours" only. This schedule could be enlarged but in the case of Gunderson Slough it would require an agreement with the Fraser River Harbour Commission.
>
> In order for Gunderson Slough to qualify as a public scheduled harbour there would have to be a sizeable public float installed, say in the order of 400 lineal feet.

That is still, and probably will be for a long time, under the control of the harbour commission which refuses to do anything. When the fishermen left the harbour last spring, they grounded; $20 million worth of boats had a hard time getting out of the slough. Public Works dredged 1, 2 or 3 feet out of the slough. When the fishing season was over in the fall, the boats grounded again when coming back into the harbour.

A boat that draws five feet was bottomed. It stuck. Public Works should take notice there are no navigation buoys in the harbour. Mr. Brown wants to control the harbour, but he does not want to do anything for the fishermen.

I would like to know the minister's department's attitude and policy toward that aspect. Is the minister going to take the Fraser River Harbour Commission to task and make sure that he delivers service to the fishermen who deserve it, or is he going to turn it over to public works or small craft harbours so that at least one department of the government will assume responsibility rather than have confusion among three departments.

Mr. Pepin: Mr. Chairman, I thank the hon. member for Surrey-White Rock-North Delta for the information he has given me. It is the first time I have heard about the Gunderson Slough. I am not even sure I can pronounce the name properly. I will rehearse tomorrow.

With regard to the status of the harbour commission, under the 1964 act, the hon. member said they were neither paying taxes nor grants in lieu of taxes. I am suspicious that Mr. Chris Brown will not be particularly grateful for the intervention tonight. It is an advantage that he is not too keen to

proclaim. I will not continue because I do not want to incur his wrath.

Be that as it may, Mr. Brown's argument is that the harbour commission makes a very important contribution to the development of the surrounding area in economic terms. He feels that is the way the harbour makes its contribution to municipal taxation.

Mr. Huntington: How was that again?

Mr. Pepin: I am not commenting on it. I am just passing on the message with some conviction on my part because this is a good case. As is well known in maritime circles, that is one of the reasons Mr. Brown has never been particularly keen to pay allegiance to the National Harbours Board. He has always expressed great satisfaction in being under the Harbour Commissions Act. When I met Mr. Brown again recently, I referred to him as "64". He understood very well what I was talking about. He is a legendary character in the area. We all like his cherubic smile, as my hon. friend referred to it, and praise him for the great job he is doing in the area. Be that as it may, I will look into the problem raised by the hon. member.

Mr. Friesen: Can the minister tell me who the wharfinger is for the harbour commission? Second, will he agree that Mr. Chris Brown is not only the commissioner but the port manager as well?

Mr. Pepin: Yesterday I appointed a list of wharfingers. I can assure the hon. member that they are all believers in free enterprise, the future of the country, peace, harmony, good government, stability of laws and other virtues.

The Chairman: The hon. minister for Surrey-White Rock-North Delta.

Some hon. Members: Oh, oh!

Mr. Friesen: I appreciate the promotion, Mr. Chairman, but not to this government. I would like a clear and unequivocal answer to this. Why is it that the Surrey municipality has been denied an opportunity to appoint a nominee to the commission?

Mr. Pepin: The situation with the Fraser commission is that a number of municipalities got together to appoint a member for all of them. If memory serves me well, there was a bit of a problem the last time.

Some hon. Members: Oh, oh!

Mr. Pepin: How can a guy remember all that? There was a bit of a problem because one of the municipalities did not want to go along with the others. Finally, I had to take the bull by the horns or the horns by the bull—

Mr. Mazankowski: You should have taken him by the tail.

Mr. Pepin: In accord with the principle of democracy, I had to decide for them, for the majority.

Some hon. Members: Hear, hear!

• (2320)

Mr. Parker: Thank you, Mr. Chairman. I would like to direct my questions to the issues of railway safety and air transport. About two years ago there was a serious railway accident involving robot trains in which some 76 cars were derailed. I think the average speed they were supposed to be travelling was around 18 miles an hour yet their speed was over 60 miles an hour. The Railway Transport Commission studied this wreck and about six months ago they made recommendations and expressed certain views as to how things should be done. Can the minister tell us whether those recommendations have been implemented yet or whether they are considered serious enough to be brought in?

Mr. Pepin: I must admit I am not familiar with this particular case, but I know of similar cases. For example, the last difficulty at MacGregor, Manitoba, led to an inquiry by the CTC. The CTC made a whole series of recommendations some of which involved the CTC itself, some the Department of Transport and some the railways. I know how the system works.

Mr. Parker: I am not asking that question. I am talking about the Revelstoke mountain subdivision of CP Rail in the Revelstoke to Golden areas. These recommendations were made to the effect that when snow reaches—three inches or more on the rails—ploughs would be run and so on. While this investigation was going on there was a reduction in the tonnage to be hauled. Instead of hauling 14,000 tons, I think they reduced the weight of this train to somewhere around 9,000 or 10,000 tons. Before the report came in they allowed CP Rail to increase it to 14,000 tons. Two days ago in Elkford, on a piece of track that allows trains to go ten miles an hour, a robot train with 14,000 tons and approximately 76 cars went out of control and derailed.

Is the minister prepared to recommend to the Railway Transport Commission that they immediately request a reduction of tonnage on these trains until the reports come back on this accident?

Mr. Pepin: I am quite prepared to have a discussion with the CTC on that subject. I am not prepared to commit myself and tell the railways how to run the railways.

An hon. Member: It's about time someone did.

Mr. Parker: May I remind the minister that less than three weeks ago I wrote to him after the investigation was made into the labour problems in Revelstoke? Some very significant problems were brought out in that report as to the operation of trains on this piece of track—not this specific piece but the piece on the Revelstoke Mountain subdivision. I requested that the minister consider sending some railway transport commissioners in to investigate the reports which came out of the labour relations investigation at Revelstoke. To date I have not received a reply although I had a very brief discussion with Mr. Charles Turner who has, I believe, made a suggestion to

the minister's department. I am concerned about this matter and would urge the minister to look into it immediately.

I will go on to another area, if I may. During a health and safety standard tour by our party to Nova Scotia and New Brunswick we visited the air traffic controllers' building in Moncton, a new building which I think the minister opened a few months ago.

● (2330)

Some of these air traffic controllers were working double shifts—and in a brand new building—because there were not enough adequately trained people to do the job. Is the minister planning a major training program to train air traffic controllers so that the public does not have to travel in aeroplanes when air traffic control officers are working these extended hours?

The Montreal airport is short 60 controllers, Toronto is short 34, Vancouver is short 27, Moncton is short 25 and Gander is short 20. Is the minister not concerned that we are operating aircraft with these staff shortages? Is he prepared to start immediately setting up a major training program so that we can begin training people to handle the strenuous job of operating control towers?

Mr. Pepin: Mr. Chairman, the figures provided by my hon. friend are from the union, CATCA, and they tend to exaggerate, as we all do occasionally. The hon. member for Regina West does occasionally, and so do I.

The figures stated with respect to the need for more controllers at the airports mentioned are slightly exaggerated, which does not mean that I and the department are fully satisfied with the situation now, particularly when it comes to bilingual controllers, in which case there has been great difficulty simply because of the number who have left Quebec and gone to other provinces. However, that is not the main subject.

I now have the actual numbers with respect to what is needed. If the hon. member used the figure of 30, the department thinks seven might be adequate. As far as I am concerned this is an important subject. I think there should be more controllers to make the profession more open, and we should not be in the situation where we have to depend on these gentlemen to the point we do now. The department devotes much attention to the training of controllers, and I can only assure the hon. member that this is a subject with which I am preoccupied.

Mr. Parker: The figures I have given are from a report given to the inquiry into aviation safety. It was given by the Canadian Air Traffic Controllers Association which testified yesterday.

It was made very clear to us during our visit that there is a tremendous amount of stress and strain involved with this work and strain on the families of these people, who are called in to work extra hours and double shifts. This is something the Canadian people cannot tolerate. We must have a better system of training and more up-to-date facilities. The control tower to which I referred is tremendously updated, and to have such a facility understaffed is not acceptable.

Mr. Pepin: Mr. Chairman, I take these recommendations quite seriously. I have said that the figures might be exaggerated, and I have given other figures to demonstrate that view. This case has been put to the Dubin commission of inquiry. Mr. Dubin will begin to report in the new year, and I will give much attention to his report.

One of the difficulties with respect to the profession of air traffic controller is that the Canadian government is the only employer. This makes it rather more difficult to attract people to the profession. It makes competition a bit more difficult to bring about.

Mr. Taylor: Mr. Chairman, I have a series of questions to put to the minister. For a number of years the federal government has been a tremendous help to every province in Canada through the grade-crossing fund, and because of the joint efforts of the federal government and provincial governments—and municipal governments in some cases—we have saved hundreds, probably thousands, of lives across this country. For some reason the federal government is now cancelling any contributions to the grade-crossing fund for separations. In the short time allotted to me I would like to endeavour to indicate to the minister that this is a very bad policy.

In 1978 there were 65 deaths at rural railway crossings. Thirty-nine of those, or 60 per cent, were at unprotected crossings. In the same year at urban crossings there were 25 deaths and injuries, and 19 of them were at crossings where there was no protection. At every place where there was a grade separation—either over or under the railway tracks—there were no deaths or injuries. In other words, 90 persons were killed in that one year because there was no protection at those level crossings.

If the federal government continues to follow the policy of not contributing to separations, it will really be adopting a very tragic course because contributing funds to lights and bells only does not do the job. In 1977 at places where there were lights and bells 12 people were killed. In 1978, 25 people were killed. We do not have figures for 1980, but it appears that the figure for 1980 will be even higher. Lights and bells are not doing the job. The only way to make a level railway crossing completely safe is to put in a separation, so I urge the minister to go back to the policy which helped for many years to keep people alive, namely, that of contributing, through the grade crossing fund, to separations over level crossings. Seventy-five per cent on replacements and 50 per cent on new ones is a far better investment than contributing only to lights and bells. Why is the government cancelling its contribution to separations at level railway crossings?

The Greeks had a great hero by the name of Achilles. Achilles had one weak spot, and that weak spot led to his downfall. I am suggesting that the Achilles heel of transportation in Canada today is roads and highways. All the other modes of transportation are receiving more help than the

provinces are with respect to highways and roads. Because of that, we are paying in one way or another. We pay for roads whether we build them or not. We pay for them in lost lives, in crippled bodies, in lost jobs and in repairs to our vehicles. I suggest that the Canadian government was wise when it contributed to the construction of the Trans-Canada highway, to the roads to the north, to DREE, to roads in some other parts of the country and, to some degree, to the Yellowhead highway and other highways across the country. The Canadian government, by withdrawing funds from all these highways, is holding back expansion, holding back jobs, and so on. I am not saying that too much is going to the other modes of transportation but highways are not getting a fair share of the dollar going to transportation. I ask the minister whether he would review the moneys spent on various modes of transportation with a view to giving highways a better deal. My third point concerns highways such as the Howse Pass highway. The David Thompson highway which goes west to the Banff-Jasper highway where an extension to Howse Pass is required. Part of the cost would come from the B.C. government and part from the federal government. It is relatively few miles long but it would make a splendid access for traffic, particularly for trucks going from central Alberta to Vancouver. I ask the minister to consider the construction of the Howse Pass highway.

● (2335)

My fourth point is on twinning. I should like to ask the minister whether he is really serious about carrying out the promise of the Prime Minister to twin the railways from Winnipeg to Vancouver. There may be parts of that railway which it would be sensible to twin. To stick to the promise and to twin the whole railway would be exaggerated, ridiculous, foolish and would be laughed at in the west. It would be folly indeed. The money could be spent otherwise much better. There is one place, however, where money could be spent wisely on twinning, and that is on the Banff highway. The provinces built it right up to the Banff gates and from there on it is a two-lane highway where thousands of cars are locked bumper to bumper every weekend and sometimes on work days. I wonder if the Minister of Transport, in conjunction with the Minister of Public Works and the Minister of the Environment, could take a very careful look at expanding and twinning that highway from the Banff and Jasper gates west. There, too, we would save lives and get the traffic moving faster. I would appreciate hearing the hon. minister answer those four points.

Mr. Pepin: Mr. Chairman, first of all, the Minister of Transport is always serious. Never ask him whether or not he is serious because even when he smiles a little he is serious. The first point I want to make is that one should not sound the alarm too easily on the number of railway accidents. I have the figures here but I do not think I have time to put them on the record. They indicate that notwithstanding increases in volume and activity, the trend in the number of incidents of derailment, injuries and death reported to the CTC is down. I am just trying to correct an impression which the hon. member might have left with members here and the audience at large.

● (2340)

He said also that payments for railway grade separation had come to an end. That is not correct. What happened in 1977 was a move from the railway crossing grade separation fund to the UTAP fund. The money which used to be in the railway crossing grade separation fund was partially moved to the UTAP fund, as I explained the other day, in order to give provinces with urban transportation needs other than grade separation access to money for other purposes. That is how the UTAP program became somewhat of a grab bag.

Also I indicated the other day, we may have to return to more strict federal responsibility in the UTAP program. If this takes place, more money would be going to grade separation and less to other urban transit, which I am sure other people will resent.

With respect to the department not paying enough attention to highways, essentially highways are a provincial responsibility, as I am sure the hon. member is aware, but I agree with him that the multimodal approach should be more generally accepted in Canada, so that we will not witness situations where railways are being improved at the same time as an adjacent highway is the subject of expenditures.

The Chairman: The hon. member for London East.

Some hon. Members: Hear, hear!

Mr. Turner: It looks like I am in trouble, Mr. Chairman.

An hon. Member: Are you retiring, Charlie?

Some hon. Members: Oh, oh!

Mr. Turner: Mr. Chairman, I respect and admire the minister and the officials of the Department of Transport.

Some hon. Members: Hear, hear!

Mr. Turner: But I must question the actions and policies of some of the giant corporations which operate under the jurisdiction of the Department of Transport.

I want to cite three recent examples of derailments or fires of serious consequence on the CPR: last November at Mississauga when the city had to be evacuated; last June 9 when again the CPR had a derailment and fire at Komoka, Ontario and the subdivision of Kilworth Heights was evacuated; then about a month ago when a freight car exploded on a CPR line at Thamesville, Ontario.

We can thank the police and firemen that there were no casualties at Mississauga and Komoka—which is precisely all the firemen from Lobo Township, Delaware Township, London Township and Westminster received for their efforts at Komoka when they responded to a mutual aid call, evacuated a subdivision, brought the fire under control, and remained at the scene until such time as there was no longer any danger to the community or the train. Mr. Chairman, these were

volunteer firemen who lost pay from their jobs. They risked their lives to control this fire and when they submitted a bill to the CPR for their services they were advised that CPR has an assessment in Lobo Township of $4,900, they pay taxes and they pay $14.38 for fire protection, therefore, "we wish to thank you for your excellent service but we will not pay your account."

● (2345)

When further inquiries were made it was pointed out to the CPR that the normal ratepayer only makes .0285 calls per year while the CPR made seven in nine years. Are they a normal ratepayer? What was the value of that train and its cargo? A locomotive engine costs nearly a million dollars. How many engines were on that train? Two or three. What was the value of the boxcars, tankers, hopper cars and the cargo? I suggest to you, Mr. Chairman, that the rolling stock was worth several millions of dollars. And they pay $14.38 a year for fire protection and "thank you, volunteer firemen, for the excellent service. We will probably need you again soon. Be ready."

Some hon. Members: Hear, hear!

Mr. Turner: I could not help but notice in a report by Dr. McIsaac and the Hon. Leon Balcer that the president of CPR receives a total salary of $568,515 per year—

Some hon. Members: Shame!

Mr. Turner: Perhaps this explains why this railroad cannot afford to pay these volunteer firemen for their services to extinguish fires on rolling stock. I believe if his salary were reduced to $528,515 and the difference in salary were used to pay these firemen, they would be happy and continue to provide the protection to the trains passing through their communities. This would, in turn, give peace of mind to both the president of the CPR and the insurance companies.

Mr. Chairman, if these firemen are not compensated for their work under such dangerous conditions then I would suggest the CPR and the CNR be forced by legislation or regulation to provide their own fire equipment to safeguard the public interest.

Some hon. Members: Hear, hear!

Mr. Turner: While these volunteer fire departments do receive a degree of compensation from their municipalities to purchase equipment they usually have fund-raising events to purchase lifesaving equipment, uniforms, etc. They are paid if they make a call to a fire on a provincial highway or a county road, and although they charged the same hourly rate for that near-disastrous call on June 9 to the CPR they are still waiting for the pay. In the meantime, the equipment maintenance requires funding. The volunteers have still not recovered lost wages but the president of the CPR still remains on the payroll at the rate of $10,932 per week.

Mr. Chairman, I say thank you, volunteer firemen, for your excellent work.

This is an outrageous situation. Surely a corporation as large as the CPR can be held accountable, not only to these volunteer firemen from the respective communities of Canada, but also to the farmers of western Canada. I hope when the Crowsnest Pass rate problems are past the persons involved will study the value of services provided against the current value of concessions made 83 years ago.

But in spite of these three accidents—I do not wish to comment on the causes until reports are tabled and translated—the number of accidents is diminishing, primarily due to roller bearings replacing friction boxes on the axles of the cars. In addition, the number of crossing accidents has dropped from a high of 1,074 in 1974 to 654 in 1980. This dramatic drop is due to the efforts of the federal government and the Department of Transport to create overpasses which eliminate grade crossings.

Recently I received the following letter from a railway engineer on the subject of dangerous commodities. It reads:

> Since the Mississauga derailment the movement of dangerous commodities has generated a great deal of interest. At present it could very well cause regulations of such complexity that they would be very hard and expensive to comply with.
>
> As an operating engineer I will attempt to give my views as to what I would like to see accomplished in the regulations as to my responsibility in the movement of these commodities.
>
> There is no reason why I should know the name or components of any cargo. I should know if the cargo is inflammable, toxic, corrosive, radioactive, explosive.

● (2350)

At present, our dangerous commodity placards cover all such cargo. To change the cards and brackets would be expensive and unnecessary. A visual identification method would be more efficient and safer than our present "696 book" which is the rules and regulations given to crews, and the master red book which we do not have. At present we often find we have either overprotected or underprotected the shipment. This is how the colour and number code system could work. In the case of a dangerous commodity with no special handling or immediate health hazard, the present card could be used. An inflammable commodity should carry the present card with a large red "one" stamped on it. The red would indicate inflammable, the "one" would indicate the marshalling requirements. With this method it would be possible to use five or six numbers and cards colour-coded red, orange or black to cover the requirements at the head-end.

The head-end crew should be able to identify the requirement of a dangerous commodity while pulling by at 15 or 20 miles per hour. This method would be simple, easy to apply by the crews and involve little or no additional expense either by the railway or the shipper. The simplicity of this method is probably its drawback. Experts have a habit of talking over people's heads and recommending regulations which only experts can understand. Crews should only be subject to regulations that are thoroughly understood and easy to apply.

In closing, I received a letter from a conductor who says that in form 696, general operating instructions, they are told that the response forms are not required for import traffic and that

mixed loads or freight forward shipments are not required. Would the minister explain to me how this reduces the danger of items shipped? Also, the company, CN, is claiming that part-loads do not require response forms.

Mr. Pepin: Mr. Chairman, I want to thank the hon. member for London East for his brilliant participation in this debate. The reception which he received when he entered the chamber was prime ministerial in dimension and very well deserved. I will, of course, communicate the purport of his speech to the presidents of the two railways and obtain specific answers to the question he raised at the end of his comments.

This afternoon I witnessed a very interesting event when the hon. member for Winnipeg North Centre raised a question on pensioners. Immediately the hon. member for London East rushed to his files and returned with a letter indicating that adjustment to the pensions of CN workers had been made very recently. I do not know if the hon. member for Winnipeg North Centre was aware of that fact.

Mr. Knowles: Yes, but it is not enough.

Mr. Pepin: I have those figures in front of me now. CN has recently announced a lump-sum payment to pensioners and survivors to compensate for the increase in the cost of living, and the adjustment for retirees in 1972 and earlier. It will mean increases ranging from $65 to $226 per year. Survivors will receive 75 per cent of that figure. Every year since 1971 CN has provided voluntary adaptation adjustment for pensioners, survivors and so on.

Mr. Knowles: A dollar and a half per week.

Mr. Pepin: I have heard the hon. member for Winnipeg North Centre over the years, and whenever pensioners receive $150 he stands to request $155 and he has had great success in that regard. He has had great success in doing that and we all love him for it. But I did not want to please him tonight, I wanted to please the member for London East—

• (2355)

Some hon. Members: Hear, hear!

Mr. Pepin: —and comment on the reaction that he had this evening which was indicative of a staunch defender of railway employees and transportation people in general. The sort of reaction he had was worthy of a distinguished member of Parliament.

Some hon. Members: Hear, hear!

Mr. Forrestall: Mr. Chairman, I have already given my questions to the minister's officials. I want about seven minutes of good, solid responses.

I am very pleased to see you all out here tonight to listen to me—

Some hon. Members: Hear, hear!

Mr. Forrestall: I will make just one observation, Mr. Chairman. It was like watching an exercise in New Brunswick togetherness, to see the member from Restigouche trying to steal from the member for Saint John the little pittance that Transport bothers to give to that beleaguered city.

The principal purpose of my speaking at this point is to ask the minister if he would care to respond to several questions which are very pertinent and important to this whole matter of dredging and the capacity of Canadian firms to participate in dredging, for the government account. Specifically, I have given to the minister a number of questions in writing asking whether or not any senior officials in his department have at any point in the past been associated with, or were employees of, any of the firms which may be tendering for work in Canada. I want to ask the minister what response he intends to give to the telex dated December 1, signed by the SIU in which they set out these points. They make the protest in the strongest possible terms, and I will just read it, as follows:

> We wish to protest in the strongest possible terms at the inequity of this treatment, as the Canadian dredging industry is obliged to pay all duties and sales taxes on imported components at the time of purchase and construction.

They are responding to information which has come to their attention that foreign vessels will be allowed into Canada on a ten-year pay-out of duties and sales tax, this assessment being levied, as was pointed out earlier by my colleague, only when the vessel is operating.

They go on to make their point that this is not in the interests of Canadian entrepreneurship, nor is it in the interests of Canadian labour. Foreign labour is employed on these vessels, eliminating, as I say, the use of Canadian labour which is available. There are no personal income taxes, if any significance derives from this. The corporation tax, under the treaty is not payable in Canada by the foreign country. Many of these foreign vessels, for example, are registered in tax-free havens. As Canada is one of the—

The Deputy Chairman: Order, please.

Mr. Forrestall: This is vital to the continued growth of this country. There are presently three vessels of Dutch origin operating in Canadian Arctic waters. What does the minister intend to do about these questions? How does he intend to respond to the SIU, and how does he intend to respond to the telex dated December 2, 1980. I quote from the second paragraph of the telex, signed the SIU and the Canadian Marine Officers Union, as follows:

> The labour movement in Canada can no longer allow foreign labour to take away the bread and butter of the Canadian worker and we will do everything legally possible to disrupt the operation of any foreign dredges operating in Canadian waters.

That is a serious charge, and one that the minister, whether he is familiar with it or not, cannot let go unanswered.

[*Translation*]

Mr. Pinard: Mr. Chairman, may I suggest that you change the date from December 4 to December 5 so that we can go to bed?

The Chairman: With the unanimous consent of the House—

[*English*]

I hope the hon. member has leave of the House to complete his remarks, which I am sure he intends to do very shortly.

Mr. Forrestall: Mr. Chairman, pursuant to the agreement which the House leader now wants to offend, which is his privilege if he wants to, I will conclude within seven minutes. I have spoken for three minutes and I want four minutes from the minister.

What short-term solutions will be acceptable in this dilemma? Is there a way by which we can make the treatment equitable with respect to these tenders and Canadian involvement? Will the minister at the very least extend the same favourable treatment in these circumstances so that Canadian firms can participate? Will the government take a look at providing this very capital-intensive equipment on the three coasts for service both in the private and the public sector? Will the minister do some of these things? Will the minister take a look at the questions I have submitted to him, hopefully with the indulgence of the Chair and only a partial eye on the clock, and because of the very serious nature of the questions, will he give us a few answers?

Mr. Pepin: Mr. Chairman, the hon. member was kind enough to send me copies of the questions he would have raised. I think the hon. member and some of his colleagues raised an important point tonight about the tendering methods with respect to Canadian-owned and foreign-owned companies. The nine questions he raised will give me a chance, particularly in the context of Roberts Bank, to examine those matters properly. I will try to do so in the coming days. I will send him a written answer, which he can make public if he cares to.

[*Translation*]

Progress reported.

Mr. Deputy Speaker: It being midnight, the House stands adjourned until eleven o'clock tomorrow morning.

At 12.04 a.m., the House adjourned without question put, pursuant to special order.

APPENDIX

LETTER FROM PRESIDENT OF VIA RAIL TO MR. COLLENETTE

VIA Rail Canada Inc.
J. Frank Roberts
Chairman and President
P.O. Box 8116
Montreal, Quebec
H3C 3N3

October 29, 1980

Dear Mr. Collenette,

Thank you for your letter of September 9, 1980, and particularly for your comforting comments on the efforts of VIA Rail Canada Inc. to improve railway passenger services in this country.

In your letter, you refer to improved services between Ottawa and Toronto as well as between Montreal and Ottawa; I would like to explain our short and long-term strategies in this regard. On the short term, we are proposing to make schedule and frequency improvements while for the long term we are planning a high performance passenger line between Quebec City and Windsor. I might add that the same philosophy applies to another area of the country with similar potential, namely, Edmonton-Calgary.

The railway passenger service has tremendous potential for being the most popular mode of transport for distances of 100 to 500 miles. Between Quebec City and Windsor, for example, we are contemplating for the long term, a single passenger-dedicated line from Quebec City to Windsor going through Montreal, Ottawa and Toronto. Such a high performance line would allow speeds of 200 km per hr and could provide travelling times of approximately:

Quebec City-Montreal	1 h 50
Montreal-Ottawa	1 h
Ottawa-Toronto	2 h 40
Toronto-Windsor	2 h 30
Montreal-Toronto	3 h 40

Travel durations of this nature coupled with frequencies of one train per hour throughout most of the corridor would undoubtedly have a very high impact of the market. This would give central Canada a transportation infrastructure with virtually unlimited capacities with regard to the present and expected population densities.

The possibility to link Ottawa to Mirabel in about 45 minutes as well as Toronto to Mirabel in about 3 h 25 also opens all kind of opportunities for ground transportation acting as a feeder to large airports.

There are still many obstacles to overcome to effect these improvements such as: our relationship with CN and CP, the use of the Mount Royal tunnel as an integral part of this corridor, the construction of a new stretch of line of about 50 kilometres between Smiths Falls and Napanee and the yet to be determined detailed routing between Napanee and Windsor. Nevertheless some of the work could start as early as 1981 should the federal government approve our capital budget. There is still, however, some reluctance on the part of the department and the central agencies to invest in the railway passenger mode to the extent required to make it successful.

With regard to the work being done for improving the Ottawa-Montreal service, we have commissioned Canadian Pacific Consulting Services to perform a study on the rehabilitation of a stretch of line between Vankleek Hill and Ottawa. This segment is common to all routing alternatives of the high performance corridor. We expect to start some line upgrading in 1981 should we receive capital budget approval from the Federal Government soon.

The Ottawa-Toronto service is one that requires improvement as quickly as possible. The high performance line would require line construction as I mentioned above. I would hope that this could be started out in 1982 or shortly thereafter if capital funds are made available. We are also looking at a couple of short-term improvements to reduce travel time between these two capital cities but it is too early to give results; we will consider your alternative.

Your point about seeking parliamentary support for this important project is very well taken. We will be preparing a public relations program in this regard very shortly.

Thank you again for your comments and for your support and interest in railway passenger services.

Yours sincerely,

J. F. Roberts

Mr. David Collenette, M.P.
York East
Parliamentary Secretary
to the President,
Privy Council
Ottawa, Canada
K1A 0A6

HOUSE OF COMMONS

Friday, December 5, 1980

The House met at 11 a.m.

• (1105)

ROUTINE PROCEEDINGS

[*English*]

EXTERNAL AFFAIRS

PORTUGAL—DEATH OF GOVERNMENT MINISTERS IN AEROPLANE CRASH—EXTENSION OF SYMPATHY—MOTION UNDER S.O. 43

Hon. Flora MacDonald (Kingston and the Islands): Madam Speaker, I rise under the provisions of Standing Order 43. Last night the world received the tragic news of the death of the Prime Minister of Portugal, his minister of defence and other members of their party in an aeroplane crash on the outskirts of Lisbon. Therefore I move, seconded by the hon. member for Brampton-Georgetown (Mr. McDermid):

That this House expresses its sincere sympathy and condolences to the Assembly and the people of Portugal on the untimely and tragic death of their Prime Minister, Francisco Sa Carneiro, and of other leading members of the government of Portugal.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

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

Some hon. Members: Agreed.

Motion agreed to.

* * *

INDUSTRY, TRADE AND COMMERCE

CALL FOR REVIEW OF INTEREST RATE POLICY BY STANDING COMMITTEE—MOTION UNDER S.O. 43

Mr. Don Blenkarn (Mississauga South): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. On Wednesday, October 10, 1979, the House unanimously agreed to a motion by the hon. member for Windsor West, now the Minister of Industry, Trade and Commerce (Mr. Gray), seconded by the hon. member for Saint-Maurice, now the Minister of Justice and Minister of Trade for Social Development (Mr. Chrétien), that the Standing Committee on Finance, Trade and Economic Affairs undertake an immediate review of interest rate policy. That review conducted by the Thirty-first Parliament was never completed.

In view of the fact there have been record increases in interest rates and rising interest rates have an adverse effect upon employment, business, especially small business, consumers and individuals in general, I move, seconded by the hon. member for Yukon (Mr. Nielsen):

That this House immediately order the Standing Committee on Finance, Trade and Economic Affairs to undertake an immediate review of the interest rate policy of the government and of the Bank of Canada, and for this purpose the governor of the Bank of Canada and the Minister of Finance appear before it to explain their actions, and what they will be doing to solve the problems which the governor of the bank himself has said interest rates are now causing for individuals and for business.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

• (1110)

EXTERNAL AFFAIRS

GUATEMALA—CALL FOR PROTEST OF MURDER OF CIDA-SPONSORED OFFICIAL—MOTION UNDER S.O. 43

Mr. Bob Ogle (Saskatoon East): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pessing necessity. The savage and indiscriminate repression in Guatemala has been brought home to Canadians once again with the recent murder of Kai Yutah Clouds, an agricultural and community development worker in a CIDA-sponsored Canadian Friends Service Committee project in rural Guatemala. In view of the fact that even the lives of foreign aid workers engaged in non-political projects are no longer safe in Guatemala, I move, seconded by the hon. member for The Battlefords-Meadow Lake (Mr. Anguish):

That this House call on the Canadian government to protest publicly the murder of Mr. Clouds and to pressure the military regime in Guatemala to take immediate action to see that justice is done in this case and to ensure the safety of field workers with Canadian non-governmental organizations still operating in Guatemala.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

S.O. 43

ENVIRONMENTAL AFFAIRS

POSSIBLE POLLUTION RESULTING FROM ENERGY CONVERSION PROGRAM—MOTION UNDER S.O. 43

Mr. Tom McMillan (Hillsborough): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. There is growing concern among scientists that dioxin, one of the deadliest chemicals in the world, may be emitted into the environment, along with acid rain causing emissions, from the combustion process in coal-fired power plants. I therefore move, seconded by the hon. member for Calgary West (Mr. Hawkes):

That this House urges the ministers of the environment, energy, and health to launch immediately an interdepartmental investigation into all environmental and health hazards posed by the government's $175 million program to convert oil-fired electrical plants in Canada to coal; and that the House urges the government to proceed with its coal conversion program only after such an investigation has demonstrated that the program will not violate the environment nor will it threaten human health.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

CANADA MORTGAGE AND HOUSING CORPORATION

STUDY OF AHOP PROGRAM—MOTION UNDER S.O. 43

Mr. Doug Lewis (Simcoe North): Madam Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43. Of the total AHOP units 36 per cent will be coming off the program in 1981. In view of the number of units which were abandoned by home owners unable to meet their mortgage payments, the resulting losses to the government and neighbourhood real estate price disruption, I move, seconded by the hon. member for Brampton-Georgetown (Mr. McDermid):

That this House direct CMHC to carry out a complete study of the AHOP program in order to avoid the chaos of last spring and the obvious shortcomings of the program as a whole.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

ENERGY

OIL—CALL FOR INCREASE IN PRICE PAID ALBERTA—MOTION UNDER S.O. 43

Mr. Gordon Taylor (Bow River): Madam Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43. Whereas the Prime Minister (Mr. Trudeau) would make a deal with Saudi Arabia through PetroCan to buy oil at $38 per barrel, and whereas this is one more nail in the coffin of free enterprise as Prime Minister Trudeau leads us on toward his objective, namely a socialistic state, I therefore move, seconded by the hon. member for Western Arctic (Mr. Nickerson):

That this House urge the Prime Minister to pay Alberta—where the oil industry was built on, and operates on, free enterprise principles—75 per cent of the price he pays foreigners, which will make Canadians more prosperous, give Canadian jobs and be a giant step toward a united Canada.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

MULTICULTURALISM

1981 CENSUS QUESTIONNAIRE—MOTION UNDER S.O. 43

Mr. Laverne Lewycky (Dauphin): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. Whereas 1981 is a census year, and considering that professional academics in the area of sociology and population studies require valuable data for understanding our unique Canadian society, I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That the Minister of State (Multiculturalism) consult with scholars working in the area of ethnology in our universities to see that questions on multiculturalism are included in our 1981 census questionnaire so that information on our rich cultural diversity will be available.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

AGRICULTURE

COMMITMENT OF MINISTER TO CANADIAN WINE INDUSTRY—MOTION UNDER S.O. 43

Mr. Joe Reid (St. Catharines): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity, particularly to those Canadians interested in agriculture. In light of the fact that the Parliamentary Secretary to the Minister of Agriculture (Mr. Ostiguy) has formed an exclusive and closed Liberal club of wine connoisseurs on Parliament Hill, and given that this Liberal club—even though they give lip service to Canadianization—refuse to serve and supply the very fine wines of Canada, I move, seconded by the hon. member for Nepean-Carleton (Mr. Baker):

That this House instruct the Minister of Agriculture to live up to his total commitment to the Canadian wine industry by hosting the next meeting of this so-called elite club and serve only Canadian wines, so that his parliamentary secretary and colleagues might become more informed about the agriculture industry and the wine potential of our own country.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

• (1115)

ORAL QUESTION PERIOD

[*English*]

SOCIAL DEVELOPMENT

TRANSFER PAYMENTS TO PROVINCES—REQUEST FOR ASSURANCE OF NO CUTBACKS

Hon. James A. McGrath (St. John's East): Madam Speaker, in the absence of the Minister of State for Social Development and the Minister of National Health and Welfare, I direct my question to the Right Hon. Prime Minister. In view of the fact that interest rates have again increased, with the prime rate now at 15.5 per cent, thus increasing the grim spectre of one million Canadians unemployed before the winter is out, in view of the fact that this comes in the face of indications from the government that it is seriously considering a cutback in social transfer payments to the provinces, and in view of the effect, which cannot be overemphasized, that such a monetary policy will have on the slow growth areas, particularly the Atlantic provinces, would the Prime Minister assure the House and the provinces that, until there is complete economic recovery in this country, there will be no cutback in transfer payments for social programs to the provinces?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, on behalf of the Minister of National Health and Welfare, who I believe will be here later, may I say we have not even begun negotiations yet with the provinces. We will have to await the beginning of those negotiations before we can give an answer to the hon. member.

Mr. McGrath: Madam Speaker, my question was prompted by the budget of the Minister of Finance, in which it was indicated that in order to achieve savings in the area of social policy there would be cutbacks in the social policy envelope to "finance other initiatives in other envelopes". The Canadian Council on Social Development, whle appearing before the constitution committee yesterday, referred to this proposal as a smoking gun and expressed concern about the impact such a move would have on provincial planning to meet programs which are financed now jointly under the Canada Assistance Plan.

Give the prospect of increased unemployment this winter, which is predicted to go to the figure of one million, can the Prime Minister give the poorer provinces and the unemployed of this country a categorical assurance that there will be no cutback or consideratio of a cutback in funding of the Canada Assistance Plan, at least in order to allow the provinces the opportunity to meet the increased welfare rolls which will be a direct result of the government's monetary policy?

Mr. Trudeau: Madam Speaker, in so far as the poor and the unemployed are concerned, I believe the minister has given that type of guarantee before. But what the hon. member is raising is a constitutional type of question which revolves around the desire of the provinces to exercise certain legislative authority but not to pay the bill. In this time of constitutional discussions and of sharing powers, we want to impress upon the provinces that if the wealthy ones are big enough to exercise certain powers, they should be big enough to pay the bill.

This, of course, does not apply to the less privileged provinces because they are compensated by equalization payments which will continue. The hon. member knows that these are the payments that we propose to guarantee in the constitutional project before the House, which the hon. member's party is so vigorously opposing.

CONTINGENCY PLANS TO MEET INCREASE IN UNEMPLOYMENT

Hon. James A. McGrath (St. John's East): Madam Speaker, my supplementary question will be directed to the Minister of Employment and Immigration. I would say to the Prime Minister, with the greatest respect, that we are not dealing with a constitutional question but with a bread and butter question. It involves the ability of Canadians to find work and the ability of the provinces to pay welfare payments because of increased unemployment.

The question which I pose to the Minister of Employment and Immigration is this. Given the prospect of one million unemployed this winter as a direct consequence of the monetary policy of the government, the prospect of increased interest rates with the spectre of shutdowns—for example, we already know that there will be a number of small retail operations forced to close their doors, which will mean additional people unemployed—what programs or contingency plans does the minister have, considering his responsibility, to meet this growing unemployment rate?

• (1120)

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, if the hon. member would look carefully at the budget presented by my colleague the Minister of Finance, he would notice that the major emphasis and priority of that budget was to stimulate the economy by putting the investment of this government into long-term economic development programs that would create long-term jobs for Canadians. That is quite in contrast to the budget presented by the government of which he was a member

which, by its higher energy prices and its cutback in the deficit, would have created very severe unemployment in this country. So the whole emphasis and priority of this budget was to create major economic development initiatives, and I think that is the major priority of this government that he should support.

* * *

EMPLOYMENT

EFFECTS OF INTEREST RATE AND ENERGY POLICIES—REQUEST FOR INCREASED FUNDING OF TRAINING PROGRAMS

Mr. Jim Hawkes (Calgary West): Madam Speaker, I will stay with the Minister of Employment and Immigration.

Mr. Clark: No one else will.

Some hon. Members: Hear, hear!

Mr. Hawkes: Did someone say the minister of unemployment and outmigration? I do not know the minister can stand in this House day after day and heap such praise on Black Tuesday, October 28. In face of the fact that small businesses in this country will have to pay 17 per cent to 18 per cent to borrow money as of this morning, the president of the Canadian Federation of Independent Business predicted on the CBC that there would be 50,000 bankruptcies of small businesses in the near future because of the economic policy of the October 28 budget.

Could the minister tell us whether he cares enough about the unemployed to go to the Minister of Finance and ask him, plead with him, argue with him, to reverse his interest rate policy, to reverse his energy policy—either or both—so that we can get some of those one million people back to work?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, in response to the hon. member, I would simply remind him that my own commitment and the commitment of this government to helping the unemployed was very amply demonstrated when we reintroduced direct employment programs that had been cancelled by the previous government, particularly those designed to help people in the high unemployment regions. I do not think there has to be any further evidence or proof of the contrast or difference in our expenditure of money to help those most severely in need. That is the priority of this government.

I would also remind the hon. member that within that budget presented by my colleague were a number of measures, including one to develop the bonding system for small business that would provide some relief and for some alternative forms of financing for small businessmen.

Mr. Hawkes: Madam Speaker, last June in this House the minister admitted that all he was creating was 7,000 man-years of employment. That is nothing to brag about in the face of one million unemployed. Since this government took office, in the first seven months 9,000 jobs have been lost in manufacturing, 14,000 in construction, 20,000 in agriculture and 8,000 in transport. The labour force survey showed a 44 per cent increase in the number of people who said they were no longer looking for work because they believed there was none to be found.

In the face of those facts, if the minister will not go to the Minister of Finance to ask for a change in policy, can he at least go to him and ask for an increased budget to provide training to those people who have been forced out of the labour market, so that when and if we have an upturn they can get a job?

Mr. Axworthy: Madam Speaker, again I would point out to the hon. member that he is rhyming off a number of facts which simply do not jibe with the statistics provided by Statistics Canada.

Mr. Clark: That is where they came from.

Mr. Axworthy: Madam Speaker, I should like to continue if my hon. friend would hold his response or his enthusiasm. The fact of the matter is that within the first ten months of this year we created something like 170,000 jobs in this country. We have the highest growth rate of employment of any country in the industrialized world, much higher, I would point out, than the employment growth rate in the United Kingdom which is administred by an administration that follows the same economic principles as those of hon. members opposite.

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FINANCE

POLICY RESPECTING RISING INTEREST RATES

Mr. Edward Broadbent (Oshawa): Madam Speaker, my question is addressed to the Prime Minister. During the 1980 election campaign the Prime Minister made few promises, but one that he was categorical about was that the Liberal party "would keep interest rates down and would make sure that they go lower". Interest rates are having a devastating effect now on farmers, auto workers, small businessmen and fishermen, to name just a few sectors of the Canadian economy. Can the Prime Minister tell the House why he is not implementing his policy but instead is following the disastrous escalation of interest rates in the United States?

• (1125)

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I am not quite certain what particular quote the hon. member is attributing to me, but I am certain that it was placed in the context—if it is accurate—of fighting inflation and following the kind of policy which the Minister of Finance introduced in his last budget. This policy is one of attempting, at the same time, to keep prices under control but not do it in such a way as to cause too severe unemployment and unnecessary hardship on the Canadian people.

Mr. Broadbent: Madam Speaker, I am quoting from an interview which the Prime Minister gave during the election campaign as reported in the *Toronto Star*. In that interview he was categorical about his intent to have a lower interest rate policy for Canada. Considering the forecast which has just been made, for home owners alone this means that mortgages will go up by 50 per cent next year. This will not only have a devastating effect on those with mortgages, but will also depress the construction industry. Why does the Prime Minister not reverse current government policy and implement what he promised during the election campaign, namely an independent interest rate policy? When will the Prime Minister get off the disastrous American roller-coaster policy of high interest rates?

Mr. Trudeau: Madam Speaker, the formula introduced by the Minister of Finance is precisely that, an independent interest rate policy. It is set by the free market in Canada. It is not tied to an automatic index of United States interest rates.

Mr. Broadbent: Madam Speaker, the Prime Minister knows that his phrase "free market" really means a continental market, meaning that interest rates here are being permitted, as a result of government policy, to follow American interest rates. In this context, why does the government, instead of boosting interest rates as a means to prop up the Canadian dollar, not allow the Canadian dollar to seek its own level? The consequence of that would be to encourage Canadians to buy Canadian produced goods instead of imported goods, leading to higher levels of employment next year rather than increased depression on which path the government is now taking us.

Mr. Trudeau: Madam Speaker, the hon. member must realize that to insulate Canada from what he calls the free market forces of continentalism would mean embarking Canada upon a policy of exchange controls and many other serious measures, which I do not believe even the hon. member's party would be prepared to contemplate at this time.

An hon. Member: What about wage and price controls?

* * *

ENERGY

SELF-SUFFICIENCY IN OIL SUPPLIES

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, my question is for the Minister of Energy, Mines and Resources. This government and previous Liberal administrations have steadfastly avoided making a clear commitment to self-sufficiency in relation to purchases of offshore oil and the position to which this country is then exposed by these purchases of offshore oil. We have been advised today of another example of the inadequacy of this policy because the Mexicans have now called *force majeure* on the exportation of oil to Canada for December. Clearly a policy of oil self-sufficiency for Canada must be a top priority. We must aggressively pursue developing our own production within Canada so that we are not exposed to the decisions of these other countries.

Would the minister accept this as a paramount objective for the Government of Canada, and will he state clearly to the House that if other policy objectives interfere with this specific objective, he will ensure these other policies are amended?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I have no problem at all answering yes to the hon. member. I refer him to "The National Energy Program" which was tabled at the same time as the budget. Very clear steps are indicated in that program as to how this country will achieve self-sufficiency. That will be achieved not only by increasing supply, but also by increasing conservation and substitution in this country.

• (1130)

Mr. Wilson: Madam Speaker, I am very pleased to hear the minister accept that the policy of self-sufficiency is paramount, because there are many people in this country who believe there are other aspects which undermine the objective of self-sufficiency. I hope in future when the minister hears and has assessed these statements by others that he will make amendments to the policy, as he has just committed himself to do so to this House.

My supplementary question in relation to the Mexican oil contract is that a spokesman for Petro-Canada is reported to have said there will be no compensation for the cancellation of oil deliveries and no make-up deliveries in January or subsequent months for those deliveries not made in December. Will the minister confirm this? If it is so, will he take immediate steps to instruct Petro-Canada to renegotiate that contract so we are not left exposed to decisions on these offshore contracts which clearly leave us short of oil at a time when we need it most, the winter months of the year?

Mr. Lalonde: Madam Speaker, I am surprised if my hon. friend has just discovered that this government is committed to achieving self-sufficiency by 1990. This is clearly set out in the National Energy Program which was released at the time of the budget. The programs we put forward in that announcement are quite clear and they will achieve that purpose.

With regard to the second point raised by the hon. member, I remind him that the measures taken by Mexico are taken under a *force majeure* clause which is in the contracts with all of their clients. Canada is not being affected in any different way from any other country. I might also tell my hon. friend that with regard to oil inventories in the country at the present time, the refiners are used to seeing their supplies sometimes reduced from various sources and having to find alternate sources of supply. There is no reason to believe that the present very temporary difficulty with Mexico, caused by bad weather and technical problems, will not be remedied in January and the situation then return to normal. I am advised there is no necessity for taking any exceptional steps at the present time.

SHORTFALL IN OIL SUPPLIES FROM MEXICO—REQUEST FOR ASSURANCE OF SUPPLY TO EASTERN CANADA

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, I will direct my question to the Minister of Energy, Mines and Resources. The minister will recall that initially we contracted for 100,000 barrels a day from Mexico. We had that commitment from the Mexican government. It was reduced to 50,000 barrels a day by this government with its tail between its legs this spring. We now find it is going down to 25,000 barrels a day, or less. Since there has been a cancellation of deliveries, coming during the winter months—and the problem may well extend into the cold winter months—notwithstanding what the minister has said, can the minister give a categorical assurance, in view of the fact the oil companies are now scrambling to make up this shortfall, that there will be no shortage of supply in eastern Canada this winter?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, unlike the difficulties that Canada faced this time last year when my hon. friend was minister of energy, I can give a clear, unequivocal assurance that there will be no shortage of heating oil in this country this winter.

Mr. Epp: Ironclad?

Mr. Hnatyshyn: Madam Speaker, the Prime Minister may have his black belt, but the minister can never see a belt without trying to hit below it.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Hnatyshyn: I would like to ask the minister if he is serious about this situation, as the country is relying more and more on offshore oil under the policy of this government. We have the Iran-Iraq conflagration, the Mexican cutback and a number of other difficulties. Will the minister undertake to get together with the oil companies with respect to getting assurances from them that they will be able to pick up the shortfall, in the event that these very dangerous situations precipitate a shortage in this country? Notwithstanding that assurance, will the minister give us an undertaking that he will take steps to plan for the possibility of serious shortages this winter?

Mr. Lalonde: Madam Speaker, I did not think my friend wore his belt that high. I regret if I hit him where he did not expect it!

Some hon. Members: Oh, oh!

Mr. Lalonde: We have just discovered he is wearing suspenders!

An hon. Member: Brace yourself!

Mr. Lalonde: I come back to the serious part of the question that was raised. There is no difficulty or reason to expect any difficulty this winter because of the announcement from Mexico. Every indication is to the effect that those difficulties are of a temporary nature. The Mexicans have said that they expect that by January the situation will return to normal. The total impact on Canada is marginal in terms of our total supply. We have no reason to believe there will be difficulties this winter because of those steps. Obviously, as the hon. member indicated, if there was to be a very large conflagration in the Middle East, there would be a completely different situation in the world, the western world in particular, and we would have to face that situation.

I wish to advise the member that the Energy Supplies Allocation Board is working very actively and effectively. Again this week they came out with an announcement giving the highest priority to agricultural and fisheries products. The board is functioning normally and properly. If there is any emergency, Canada will be ready to face it.

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FISHERIES

PROTECTION OF FISHERMEN FROM HIGH INTEREST RATES

Mr. Ted Miller (Nanaimo-Alberni): Madam Speaker, my question is directed to the Minister of Fisheries and Oceans. It relates directly to the announcement yesterday by the Bank of Canada that the prime lending rate would be 14.76 per cent and the announcement today that the prime rate of chartered banks would be 15.5 per cent, and how this relates to Canadian fishermen attempting to finance vessels and gear for the coming fisheries season. The minister will be aware that his colleagues in cabinet have given some assurance to small businesses that they will be given aid as a result of the exorbitant interest rates permitted by this government. The minister responsible for housing announced some programs which will hopefully increase housing starts. The minister of Indian affairs announced programs which will alleviate some of the problems caused by interest rates. The government has given some assurances through Imperial Oil and Chrysler that they will be protected in this society from high interest rates and the declining economy.

In view of the fact that many fishermen are tied to floating interest rates which are now reaching 17.5 per cent, is the minister prepared to announce any program which might protect Canada's fishermen from the exorbitant interest rates this government is allowing?

Hon. Roméo LeBlanc (Minister of Fisheries and Oceans): Madam Speaker, I thank the hon. member for putting on record the many good things this government has done.

Mr. Clark: That's part of the deal.

Mr. LeBlanc: I wish the Leader of the Opposition would sometimes ask his own questions. In keeping with the policy of those who are in most need, we have already tendered assistance to Indian fishermen living on reserves who cannot under normal business transactions put up their homes as collateral. The minister of Indian affairs has already indicated some

assistance in that area. We are monitoring the situation. The figures I have so far do not indicate an unusual amount of repossessions. In fact, the financial institutions have indicated they are willing to roll over loans and extend credit until such time as the position of fishermen improves, which I am quite hopeful will be next season. There are cases of bad management on the part of individuals who have overextended themselves and therefore get into some trouble.

● (1140)

Mr. Miller: The credit I was giving to this government relates to ad hoc programs which would never be necessary if we were following a proper interest rate policy in this country.

Some hon. Members: Hear, hear!

Mr. Miller: The minister is telling me he is willing to see fishermen of British Columbia and the Atlantic provinces mortgage their houses in order to make vessel payments. What is happening is that those fishermen are not only losing their homes but also their vessels. Why will the minister not get out and talk to these fishermen of British Columbia and the Atlantic provinces who will lose their vessels?

I should also like to mention the bad management within the fishing industry as a result of the government's program of allowing larger and larger vessels into the industry. The minister indicated there will be a buy-back program for those people who will lose their vessels. Would he now announce for the benefit of the banks holding those mortgages and the fishermen who are about to lose their vessels when that buy-back program will come into effect so they may get out of the industry with some dignity?

Hon. Roméo LeBlanc (Minister of Fisheries and Oceans): Madam Speaker, we have indicated that the buy-back provisions would not be a program which would be announced in a way which would cause an auction and thereby increase the price of fishing boats. In fact, the buy-back program will be undertaken in a normal commercial way and that is through brokers. In that sense, we will be ready in a matter of weeks to make some decisions.

[*Translation*]

PUBLIC WORKS

DISCUSSIONS CONCERNING CLEAN-UP OF OTTAWA RIVER

Mr. Carlo Rossi (Bourassa): Madam Speaker, my question is directed to the Minister of Public Works. Can the minister give us a progress report on the negotiations with the Quebec government on cleaning up the Ottawa River?

[*English*]

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, we indicated to the minister of the environment for the province of Quebec that the government is anxious to see the project for the opening of the sewage treatment plant in the Outaouais region completed. To that end I have made submissions to the Treasury Board requesting that the commitment of the National Capital Commission increase to 50 per cent. Indeed, I have asked officials of the Quebec ministry to consider the community services commitment program allocation increase for that project so as to assist meeting the additional costs of the project, all of which, I would add, had nothing to do with the operation of the federal government or our earlier commitment, but rather has to do with the difficulties of the Quebec government and the delay it has experienced in getting the project under completion.

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NATIONAL DEFENCE

ANTICIPATED DELIVERY TO CANADA OF F-18A FIGHTER AIRCRAFT

Hon. Allan B. McKinnon (Victoria): Madam Speaker, in the absence of the Minister of Supply and Services and the Minister of National Defence, my question is directed to whoever is acting Minister of Supply and Services. The U.S. Senate has recommended that all F-18A deficiencies must be corrected and tested before a final decision on production of the fighter aircraft can be made. Thus, this delays that decision for two years. Is the minister still labouring under the delusion that Canada will begin taking delivery of this fighter aircraft in October 1982?

Mr. Norman Kelly (Parliamentary Secretary to Minister of Supply and Services): Madam Speaker, the department is aware of those difficulties. At this stage there is no panic. Production problems such as the ones we have experienced are normal in the training period or trial period. In fact, that is why you have trial periods, so that you can identify the problems before production begins.

Mr. McKinnon: Madam Speaker, most trial periods are not delayed suddenly by a two-year term.

Article 34(12) of the contract ties Canadian industrial benefits not to the number of planes we buy but to the number of planes the U.S. navy buys. It is common knowledge in Washington that the U.S. navy is reducing the number of planes from 1,366 to 1,044. According to the contract, this will mean that all Canadian industrial benefits will be reduced by a like amount.

In view of this and the other matters which could be brought up regarding the problems with this contract, can the government indicate whether it can renegotiate or cancel this contract and at what cost, bearing in mind we are already into the program for about $50 million and are budgeting for $250 million for next year?

Mr. Kelly: Madam Speaker, the department is aware of all the nuances and subtleties of this particular program. It is monitoring it very closely and will make whatever adjustments are necessary.

F-18A FIGHTER AIRCRAFT—RENEGOTIATION OF CONTRACT

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, I take it, since the question to the member for Victoria was whether the contract can be negotiated, and the parliamentary secretary said the government will take whatever actions are necessary, that it is the view of the government of Canada that that arrangement can be negotiated. Will the parliamentary secretary or some responsible minister indicate whether the official view of the Government of Canada is that that arrangement can be renegotiated?

Mr. Norman Kelly (Parliamentary Secretary to Minister of Supply and Services): Madam Speaker, I do not have the information with which to answer the right hon. gentleman opposite. This question will be taken under advisement. The Leader of the Opposition may be assured of receiving the appropriate answer at the earliest possible time.

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[*Translation*]

EXTERNAL AFFAIRS

POSTPONEMENT OF DAKAR CONFERENCE—GOVERNMENT POSITION

Hon. Roch La Salle (Joliette): Madam Speaker, I should like to address my question to the Secretary of State for External Affairs. The Francophone summit that was supposed to be held at Dakar having been cancelled, the minister stated that he was under the impression that France does not want an international Francophone community. This morning, according to the newspapers, the French embassy categorically denied the accusation. In those circumstances, does the minister still maintain his accusation or will he take this opportunity to retract it since according to France, it is unfounded?

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, this is the second time the French government has put off the Dakar meeting. The same thing happened in November. I feel, therefore, that this is a very reasonable conclusion to arrive at in view of the activities of the French government.

Mr. La Salle: Madam Speaker, unless I am mistaken, the minister refuses categorically to answer my question. I asked, on the one hand, whether he maintains his accusation that France rejects the idea of an international Francophone community. On the other hand, I would add that a distinguished Canadian from Quebec, Mr. Ryan, is also of the opinion that there should be ministerial participation within the Canadian national representation. Seeing Mr. Ryan seems to have excellent chances of leading Quebec in the near future it might be interesting to hear the minister tell us whether or not he would be more receptive to a request from Mr. Ryan of Quebec, under the same circumstances, than he has been until now with the present government?

Mr. MacGuigan: Madam Speaker, we agree with Mr. Ryan that Quebec must be associated with this conference and we made Quebec a generous offer to that end, but I indicated, which I repeat here, that France used Quebec as a pretext to delay the conference.

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[*English*]

SMALL BUSINESS

REQUEST FOR INTRODUCTION OF DEVELOPMENT BOND LEGISLATION

Mr. Murray Cardiff (Huron-Bruce): Madam Speaker, my question is for the Minister of Finance. It concerns his failure to bring in the legislation giving effect to the small business development bond provisions. Next Thursday an entire year will have passed since these bonds were first announced in the Crosbie budget and it is seven and a half months since the present Minister of Finance reintroduced them as a matter of policy. In view of the fact that farmers in particular have been waiting for confirming legislation, since many of them would have to incorporate their operations before they could take advantage of the small business development bonds, why does the minister not get this legislation before the House? Surely the minister realizes that the small business development bond issues are merely a trickle unless and until he brings in the legislation; and surely he realizes that the measure could be passed quickly since all parties agree that this measure in the Crosbie budget is a good one.

• (1150)

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, the delay in bringing forward the development bond is caused by the fact that it is part of the over-all income tax bill which has been put before the public in accordance with the request of many interested parties; the moment we bring in the income tax bill, the development bond will, of course, be part of it. I will give consideration to the proposal as to whether we could deal with the small business development bond immediately without debate, if that is what the hon. member is proposing.

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NATIONAL DEFENCE

F-18A FIGHTER AIRCRAFT—EFFECT OF DELAY IN DELIVERY ON PROCUREMENT AND PRICE

Mr. Terry Sargeant (Selkirk-Interlake): Madam Speaker, in the absence of both the Minister of National Defence and the Minister of Supply and Services, I would like to direct my question to the Parliamentary Secretary to the Minister of National Defence. It relates to the same subject to which the hon. member for Victoria alluded a few moments ago.

In the past couple of days we have learned that there are more very serious problems plaguing our new fighter aircraft.

Aside from the two unexplained test crashes, we now learn that there are flaws in the engine of the F-18, so serious that they will require the redesign of at least three vital parts and the restricted use of seven other parts. Can the parliamentary secretary tell the House what effect these problems will have on the Canadian procurement, which is already threatened with delay for a number of reasons, and can she tell this House more particularly what effect these developments will have on the Canadian contract price?

Mrs. Ursula Appolloni (Parliamentary Secretary to Minister of National Defence): Madam Speaker, perhaps when we discuss the contract price the question would be more properly directed to the Minister of Supply and Services. However, I would like to point out again that we are in a period of very intensive testing of pre-production models. Because it is a testing period, certain of these problems were already anticipated and, indeed, a certain time was allowed in the contract for these problems to be identified and corrected. Under the circumstances I do not think it is proper at this time to become too alarmed about certain reports which are coming from the United States and which, I might add, have not been confirmed by the U.S. navy.

Mr. Sargeant: Madam Speaker, the parliamentary secretary seems to be suggesting that they knew in advance that they were buying a bad aircraft. I would like to put aside for a moment the cost factors and the delay factors and turn to another subject. One of the selling points of which the government constantly reminds us when speaking of the great deal it made on the CF-18A is the industrial offsets package it negotiated.

My supplementary question to the parliamentary secretary relates to the fact that in the last few months McDonnell Douglas has laid off nearly 500 workers in Toronto. The reason given was that there were no orders for DC-9s or DC-10s. Given that done of the promised industrial benefits for 1980 was $83 million worth of work on DC-9s and DC-10s and a further $83 million in 1981, can the parliamentary secretary explain how she can expect McDonnell Douglas to fulfil its commitments in this area or, for that matter, in any other; or is this just another step in the boondoggle of Canadian defence procurement?

Mrs. Appolloni: Madam Speaker, I think there are a few things to be remembered about this F-18 program. First, we are talking about an aircraft which is in the front end of technology. Therefore, it is incorrect on the part of the hon. member to say that we anticipated difficulties, as if to say we were automatically buying a bad aircraft. We are anticipating an aircraft which is far in advance of any technology we have had to date. Therefore, certain pre-production problems have to be encountered. That is the nature of technology in the future. Under these circumstances, we do not anticipate any particular problems with respect to the industrial benefits which have been written into the contract.

Oral Questions

FINANCE

POLICY RESPECTING INFLATION AND INTEREST RATES

Mr. John Bosley (Don Valley West): Madam Speaker, I have a question for the Minister of Finance which relates to the recent rise in interest rates. I am wondering if the minister is finally ready to recognize that it is his policy of increasing the federal share of the gross national product over the next two years and financing that increase through increased borrowings that drives up the expectations of inflation and interest rates and thereby leads to more inflation and higher interest rates. In other words, would the minister finally recognize that he is not, as he pretends, an innocent bystander waiting for somebody else to come along and drive the silver stake through Dracula's heart, but is in fact Bram Stoker, the author?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, one would have to be a poet and a prophet to answer that rather convoluted question, which was clothed in words indistinguishable from what I would call illiteracy.

Mr. Bosley: Madam Speaker, we have again from this minister today his Dr. Jeckyll mode of policy, looking for a place to "Hyde".

The figures to which my hon. colleague referred earlier indicate that we expect 50,000 business bankruptcies in the coming year. Figures which were released yesterday showed that knowledgeable experts expect a 25 per cent increase in personal bankruptcies in Ontario alone this year because of this government's policy of increasing inflation. Can the minister defend his policy of creating more work for lawyers and bankruptcy trustees by driving out of business small businesses which create work for people?

Mr. MacEachen: Madam Speaker, the hon. member's question was based upon an assertion that we were increasing our share of the gross national product, and that the Government of Canada over the next number of years will add to inflation because we will be increasing our share of the gross national product. That, of course, is not true. If the hon. member looks at the forecasts and projections, he will find that over the period of the projection until the end of 1983-84 the share of the government in the economy will be precisely the same size as it has been in the past year. The hon. member's premise was quite erroneous and, as a result, all the verbiage following it merely decoration.

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FEDERAL LANDS

NEPEAN, ONT.—RETENTION OF LAND FOR PUBLIC USE

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, I have a question for the Minister of Public Works which concerns the federally-owned public lands at the corner of Woodroffe Avenue and Baseline road in the city of Nepean.

As the minister knows, there was a proposal that those lands would be developed by CMHC and kept within the public domain. There are rumours and stories afoot that that is not so. Could the minister confirm what the position is now with respect to those lands, whether there are proposals being sought from developers and whether it is the intention of the government to ensure that at least some of those lands are kept within the public domain or for public use?

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, the objective of the corporation, together with the city of Nepean, is to ensure that housing of some type or other is developed on the site. However, it was because of the problems in working together and in realizing common objectives that time has elapsed, and the corporation now believes that in order to get housing, private sector involvement should be encouraged; and it is to that end that the corporation is working with the city officials. Some of the property is being held in abeyance for the possibility of public use. I refer, for example to public buildings for the public service in the Ottawa area.

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NATIONAL REVENUE

SITE FOR PROPOSED TAXATION DATA CENTRE

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, my supplementary question is directed to the Minister of National Revenue. The minister knows that there have been plans afoot in the Department of National Revenue for the development of a taxation data centre in the national capital as part of the ongoing program of that department to improve its service to the Canadian public, and that particular site at the corner of Woodroffe and Baseline is being considered. I am not asking whether a decision has been made—although if one has been made I could be told—but could the minister please tell us whether it is still within his consideration that that site is at least one of those being considered for the development of such a centre?

Hon. William Rompkey (Minister of National Revenue): Madam Speaker, I can confirm that that site is one of a number being considered by the department. It was the policy of this government to decentralize federal services, and we planned for seven of these centres all across the country from Newfoundland to British Columbia.

● (1200)

We do intend to set up such an operation in the Ottawa area at some location. It could be an extension of an existing building. My own preference would be for a completely new building, but I will await those recommendations. We are considering a number of sites, including that one. I must say that I have had representations from this side of the House as well, but I will take the hon. member's representation under advisement on behalf of his constituents, of whom I am one.

ENVIRONMENTAL AFFAIRS

ALICE ARM, B.C.—DUMPING OF TAILINGS BY AMAX—GOVERNMENT POSITION

Mr. Donald W. Munro (Esquimalt-Saanich): My question is for the Minister of Fisheries and Oceans. In the media recently there has been some uncertainty as to the stand of his department on the dumping of tailings in Alice Arm from a mining project there known as AMAX, American Metals Climax. Could the minister set the record straight so that we would know exactly what is the view of his department with respect ot the plans of that company to dump its tailings into Alice Arm?

Hon. Roméo LeBlanc (Minister of Fisheries and Oceans): Madam Speaker, I think the record is quite clear on this issue. The decision made in 1979 to go ahead with the project, or to allow the project to be planned, was reviewed at my request some five or six weeks ago. The review in fact indicated that there was no apparent reason for changing the original recommendation. There is a recognized problem there and that is why a minoriting operation will be put into place. In fact, we are looking at the possible composition of the monitoring agency. We want to make sure that there is public participation. That seems to be the procedure we will follow in the months to come before the operation of the time starts.

Mr. Munro (Esquimalt-Saanich): I have a supplementary question, Madam Speaker, with respect to the consultations which the minister may or may not have had with his colleague across the aisle, the Minister of Indian Affairs and Northern Development, with respect to the misgivings that he might have had and the representations made to him by the Nishga tribe on this matter.

Mr. LeBlanc: Yes, Madam Speaker, I have been in constant contact with my colleague on this issue. He and I agreed that the monitoring agency should have more than governmental people participating and that in fact there should be an invitation to the Nishga to be represented on the monitoring group. I have no further information on this issue now.

* * *

POINT OF ORDER

MR. HAWKES—ANSWER GIVEN BY MR. AXWORTHY DURING QUESTION PERIOD

Mr. Jim Hawkes (Calgary West): Madam Speaker, during the question period today, the Minister of Employment and Immigration (Mr. Axworthy) misled the House by quarreling with my statistics. They are to be found in the document entitled *Labour Force,* put out by Statistics Canada, at page 15 in the October issue, which is comparable to another page in the March issue. I think the record should be corrected before we go much further in our deliberations.

Madam Speaker: I must say that that is not a point of order.

ROUTINE PROCEEDINGS

[*Translation*]

PRIVATE BILLS

TABLING OF DOCUMENTS RESPECTING BILL S-13 AND BILL S-14

Mr. Claude-André Lachance (Parliamentary Secretary to Minister of State (Trade)): Madam Speaker, on Monday, December 1, 1980, concurrently with the adoption of Bills S-13 and S-14 at both the report and third reading stages, I had agreed to provide the House with certain documents which were to be tabled. Later that day, at 9.45 p.m., there was unanimous consent in the House for another procedure to be followed, namely, that these documents should be appended to *Hansard* on the day on which I would wish to put these documents before the House.

Madam Speaker, I am now ready to table these documents which are now available and to have them appended to *Hansard*.

Madam Speaker: As requested by the hon. member for Rosemont, is there unanimous consent of the House for these documents to be appended to today's *Hansard*?

Some hon. Members: Agreed.

[*For documents mentioned above, see Appendix.*]

* * *

[*English*]

FISHERIES AND FORESTRY

EXTENSION OF MANDATE OF STANDING COMMITTEE

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, there have been discussions among the parties concerning the extension of a committee's mandate, and provided there will be no debate I would propose to move, seconded by the hon. member for Kent (Mr. Bossy):

That the Standing Committee on Fisheries and Forestry be empowered to investigate further and report on all aspects of acid rain;

That the evidence adduced by any subcommittee thereof on the aforementioned subject while considering the main estimates for 1980-81, be deemed to have been laid upon the Table and referred to the said committee;

That it be an instruction to the committee that it appoint a subcommittee to consider the aforementioned matter and that the subcommittee and members of the subcommittee have the power to adjourn from place to place inside Canada for a period of two weeks and to travel outside Canada for a period of one week and that the necessary staff accompany the subcommittee and members of the subcommittee; and—

That the committee shall report to the House finally, no later than March 1, 1981.

Madam Speaker: Does the House give unanimous consent to the motion of the hon. member?

Order Paper Questions

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, as the parliamentary secretary said, there were consultations. I have referred the matter to the opposition critic on the environment, the hon. member for Hillsborough (Mr. McMillan). The motion which is before us is agreeable, and we are prepared to allow it to go through the House without debate.

Hon. Stanley Knowles (Winnipeg North Centre): Yes, Madam Speaker, there were such consultations and we agree.

Madam Speaker: Is there unanimous consent to this motion?

Some hon. Members: Agreed.

Motion agreed to.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 75, 943, 1,317, 1,444, 1,510, 1,576 and 1,700.

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

[*Text*]

POST OFFICE—CROWN CORPORATION

Question No. 75—**Mr. Cossitt:**

1. Does the government consider it advisable to make the Post Office Department a Crown corporation and, if so (a) for what reason (b) in what way would the service improve?

2. Would the same staff, unions, officials, etc., be involved as in the present postal system?

3. Would making the department a Crown corporation make it more remote from parliamentary control?

4. Does the government consider it essential that the Post Office Department be under the control of the elected representatives of the people of Canada?

Hon. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): 1. Yes.

(a) The government believes that a corporate structure will permit the post office to respond effectively to the environment of the marketplace in the planning and delivery of services and will permit direct management/labour interaction on questions relating to postal operations.

(b) Public service will be improved by the greater flexibility and business orientation of a corporate structure and through the direct management labour interaction referred to in (a) above.

2. Yes, in so far as the government can anticipate the conversion from department to Crown corporation.

3. As a Crown corporation the Post Office remains accountable to Parliament through a responsible minister.

4. The Post Office remains an instrument of government policy and as such is accountable to Parliament and cabinet.

STATISTICS CANADA—EMPLOYMENT SURVEY DEVELOPMENT PROJECT

Question No. 943—**Mr. MacKay:**

With reference to Statistics Canada's Employment Survey Development Project (ESDP), initiated in 1976 after the publication of articles by Wayne Cheveldayoff in *The Globe and Mail*, questioning the accuracy of the labour income and certain other components of GNP, what is (a) the present status of the project (b) its planned completion date (c) its costs to date, including manpower, office accommodation, etc. (d) its planned costs upon completion (e) its interim findings as to the accuracy of the labour income component of GNP (f) the effect of the resignation of its long-standing head, Mrs. M. Cottrell-Boyd?

Hon. J.-J. Blais (Minister of Supply and Services): Statistics Canada reports:

(a) Present Status of Project

Presently the ESDP is in the process of developing and implementing the results of a field test conducted in January and February of 1980. Based upon an evaluation of this test, decisions have been made upon the final content, methodology and processing system to be used for the new survey.

(b) Planned Completion Date

The intention is to begin the new survey of employment, payrolls and hours in April of 1981. The objective ot the early months of the survey will be a gradual build-up of the sample size, to a full complement of about 600,000 reporting unities, as a means of establishing a smooth running operational system. Coincidentally, it is intended to produce estimates from the new survey which can be used for comparisons with the estimates of the present surveys, resulting in linkage to existing data and preventing a discontinuity in the time series. During the latter part of 1981, it is planned to have the full sample in place, estimates produced and linkage of estimates between present and new surveys accomplished. The present surveys should terminate in March of 1982, when the new survey will become the official measure of employment, payrolls and hours.

(c) Cost to Date

The Employment Survey Development Project began in April of 1976. The cost by fiscal year since that time up to and including the 1979/80 fiscal year are as follows:

1976/77	$	26,000
1977/78	$	204,000
1978/79	$	643,000
1979/80	$	1,111,000
	$	1,984,000

(d) Planned costs upon completion

The budget for the 1980/81 fiscal year is approximately $1,560,000 and for 1981/82 the costs are $3,910,000. An estimated ESDP final cost is shown below.

1976/77 to 1979/80	$1,984,000
1980/81	$1,560,000
1981/82	$3,910,000
	$7,454,000

The continuing budget for the survey, once it is in full operation, will be about $4,500,000 per year.

(e) There are no interim data available yet from the survey which are sufficiently comprehensive to allow for an estimation. Furthermore, the objectives of the ESDP were not to produce or evaluate labour income estimates for GNP, but rather to produce earnings data, with greater timeliness, reduced respondent burden and at least equivalent quality as at present, for all sizes of firms in all sectors of the economy. The new employment, payrolls and hours survey will not estimate total labour income but only the wages and salaries portion of it. A comprehensive evaluation from the new employment, payrolls and hours survey will be available in 1982.

(f) Departure of Project Manager

A new manager for the ESDP has been appointed, and at no time was the project without a manager. Other than normal learning periods and minor changes in managerial style, the change in project manager is expected to have little impact.

STATISTICS CANADA

Question No. 1,317—**Mr. Cossitt:**

Was the jurisdiction for Statistics Canada transferred to the Minister of Supply and Services and, if so, what is a detailed explanation of the rationale behind the transfer?

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): The jurisdiction for Statistics Canada was transferred by order in council on Friday. June 13, 1980, from the Hon. Donald Johnston, President of the Treasury Board to the Hon. Jean-Jacques Blais, Minister of Supply and Services. This transfer was done in the interest of improved efficiency and effectiveness of the government. The service orientation of the DSS is well suited to the fundamental purpose of Statistics Canada while in the previous instance there could be a potential or perceived conflict of interest between the minister's portfolio responsibility and Statistics Canada.

PRISONERS—TRANSFER FROM BRITISH COLUMBIA PENITENTIARY TO DORCHESTER PENITENTIARY, N.B.

Question No. 1,444—**Mr. Crosby:**

1. How many prisoners were transferred to Dorchester Penitentiary, New Brunswick, in relation to the closing of the British Columbia Penitentiary and what is a breakdown of the prisoners transferred from the British Columbia Penitentiary to other maximum security institutions?

2. In the case of prisoners transferred to Dorchester from British Columbia, what was the criminal offence for which each prisoner was imprisoned and what was the term of imprisonment in each case?

3. In the case of prisoners transferred to Dorchester from British Columbia, how were the prisoners classified in terms of (a) security risk (b) danger to the institutional staff and public (c) other classifications that are applied to inmates of penal institutions?

4. How many riots, hostage-taking incidents or other prison disturbances occurred at Dorchester Penitentiary between (a) July 10, 1978 and July 10, 1980 (b) the date of transfer of prisoners from British Columbia to Dorchester and July 10, 1980?

Hon. Bob Kaplan (Solicitor General): By the Ministry of the Solicitor General: In so far as The Correctional Service of Canada is concerned:

1. Three inmates have been transferred to Dorchester Penitentiary. One was directly transferred to Dorchester and the other two originally were transferred to Kent and Matsqui Institutions for a short interval. Breakdown of transfers from British Columbia Penitentiary to other maximum security institutions:

Laval Institution (Quebec)	1
Archambault Institution (Quebec)	1
Regional Reception Centre (Quebec)	2
Regional Reception Centre (Ontario)	46
Millhaven Institution (Ontario)	2
Saskatchewan Penitentiary (Saskatchewan)	28
Regional Psychiatric Centre (B.C.)	22
Kent Institution (B.C.)	96
Total	198

2.

Criminal Offence	Term of Imprisonment
Inmate A—Robbery	3 years
Inmate B—Armed Robbery	5 years
Inmate C—Possession of Narcotics	5 years, 3 months

3. (a) One inmate is classified as a minimum security risk* and the other two are classified as maximum security risks.

(b) and (c) The classification in (a) applies also to (b) and (c). Inmates in federal institutions are classified under three broad categories:

maximum security (for example, inmates identified as high escape risks, hostage-takers, dangerous, violent, riotous);

medium security (for example, inmates identified as not actively seeking to escape but who would do so if given the opportunity, not disruptive, nor usually overtly violent but may demonstrate violence toward staff and inmates);

minimum security (for example, inmates that can be trusted in an open setting, will not usually walk away, seen as presenting no danger to anyone, interested in work and/or other programs, require little custodial supervision).

4. (a) From July 10, 1978 to July 10, 1980

4 Disturbances
2 Hostage-takings
1 Sit-in

(b) From date of transfer of prisoners to Dorchester Penitentiary to July 10, 1980

2 Disturbances
1 Hostage-taking
1 Sit-in

* Shortly afterwards, the inmate was transferred to Westmorland minimum security institution and is now on day parole.

RECEIVER GENERAL OF CANADA—CHEQUES RECEIVED FROM THE CHIEF ELECTORAL OFFICER

Question No. 1,510—**Mr. Cossitt:**

1. How many cheques in the amount of $200 representing deposits by candidates contesting the general election of February 18, 1980, did the Receiver General of Canada receive from the Chief Electoral Officer?

2. How many of the cheques were returned to those who issued them and how many were retained by the Receiver General for various reasons?

3. What was the total sum of money in the hands of the Receiver General at any time for the general election and was this money in any way invested and (a) if so, what was the rate and the amount of interest received (b) if not, for what reason?

Hon. J.-J. Blais (Minister of Supply and Services): 1. Fifteen hundred and one (1,501) cheques of $200 each representing deposits by candidates contesting the general election of February 18, 1980 were deposited to the credit of the Receiver General for Canada.

2. None of the cheques were returned to those who issued them but refunds have been paid by the Receiver General to 651 candidates, leaving a balance of 850 cheques for which refunds will not be made.

3. The total sum of money in the hands of the Receiver General at any time, pertaining to the deposits by candidates contesting the general election of February 18, 1980, was $300,200 of which $130,200 has been refunded. These funds then became part of the balances of the Receiver General, almost all of which are deposited in the chartered banks. Interest payments by the chartered banks on Receiver General deposits are 90 per cent of the interest rate on 90-day treasury bills on the weekly minimum balance in excess of $100 million.

Order Paper Questions

The exact amount of interest attributable to deposits returned to candidates contesting the general election is, however, unknown because the deposits were not separated from other moneys held in Receiver General bank accounts. An estimate of the interest earned on deposits returned to candidates, based on the average rate of return on Receiver General balances from January to September, 1980 of 7.57 per cent, was $4,696.

CONTAINER TERMINAL—FAIRVIEW COVE—PORT OF HALIFAX-DARTMOUTH

Question No. 1,576—**Mr. Howie:**

1. What is the status of the container terminal being developed at Fairview Cove in the Port of Halifax-Dartmouth?

2. Has an operator been selected and, if so, what is the name of the operator?

3. On what date is the new terminal scheduled to come on line and is any delay in meeting the schedule expected and, if so, what delay is anticipated?

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): The National Harbours Board advises as follows: 1. Construction of wharf structure and land filling is completed. Contracts have been awarded and work is under way for the construction of the copewall, the crane foundations and the roro ramp and the installation of water, sewage, drainage and electrical systems.

2. Yes, Ceres Stevedoring Company Limited.

3. Not later than April 1, 1982. No delays are anticipated at present.

1980 PACIFIC NATIONAL EXHIBITION

Question No. 1,700—**Mr. Wenman:**

1. Did the government allocate money for the Emergency Planning display at the 1980 Pacific National Exhibition and, if so, in what amount?

2. Were copies of the booklet "11 Steps To Survival" handed out at the display and, if so, how many?

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): 1. The portion of the Government of Canada display at the Pacific Exhibition used for emergency planning purposes cost $250.

2. Yes, an estimated 1,500 copies.

[*Translation*]

Madam Speaker: The questions enumerated by the hon. parliamentary secretary have been answered. Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

Madam Speaker: Pursuant to Standing Order 54, I do now leave the chair for the House to go into Committee of the Whole.

GOVERNMENT ORDERS

[*Translation*]

BUSINESS OF SUPPLY

The House resumed from Thursday, December 4, consideration in committee of Bill C-47, for granting to Her Majesty certain sums of money for the Government of Canada for the financial year ending March 31, 1981—Mr. Pinard—Mr. Ethier in the chair.

The Deputy Chairman: Order, please. Under the provisions of the order passed on Tuesday, April 29, Committee of the Whole will proceed today and next Monday with the consideration of the estimates under the item Employment and Immigration of the schedule to Bill C-47, an act for granting to Her Majesty certain sums of money for the government of Canada for the financial year ending March 31, 1981.

DEPARTMENT OF EMPLOYMENT AND IMMIGRATION:

Vote No. 1

[*English*]

Mr. Collenette: Mr. Chairman, I am sorry but the minister was detained. He is about to come in. If he does not come in immediately, perhaps we might wait until his officials come in.

The Deputy Chairman: I see the minister arriving now.

[*Translation*]

Before the hon. minister entered the House, vote No. 1 had been called. Shall vote No. 1 carry?

[*English*]

Shall Vote 1 carry?

Some hon. Members: Agreed.

Mr. Lewis: Is the minister not going to address some remarks on vote 1?

The Deputy Chairman: I called vote 1 twice and I heard "carried" on each occasion. I see the parliamentary secretary rising now, perhaps for an explanation.

Mr. Collenette: Mr. Chairman, I thought you were going to wait until the minister was here to call vote 1. When you do so, the minister will stand up. Will you be so kind as to call vote 1 immediately?

• (1210)

The Deputy Chairman: I will call it again. The minister was in his seat when I called vote 1. Shall vote 1 carry?

Miss MacDonald: He does not hear very well.

Mr. Axworthy: Mr. Chairman, I welcome this unexpected opportunity to talk about the work and activities of the commission on employment and immigration and on the status of women. Also I welcome the opportunity to listen to the questions asked by members of the House, and to their comments. There is a tendency in the day to day affairs of my department for people to seize upon the more sensational

aspects of some of its activities, such as an immigration case which all of a sudden bursts forth in the headlines, and at the same time to ignore the large range and volume of work on a daily basis.

While I am quite anxious to deal with the specific and ad hoc questions and inquiries of hon. members, I hope we can devote some time during the discussion of these estimates to look at some of the longer term questions faced by the department, because it is a crucial department in terms of the economic and social policies which we will be facing in the 1980s.

Fundamentally, in my portfolios I deal with the problems of people, particularly the more effective and useful management of the human resources of the country, to ensure that not only is there an effective use of people in terms of jobs, training and skills, but also that there is a fair and equal use of people so that those who are suffering disadvantages can be assisted in trying to overcome their disadvantages.

I think members of the House will recognize that there is no more difficult a task, because we are dealing with people, and people cannot be ordered around in the same way as aeroplanes, bridges, or other more solid objects. People have their own mixtures of reasons why they want to live where they do, or work where they do. At the same time we are faced with very important problems of managing in relation to other groups and sectors of the economy. Our work is very closely tied in with the work of the business and labour sectors of Canada and also with the work of provincial governments. Yet, to mix and match those particular segments, one realizes that changes do not come easily. They must come with some degree of agreement and acceptance on the part of all the actors in the play. I use the word "play" with some degree of reservation, considering the events of the past week. Nevertheless, the federal government must play a very important leadership role in providing direction in the critical areas of helping people to get jobs, to move to this country, and to achieve some degree of equality in what they do.

It is particularly important, in light of the changes which can be seen on the horizon as taking place in the 1980s, to note that there will be some very important changes in the labour market conditions of Canada, ones which will require alterations in the programs of our government, provincial governments, and the private sector. That is why we undertook, as one of our first initiatives upon returning to government, to establish some very serious reviews of labour market conditions.

I just want to emphasize that we look forward, with some anticipation, to the findings of the parliamentary task force established to look into the critical question of employment needs for the 1980s. Much of the deliberations of our department will be dependent upon the assessments made by members of the House in coming to grips with some of those very critical issues. At the same time we have undertaken certain studies, within our own commissions, on the unemployment insurance program, on labour market forecasting, and on immigration programs, as ways to develop new data and ideas about where we should be going in response to these changing conditions.

If I may, I should like to mention just a few of those. One of the most important changes we are facing is a substantial change in the labour market itself. One of the most serious issues faced by both the public and private sectors over the decades of the sixties and seventies was a very large increase in the numbers of young people coming into the labour market. We faced probably the largest growth of young people coming into the work force of any country in the industrialized world. Over the period of the decade of the seventies we were able to maintain the highest growth of employment of any industrialized country. While no one can be totally satisfied that we are able to provide jobs for everybody, certainly our record speaks for itself in being able to respond to that issue.

Beginning in the 1980s there will be a gradual decline in the number of young people coming into the market. In fact, that is beginning now. At the same time there will be an increasing demand for new skills, trades, and crafts. So, we will be facing a paradox in the labour market that we could, in some ways, even reach the point of shortages by the mid-1980s. I believe very firmly that it is the responsibility of the government not just to respond to the short-term crises but to put in place the program elements which will enable us to respond to longer-term issues.

At the same time we will be facing a major shift in industrial activity in Canada, both between industries and between regions. That is simply a reality at which we must look. We are all aware of the shifting focus of economic growth and activity in western Canada and the increasing concentration of work within the resource and resource construction areas. That has created the paradox in the country that, while there are still large concentrations and pockets of unemployed in areas where unemployment has been traditionally located, there are increasing demands for and shortages of skills in other areas of the country. Therefore, one of the primary requirements of the government is to ensure that there can be substantial mobility of the work force and the acquisition of new skills to respond to the changing conditions of the marketplace.

That is why the government places such a very high priority, within the charter of rights in the constitutional debate, upon the establishment of mobility rights. It is to ensure that Canadians have the right to choose where they want to work and live. The increasing evolution of provincial barriers to the free movement of labour in the country is clear to us.

Mr. Hawkes: Mr. Chairman, I rise on a point of order to help the minister out. I am just wondering whether he is aware of the testimony of the Council on Social Development before the constitutional committee yesterday in which it was indicated that the clause on mobility in fact would provide the legal basis to close the borders and create sovereign states.

Some hon. Members: You will have your turn.

The Deputy Chairman: Order, please.

Mr. Axworthy: Mr. Chairman, I understand the high degree of anxiety and agitation of the hon. member, because he has been in that state for about two months. But I hope he can restrain himself and allow some proper flowing discussion to take place.

Mr. Forrestall: You might take a lesson from your colleague and watch your temper.

Mr. Axworthy: Now I am receiving gratuitous lessons from members opposite on temperament. I would suggest, by the tone of the hon. member's voice, that he might follow his own advice.

Mr. Forrestall: You watch your own temper.

Mr. Axworthy: Therefore, what we are trying to look at, in terms of changing conditions in the marketplace, is how we put in place the kinds of programs and policies which will respond to the shift both in the occupational structure of Canada and in the regional shift of industries. On one hand that means responding to areas or industries experiencing decline, at the same time as responding to areas experiencing high rates of growth.

It is also critical, in looking at future conditions, to ensure a fair degree of equity in the job market. This means looking at the groups of people in society who have been excluded or denied access to jobs in proportion to the numbers of the population or to their simple rights as Canadians. The most obvious group, which is a majority, is the women in Canada who, over a period of generations, have been concentrated in a very few occupations which tend to be on the lower scale of pay and opportunity. That is why the government, as was announced in the Speech from the Throne, put such a very high priority on developing an effective employment strategy to deal with the problems of women and to begin developing new initiatives to provide incentives for the private sector, as well as to take actions within the public service to establish principles of affirmative action. In this way we hope to provide some sense of leadership to redress the imbalances in the continuing area of discrimination.

● (1220)

It is fortunate I have the double portfolio of employment and immigration. This gives me the ability to focus on the status of women. It gives us the ability to provide some influence and direction within the government to reach solutions in that area.

Another issue which has caused a great deal of concern and public discussion in recent months has been the shortage of skills in Canada. It is a symptom of major changes which are going on in the workplace. For a long period of time Canadian industry has relied upon immigration as a source of its major skills. Studies in both British Columbia and Ontario have indicated the majority of their skilled tradesmen have come from countries offshore. Unfortunately that work source is now aging and they will soon be eligible for retirement. As a result, we are put in a position where we will be short a number of important skills. It will not be possible to rely upon the immigration of skills from other countries to the same degree as we have in the past.

We are now very much in an international labour market where there is a high degree of competition from all kinds of countries. In areas where there used to be a fairly ample supply of people with basic craft and trade skills, they now find themselves in severe competition in gaining skills for themselves. As a result, that traditional source is now coming home to industry. They are recognizing the need to gear-up substantial new efforts in the area of skill training.

With respect to this area, Mr. Chairman, our department is trying to assist them in as many ways as it can. We have in our estimates well over $800 million allocated to a wide variety of training programs. This will provide training places both in industry and institutions for well over 300,000 Canadians. At the same time we recognize that is not enough and that we will have to develop additional incentives. That is one of the reasons we look forward to the proposals coming from the task force of Parliament and from our own studies and reviews.

I would like to make it clear, Mr. Chairman, that this is not a topic on which one can simply point to a victim or an aggressor. We are all responsible for being caught short, which is simply a problem which must be solved. A good deal of my time over the last several months has been taken up in meetings with representatives of business and labour to see how we can develop joint efforts and responses to this serious need.

The area of unemployment insurance is a critical one where we must re-examine our proposals. Unemployment insurance has been the fundamental foundation of job security for Canadians since 1940. Since that time it has gone through a wide variety of changes. What we see now is that the expenditures on unemployment insurance should be reviewed from the point of view of determining to what degree it provides security and to what degree it provides disincentives to work. We must look at whether it provides a fair allocation of the cost of the program and at the degree to which the unemployment insurance program can provide additional services to enable additional people to come into the work force. These are people we will need. As part of this review, that is why we are taking a very careful look at issues such as improved maternity benefits and benefits which would allow women to come into the work force.

We are also involved in the examination of new programs and policies in the area of adjusting to industrial decline. Members of this House will recognize this in the budget of the Minister of Finance. In that budget there was an allocation of $350 million aimed at the problem of industrial adjustment. Our department has been working in conjunction with the Department of Industry, Trade and Commerce, the Department of Labour, and the Department of Regional Economic Expansion to develop responses, using those funds, to zero in on industry and areas directly affected by industrial change. This is done primarily to provide stimulation for new alternative economic development as well as to provide ways in which

workers in those areas can be continuously employed, either in those industries or alternative ones. It is my hope we will be able to announce, within three or four weeks, an outline of that program.

Before I conclude my brief overview of some of the initiatives taken by the department I would like to highlight something which often does not get much attention in debates in this House. I think it is important to comment on it. The basic conventional services of the employment and immigration commission are to provide major job placements for Canadians across Canada. This goes back to the point about the requirement for ensuring mobility, to ensure that people have full information about where jobs are and how they can go about getting them. We have an extensive network of employment offices spread across the country which provide a high volume of registrations and placements. What we recognize is the need to make those basic services even more efficient than they are.

In the last year we introduced a program of computerization to ensure that within an urban area, such as Ottawa, Montreal or Toronto, there is a computer system which would provide for the instantaneous transfer of job placements and vacancies so that workers in those areas can instantly respond to it.

About a month ago we announced the initiation of a major national job bank which computerizes job placements and vacancies right across Canada. It is a program which has already been greeted responsively by workers and employers. It is our intention to continue to make those basic services more efficient and more effective. That is one way we can assist in the transfer and transition of people who want to change jobs, who find themselves out of work and move to new employment. I would be very interested if members of this House would like further information with regard to this area because it is one of the fundamental and important services which we provide to Canadians.

Finally, I would like to speak for a moment about immigration and refugees. There was a major change in the Immigration Act which was passed in this House. That change began to take full effect in 1978. We are now beginning to see the changes in the composition and pattern in immigration which were caused by the alteration which went with that legislation. One of the requirements we have is to provide an annual immigration level to Parliament. I am pleased to report that this year the immigration level has been greeted with a high degree of consensus and support by both provincial governments and the public. This is partly due to the extensive consultation which has taken place.

I would like to highlight one particular problem which bothers me a great deal as I look at it with respect to the responsibility of immigration. That is the problem of refugees. We have just been through one of the most heart-warming experiences as Canadians, as the sixty thousandth Vietnamese refugee landed in Montreal under the special program. I think it is an event worth noting because of its significance, in the sense that it was probably the largest effort for a country of this size to resettle such a cohesive group of people in such a short time. We must not overlook the fact that with that major influx of Vietnamese refugees, substantial requirements will be necessary to ensure they become properly integrated into our communities, that they have the ability and the opportunity to obtain full employment and to get language training so that they will fit into the communities and neighbourhoods in which they have located with a minimum amount of fuss and dislocation. That is part of the emphasis put forward in the immigration paper. We would like to spend the next year or so putting primary emphasis on the integration and development of services for the large number of refugees who have come to this country over the past two years.

● (1230)

I would also remind hon. members that these plans will not cure the refugee problem. If there is any major worldwide occurrence which should be addressed, it is the accelerating numbers of displaced people and refugees throughout the world. It is occurring in southeast Asia, the Middle East, Africa, Latin America and, in fact, there is not an area in the world where there is not a refugee problem.

It is my concern that we begin to focus as a country and a Parliament on the international dimensions of the refugee question. I would hope that the debate and discussion during this consideration of the estimates will give us an opportunity to look at what we might be doing in response to one of the most burning and critical issues faced by this country because of its privileged position as an affluent and comfortable place to live.

There are many people asking us questions because of our past leadership.

The Deputy Chairman: Order, please. I regret to interrupt the hon. minister, but his allotted time has expired. Nevertheless, he may continue with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Axworthy: Mr. Chairman, I will conclude my remarks in about two minutes. One of the final requirements of putting into place this variety of initiatives is that it must be done in combination and co-operation with other people, other levels of government, labour, and business. We cannot respond to the series of problems of skills, new job creation, movement of people and the development of new economic opportunity without a major effort to bring the different sectors of our country together. Certainly it will be the next phase of our approach, once we receive the reports of Parliament and of our own studies, to undertake major meetings across Canada with those sectors in order to develop a consensus or agreement upon the direction which we should take to put people to work in Canada and to assure that the right of Canadians to choose where they want to work is defended and guarded. With those comments, Mr. Chairman, I welcome debate and discussion in this committee.

Mr. Lewis: Mr. Chairman, I welcome this opportunity to discuss matters listed under the minister's estimates with the

minister and his officials. Prior to my remarks, which are fairly specific to my area of interest, I would like to touch on what the minister said about the immigration of refugees to Canada. The problem in rural and semi-rural areas in that very well meaning civic groups and churches have brought refugees into Canada under the program only to find that, after these refugees have arrived into their communities and are given training in language, employment opportunities and so on, they, perhaps because they feel more comfortable in metropolitan areas or because of the cultural shock, want to migrate to metropolitan areas.

I myself am involved in a situation where a group of refugees wishes to migrate to the United States. I am having some difficulty in deciding what I should do or what the church groups should do to assist in helping these people, once they have arrived in Canada and spent the money allotted, to emigrate to the United States. If the minister would address that problem, it would be helpful.

The rest of my remarks will be a little more partisan. At first I was tempted to begin with the massive inconsistencies which can be found in the minister's treatment of hockey players who, for example, may want to play for the Quebec Nordiques and of men and women who have another vocation which they want to practise in Ontario. We would like to discourage discrimination against Ontario. We appreciate that it is a policy of the government which is sometimes aided, sometimes abetted, but most of the time watched helplessly by the Liberal members. But after I read the remarks of Laura Sabia in the Toronto *Sun,* I felt it would be impossible for me to do any better.

Mr. Axworthy: Is she your new source of information?

Mr. Lewis: The high unemployment rate in Canada is a result of a lack of concern by the government, and it is affecting every geographic area in the country. It is having an effect on my area as well as other areas, all occupations and age categories.

During the course of my remarks I want to touch specifically on the employment problems in the construction industry. As the result of the government's policies we are concerned for the training of young people in the construction trades. I also have one or two local concerns with regard to my riding of Simcoe North which I will address to the minister.

With regard to housing starts, I spent some time last night reading the remarks of the minister when he was on this side of the House criticizing our efforts to stimulate the housing industry. I felt that many of his remarks were very disparaging, and when I looked at today's record I was embarrassed for the minister. The minister has the problem of standing in this House and coping with the inability of another minister to rectify the situation. In 1980 housing starts will fall short of the 1979 figure by either 37,000, if one takes CMHC figures, or 47,000 if one takes HUDAC figures. I read the comments the minister made last fall, which were very disparaging about the starts last fall being less than the year before.

CMHC said that we needed 266,000 starts this year, and we are running at an annual adjusted figure of only 160,000 starts. In 1979, the year the minister was on this side of the House and the year in which he was so disparaging in his remarks toward the then government, the starts were down 13.5 per cent from 1978. That drop in housing starts, whether one takes the figure of 37,000 or the figure of 47,000, equates to approximately 50,000 new jobs. I know that there are different methods for computing that equation, but for the purposes of what we are talking about today, we can say 50,000 jobs will be lost in the construction industry as a result of the lack of action by the government.

These lost jobs will result in a drain on the unemployment insurance reserve and the paying out of benefits of approximately $213 million if one bases it on 38 weeks of benefits. The minister of housing is on record on several occasions as stating that MURBs will dramatically increase employment in the housing industry because there will be MURBs all over the place. He has also suggested that co-op housing will increase by 10,000 units.

On the other hand, a representative for CHMC in Toronto said yesterday that no applications have been received recently from private developers for rental projects. So on the one hand we have a suggested policy which will sprout up housing in the form of multiple urban starts, and on the other hand we have an official of the department saying that there are no starts. The official went on to say that the rental situation will get worse, which means unemployment in that very basic industry.

There are no prospects on the horizon for a dramatic increase in housing starts, and that means unemployment. What will the government do with these skilled unemployed construction workers who want to work but, as a result of a downturn in residential construction in this country, are continuously forced to leave the industry? At the same time the inventory of unsold, single family dwellings is depleting. Hopefully this will result in an increase in residential housing starts, but this will be offset because of the way in which the government has allowed mortgage interest rates to rise. We have a paradise with, on the one hand, skilled labour leaving the industry due to lack of demand and, on the other hand, people crying for accommodation.

● (1240)

I will run through my questions and then ask the minister to reply, if I may, Mr. Chairman. How does the minister intend to address the problem of putting skilled and unskilled workers in the construction industry to work when the minister who is responsible for housing is obviously unable to come up with any program to stimulate the industry, especially the multiple dwelling aspect of it?

Training programs are pretty important to young Canadians who are out of work, Mr. Chairman. The Canada Manpower office in the riding of Simcoe North has advised me that 314 people are registered in the Orillia office and 346 are registered with the Midland office, in the construction industry. It is ironic that at the time when we have a 2.3 vacancy rate, a

new record, 660 people in my riding are looking for work in the housing construction field. That is just one riding, Mr. Chairman. At the same time the experts predict a labour shortage. But, Mr. Chairman, these people are unemployed and they want to work.

I would suggest to the minister that now is the time to implement a program to train or retrain workers who are presently unemployed in the construction industry so that if we ever reach a point where we have a comprehensive policy in place, then the skilled labour will be available. Does the minister feel that we should be training these people to get out of the construction industry, or retraining them, or upgrading their training so that the skilled labour will be available when the industry does recover?

I would point out to the minister that the type of housing constructed in Canada at the present time has undergone a change. It used to be that we built 30, 40, 500, 100-home subdivisions, all the same models. That meant 100 holes in the ground and 100 buildings went up. I think the minister will agree that information from the housing industry indicates that there is going to be a shift in emphasis. People cannot afford to buy a new home, or to change houses in order to upgrade their housing. Because of the mortgage interest rate policy of this government, they are staying in their homes. What they want to do is to renovate. They want to renovate and upgrade the homes in which they presently live.

I suggest to the minister that there is going to be a greater demand for skilled construction labour that can renovate homes. We are going to need plumbers who can do renovation plumbing, not just plumbing for a new building, that can be put wherever they want, or wherever the plans show it should go. I would ask the minister to address this problem of how people can be retrained to handle the renovation industry.

I should like now to deal with some local problems in the riding of Simcoe North. For some strange reason there are two economic regional boundaries in Simcoe North for the purpose of Unemployment Insurance Commission payments. Region 'C', the Toronto area, includes the townships of Rama and Mara which are on the easterly side of Lakes Simcoe and Couchiching in Simcoe county. The balance of the riding is in Region 'H', known as the Georgian Bay area.

The Toronto area has a lower unemployment rate than the Georgian Bay area, which is essentially rural and tourist oriented. Rural people must work longer than people in the remainder of the riding in order to qualify for unemployment insurance benefits. They are therefore at a disadvantage when it comes to the legitimate collection of unemployment insurance benefits. I do not think it should be assumed that unemployment opportunities in these two townships are greater than in the rest of the riding; they do not relate in any way to the Toronto area. The people of the townships work and shop in Orillia and their attachment is to the community of Orillia rather than Toronto. I would ask the minister to investigate whether the two townships of Rama and Mara could be transferred to Region 'H'. I bring this question up, Mr. Chairman, because I have often found that local problems can be expanded and the solution can sometimes be applied nationally.

The village of Warminster is 29 miles from Barrie, but the people of the village must use the unemployment insurance office in Barrie. In Toronto, people can get on a bus and go to one office or another, but these people have to go 29 miles in order to find the same service. I would ask the minister to see if this situation can be corrected.

The last local problem that I should like to deal with pertains to grants under the Canada Community Development Program. I want to congratulate the minister on this as I think it provides for a very good review by local people. The lady in the Barrie office was most helpful to me and I have had an opportunity to review the programs. An application was made by the town of Midland for a grant to improve its harbour facilities. As the member of Parliament for Simcoe North, I endorsed this project with the caveat that I wanted to be fully satisfied that whatever moneys were spent under the program were used for the development of skills of young people who would otherwise be drawing unemployment insurance benefits during the winter. The program was not approved. It is my contention, Mr. Chairman, that the young people in Midland want to work and that they should be trained. While I agree with a lot of the other grants that were given, I am disappointed that this one was not approved. I hope that more emphasis can be given in the future to programs which are endorsed by the member of Parliament with perhaps a proviso that they be changed to meet the terms of the grant.

Mr. Axworthy: Give me the name of the project.

Mr. Lewis: I can get the number of the project and the name for the minister.

I should now like to refer to a brief presented to the government by the Canadian Executive Board, Building and Construction Trades Department, which I am sure he has reviewed. In his remarks he referred to mobility in the construction industry. I think we all agree that this particularly applies to the construction industry because, by their very nature, construction projects do not always offer continuing employment. I think now of some of the large projects which draw people from all over Canada.

The brief asks the government to amend the Income Tax Act to provide that all reasonable allowances paid by an employer to a worker for room and board and or any type of transportation be non-taxable. From my experience in the days when I used to do income tax returns I know that some construction workers have to travel a fair distance and that it sometimes means uprooting their families for months at a time. Other times it may mean that they have to drive 70 or 80 miles one way, or perhaps 100 miles round trip, to a particular job. We are faced with a problem here. Do we have these people sitting at home saying "I am unemployed. I cannot find a job in my area"? Or do we decide that it is better use of our manpower in Canada to grant an allowance to a worker to go far enough to work?

● (1250)

There are some matters in this brief the minister should address which include things in the construction industry. While I am talking about the construction industry, I share the concern of the Canadian Construction Association regarding changes contemplated to reduce the minimum insurability level from 20 hours of work per week, or 30 per cent of the maximum insurable earnings, to 15 hours of work per week. I am sure the minister and many members of this House at one time or another held a part time job, whether or not it was while going to school. I know the minister realizes there has been an increase in the number of part-time workers in Canada. In 1961 part-time employment accounted for 7.9 per cent of the total work force. By 1978 this share had increased to 12.1 per cent.

My concern is this. By adding those working 15 to 20 hours per week to the unemployment eligibility rolls, will we find that we have created two problems, the first being an abuse of the principle that the unemployment insurance system was set up to protect workers who worked a normal 35 or 40-hour week? Or, do we suggest that it should now be changed to protect people who work only 15 hours per week? I am not for a minute criticizing people who work on a part-time basis. I am suggesting, however, that the minister might find part-time workers objecting to unemployment insurance premiums being deducted from them in the first place. He may also find that part-time workers do not view a part-time job with the same concern as full-time workers and thus object to paying unemployment insurance premiums.

If we find this is a severe drain on the unemployment insurance reserve, will we not find that employees who work full time, because of the increases proposed in the budget, will find that they are paying for the part-time unemployment insurance benefits? Also, if, as, and when this program is brought into place—

The Deputy Chairman: Order, please, I regret to interrupt the hon. gentleman, but his allotted time has expired. He may continue with unanimous consent? Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Lewis: Mr. Chairman, this is a novel concept. I am not saying whether I am for it or against it, but I think it must be examined on that basis. I hope that proper record keeping will be set up so the minister can look at the program after three or four months and ask should we be charging these people more and what sort of an effect is this having on the unemployment insurance program.

The Deputy Chairman: Order, please. I understand the time has expired for both the question and the answer.

Mr. Orlikow: Mr. Chairman, we are dealing with a very large department which has a tremendous variety of fields under the minister's jurisdiction. In the New Democratic Party we are going to try to allocate among our members various aspects of the department which we feel need some discussion.

Today I want to deal with three or four points. I shall attempt to make my points briefly and concisely and deal with them one at a time. I hope the minister will be as brief in his answers as I will be with my questions so we can get a few items discussed.

First, I want to deal with the very serious problem we have in Canada regarding the shortage of skilled workers. In his opening remarks the minister mentioned that there is a parliamentary task force meeting on employment in the 1980s. He mentioned that he wants to hear from them. I know the minister has an internal task force looking into the department. I do not expect the minister to give us a complete answer today on what the department proposes to do. Nevertheless, I want to put on the record some things which the parliamentary task force has heard.

From one end of Canada to the other, employees and employers, with the exception of the building trade unions who were before us a couple of days ago—employees grouped from unions, from employers, from community colleges and provincial departments have given the same reports time after time, namely, that the system of training people to fill the skilled jobs we need simply has not done the job.

According to a vice-president of one of our largest banks, we will have more than one million unemployed this winter. Despite that, we have this tremendous shortage of skilled workers.

The Machinery and Equipment Manufacturers Association of Canada made a representation to the task force. I shall quote just a few paragraphs from that report:

—86 per cent of this industry sector was experiencing difficulty in hiring journeyman workers.

—training programs in place at the time of the survey in 1979 would only satisfy 17 per cent of that year's requirements.

The Globe and Mail for Friday, November 28, 1980, summarized a report of the Mining Association of Canada. In part the article in *The Globe and Mail* reads:

The survey of manpower projections at 69 mining operations across Canada indicates that while the industry will require 5,278 skilled tradesmen by 1982, current training programs will only provide 3,248 trained workers, leaving a gap of 2,030 tradesmen.

Those are just two small illustrations of the problem we have. Mr. John Bullock of the Canadian Federation of Independent Business was before our task force last June. Although I do not have his exact quote, I shall paraphrase what he said which will be right on track. He said something to the effect that the last place an employer will go for a skilled worker is the Department of Employment and Immigration.

My first question is this: can the minister give us any idea of what his department proposes to do to meet this tremendous shortage of skilled workers which we will have in the 1980s?

The Deputy Chairman: Order, please. I do now leave the chair until two o'clock.

At one o'clock the committee took recess.

• (1400)

AFTER RECESS

The committee resumed at 2 p.m.

The Deputy Chairman: When the committee rose at one o'clock, the hon. member for Winnipeg North had the floor. I presume he has resumed his seat so the minister can answer his question.

Mr. Axworthy: Mr. Chairman, I am pleased to answer the inquiries of the hon. member for Winnipeg North. He referred to the studies submitted by the mining industry to the parliamentary task force. Perhaps he did not know we had participated rather actively in the development of those studies with the association. It has been one of our policies to work very closely with a variety of industrial groups to do the initial analysis and assessment of what their skilled needs might be now and in the future. The commission offered a wide variety of services to them in doing the compilations, getting the numbers, and the actual figuring out of what their needs will be. We are already engaged in getting that very essential first step started, which is to come up with the proper information.

Beyond that, as the hon. member knows, we have a very active program in our training areas where we provide direct incentives to employers. Most of the apprentice programs utilize the Canadian manpower training programs as a way of assisting or subsidizing the training of apprentices. In the last year or two we initiated the critical skills training program which was deliberately designed to provide direct assistance to industrial on-the-floor training. We provide not only the cost of the wages and salaries of the apprentices, but additional costs incurred by the employer in that area.

The hon. member might recall that in my announcement of new programs last spring I indicated we would add $10 million to the critical skills training program as a further incentive to the private sector to begin training more people. The difficulty we encountered with certain downturns in the economy, particularly in the manufacturing area, is that the take-up on the critical skills training program has not been as high as we would have liked. That is one reason why we are looking for ways of enriching the critical skills training program to provide further incentives in this area.

I wish to take this opportunity to point out to the hon. member, who I know is interested, where and how the critical skills training program does offer incentives. I can use one example in Manitoba where, under the critical skills training program, there are now 15 apprentices in the Sherritt Gordon complex, several of those being of native ancestry.

• (1410)

At the Kramer Tractor Company of Regina, Saskatchewan, there are now 12 apprentices on the shop floor compared to the three to five average for the past several years, again attributable to the application of the CSTP program. A major agreement with the interior forest association of British Columbia has been signed to provide for an industry-wide training agreement to bring people into these areas. There are a number of efforts being made to provide for that direct incentive.

What we have to overcome is a number of years of neglect by private industry in securing their own training requirements. As indicated in my opening remarks, there has been a tendency by the private sector to rely almost exclusively on the import of skills from other countries. Now that that particular pool of labour is drying up or is not available, the programs to respond simply are not in place in much of private industry.

As the hon. member knows, because of the riding he represents, it takes anywhere from three to five years to do a proper apprenticeship training program. We are facing a certain time lag. These programs are in place. We hope to improve upon the existing critical skills-training system and, furthermore, to look upon the work that he and other members of the parliamentary committee will produce in giving us a broader range of alternative solutions which we will be very interested in implementing once the report is received.

Mr. Orlikow: Mr. Chairman, there have been some good beginnings in the last year or so. The programs which have been initiated represent only a very small fraction of the requirements we will have to meet in the next five to ten years. I urge the minister and his department to look very carefully at the proposals made to the task force by the Canadian Labour Congress and the grant levy system they proposed.

Respecting the other end of the labour scale, that is, the unskilled, a study done by Professor Adams for the Department of Labour, raises a very serious problem we have with regard to people whose education is far below the minimum required for any kind of skilled training. Let me read from one paragraph in his report in which Professor Adams said:

> Adult illiteracy in Canada is a serious social and economic problem which is being largely ignored.

We are talking about five million Canadians, about 20 per cent of Canadian people. He goes on to say that five million Canadians are functionally illiterate and 30 per cent of all Canadians over the age of 15 have no education above grade eight. When we look at the expenditures of the minister's department we see there has been, rather than efforts to improve the situation, a deliberate decision to reduce the effort, to reduce the expenditure on the number of people who need the basic education if they are going to get into any kind of skilled trade over a period of years.

For the year 1973-74 there were 51,900 people enrolled in the Basic Training for Skill Development programs. Every year from 1973-74 right through to 1979-80, the last year we have figures for, there has been a sharp reduction, so that in 1979-80 only 29,600 people were involved in these programs. That means for the people who are functionally illiterate, as Dr. Adams has said—I know it is expensive to train them and I know that there are many who never succeed—and for those people the department has cut back on and who are not going to get the basic skill training, we are in fact saying to them

that we accept the idea that they are likely to be on welfare or on public assistance for the rest of their lives.

It is not only immoral to follow that kind of policy but it is damned poor economics. In the long run, it is the training of people that gets them jobs. I suggest to the minister that he should look more carefully at the success of the training programs in the province of Manitoba which have been so successful. We now have over 400 native teachers in the province of Manitoba. Other programs have brought native people, most of whom had been on welfare, into actual productive, useful and satisfying jobs. I urge the minister and his department to work on that kind of problem together with the Department of Indian Affairs and Northern Development.

Mr. Axworthy: I certainly agree with the hon. member for Winnipeg North. The position taken by the hon. member is an accurate one. There are a large number of Canadians who find themselves without proper basic skills to command any access to the job market. In fact if the hon. member were to look at the unemployment figures, he would find that the largest percentage is concentrated amongst those with the lowest education.

We have a tendency in this House to make fairly broad sweeping generalizations about unemployment. The fact of the matter is that unemployment is a highly concentrated experience for a very small range of Canadians. Those who suffer most deeply from it are those who do not have the proper education or required skills. The difficulty that we face, of course, is one that began much earlier, and we, as a department, cannot be held responsible for that.

The difficulty that we face is a jurisdictional one. May I remind the hon. member that there was a very strong recommendation that came from the Senate committee on manpower that the federal government totally abandon its activity in the Basic Skills Training Program because it really is a provincial responsibility. Of course we have the paradox of provinces demanding that we take less revenues. It is a paradox in the sense that you cannot have it both ways. I certainly sympathize with the concern, and we have maintained an ongoing commitment to the Basic Skills Training Program which is an indication that we realize we must compensate for the vacuum that is created in the educational system in this country. At the same time there is an intensive demand for money for all kinds of programs.

We increasingly believe that more of our resources should be going into the area of skilled training, or particularly target them in on those groups of people in the population who have severe disadvantages and need that kind of opportunity. That is why we have put an increasing effort into our Outreach programs to provide that kind of access, and that is why we are looking at alternative employment programs for disadvantaged workers.

● (1420)

I suggest to the hon. member and all other members of this House that they use their good offices to make the case in committee that the provincial governments must also accept their responsibility in this field.

Mr. Orlikow: Mr. Chairman, of course the provinces have to accept their responsibility, but the fact is that it is not of much use to the people who do not have education to be told by provinces that the federal government should do it, and by the federal government that the provinces should do it. I point out to the minister that a very large percentage of those who do not have education are status Indians who are the direct responsibility of the federal government.

I remind the minister of the success in the province of Manitoba of teacher-training programs. There are now over 400 native teachers in Manitoba and doing a very excellent job. They became teachers because of special programs funded by the federal and provincial governments. If there can be 400 native teachers, why can we not have special programs to train native people to become social workers, probation officers, correctional officers or conservation officers? They are all fields in which native people are involved.

More than 50 per cent of the people in our jails are native people. Why can there not be native correctional officers? I am sure it is not particularly difficult to train people to the correctional officers, even if they do not have high school education. Most of the people who are now teachers did not have high school education. Why can the minister's department, together with the Department of Indian Affairs and Northern Development, not put into effect some of these practical programs so that native people can be employed, do useful work, set an example to the native community and show it that they can in fact make it and find a useful and productive place in our society?

Mr. Axworthy: Mr. Chairman, I point out to the hon. member that there are a number of programs available in our department which apply directly to the issue he has raised. We spend well over $30 million a year under LEAP directly on native-sponsored projects. LEAP itself provides a wide variety of opportunities for native people as well as for others who lack the skills needed to get their first work experience and to acquire certain other basic skills.

There have been a number of notable successes, including one in our own province. I recall attending an opening this past summer at the Ukrainian cultural centre where one of the Indian bands were operating a major woodworking and woodcarving project under LEAP. This is now becoming a commercially viable enterprise standing on its own merits and generating sufficient funds to keep itself in operation. We do have LEAP—

The Deputy Chairman: Order, please. I regret to interrupt the hon. minister, but the time allotted to the questioner has expired. Nevertheless, the minister may carry on if there is unanimous consent.

Some hon. Members: Agreed.

Mr. Axworthy: Perhaps I could point out that in addition to LEAP, which we operate, we initiated an additional $10 million native training fund this year to provide new training opportunities to native people. I can report to the hon. member that that fund has already received a very widespread response from native bands and groups right across Canada. It will be providing additional opportunities for native people to get basic skill training.

Mr. MacLaren: Mr. Chairman, in speaking to the item before us today, I want to ask some questions of the minister, but I want first to say a word about the initiatives taken by the minister and his department to help alleviate the suffering which has resulted from the recent earthquake in Italy. The prompt response of the Government of Canada, as an expression of humanitarian instinct has been a source of pride for all Canadians. I should not want this occasion to pass without noting the rapid and effective response to that disaster made by the minister and his department.

The discussion so far has been centred in large measure on the question of manpower training. It is to that subject that I would like to address myself for a moment, and then I shall ask the minister for elucidation of some of the interesting points he made during his introductory statement.

We are all aware that today in Canada the problem of availability of skilled labour is a deterrent, to a degree, to our further economic development. While the problem has been identified often enough in recent years the solutions have eluded us partly, I think, because they depend on federal-provincial co-operation and, indeed, co-operation among three levels of government. We have sometimes achieved our goals only because we have had, as the minister noted, the opportunity to draw upon skills and trained manpower from other countries through the immigration policies we have pursued.

Although one might note the variety of programs which the Canadian government has put into place over the past decade to help promote skilled manpower training in Canada, it must be obvious to all of us that more remains to be done in a way which will effectively involve labour and industry in a co-operative venture with the government more than has been the case in the past.

Some, of course, describe the current situation as a crisis. That may be an overstatement, but there is no question that with new and often science-based industries coming on stream, and with mega projects, particularly in the energy field, looming before us, the demand for skilled manpower will become yet more acute.

In addition, there is a challenge to the department to promote programs which offer the worker not only training in skills but also the opportunity to achieve some self-fulfilment in his workplace, an aspect of employment that perhaps in the past has not always received the attention some of us would have desired.

The minister noted earlier that we in Canada have had for some time, the highest rate of job creation amongst the OECD countries, but that has been matched by an even larger number of workers, especially young and often untrained young people, coming on the job market. This volume of new workers has exceeded that of almost all other western countries in proportion to our total population. Even though we have had that problem in the past, I ask the minister whether it is his expectation that the growth in the labour force, which has been running at about 3 per cent annually for some years, is expected soon to drop off? If indeed that rate of growth is expected to decline significantly, how does he see that changing the emphasis and scope of his departmental programs as we proceed through the decade of the 1980s?

The minister and others in the House have already mentioned the question of the training of specific groups in the time ahead. As I understand it, the expectation with respect to new workers coming on to the job market is that some 65 per cent will be women. Whether that is an accurate estimate is perhaps a secondary consideration. The fact remains that large numbers of women will be entering the job market for the first time. Presumably the minister has in mind some appropriate training programs, which he has indeed mentioned to a certain extent, but if he could give us some further details on that aspect of skilled training I for one would be very glad to have them.

The success of many of our training programs in the past has depended on co-operation between two and even three levels of government. During the early part of next year the federal-provincial training agreements under the Adult Occupational Training Act expire. I hope that plans are made either for the renewal or the revision of those joint federal-provincial arrangements. If the minister has a comment to make on the evolving nature of those federal-provincial arrangements, I would be pleased to hear it.

● (1430)

Some reference has been made to the question of mobility in the work force. I understand that 4.5 million Canadians change their jobs annually or enter and leave the work force. The need for mobility, which has been incorporated in the constitutional proposals, becomes all the more important, but so do the mobility programs of the department. If the minister has some comment about the mobility assistance programs of the department and whether he sees the need for acceleration in that activity in the time ahead, I would be very glad to hear it.

Finally, the success which I suggested earlier of our manpower training programs depends, to a very large degree, not only on co-operation between the two principal levels of government in Canada but also on the active participation of labour and industry. There are those who have criticized industry for its reluctance to provide the necessary funds and commitment to ensure skilled training because of the ready access to immigrant skills. There have been those, on the other hand, who have criticized labour unions for being defensive and protective in attempting to ensure the work of their members by, in effect, opposing or being reluctant to participate in labour-skilled training programs.

In that connection I would take some encouragement from the fact that the Business Council on National Issues, the BCNI, has taken some initiatives to promote industry co-operation with the government, not only in the design of skilled manpower training programs but also in some financial support for that activity. Equally, the CLC more recently has taken a more pronounced interest in the training of skilled manpower. I hope that from that growing consciousness, on the part of industry and labour, of the vital need in Canada for more skilled manpower, a quadripartite effort involving the federal-provincial governments, labour and business, would soon emerge. I hope that the minister will offer comments on that as well.

Mr. Axworthy: Mr. Chairman, in response to the parliamentary secretary's comments I think it would be quite accurate to say that there will be major changes in the composition of the labour force over the next four or five years. Perhaps the most dramatic one will be the gradual decline in the growth of that labour force, from a high of about 3 per cent over the past decade to about 1.7 per cent.

The impact of that change will be felt in a number of areas where there will be an increasing shrinkage in the available manpower for certain key occupations, because that decline in the labour force will be accompanied by a substantial expansion in the economic sectors, such as manufacturing, capital goods, and non-residential construction, which have traditionally employed men in their activities. What that dictates to us very clearly is the need to provide for ways of making a transition for the female work force in this country in the non-traditional work, both to increase their opportunities in a fast growing area in the economy as well as to ensure that there is a sufficient number of people to do the jobs necessary.

The initiatives that one could take in this area combine a requirement to eliminate discrimination in the workplace where it does exist, and that is why this summer we introduced the affirmative action program in the public service to provide very direct public leadership in this area so that those barriers would come down and so that we could demonstrate to the private sector that that is one way of ensuring that there is better and more open access for women in the work force as well as for minority groups.

At the same time, we believe there must also be a series of incentives. One of the trial projects which we are trying, and which we announced last spring, is a training program for women in non-traditional work, under which we offered to pay 75 per cent of the wages of a trainee. I think the success of it is shown because there has been already an increase of over 60 per cent in women going into non-traditional work in 1979, work of machinists, miners, and so on. We will be monitoring the effect of that program carefully to see if that kind of incentive can be used to encourage employers to bring women into training positions in their own plants or shop floor, as well as into the very critical areas of resource skills.

What we have to do also, as I indicated in my opening remarks, is to make sure that there is a much more efficient system of translation between where the jobs are and where people with the skills are. The hon. member for Simcoe North indicated this morning that a brief had been submitted by the executive board of the Building and Trade Labour Council. I would like to report to hon. members that I met with that group last evening to discuss their brief with them and some of the proposals they made about how to ensure greater mobility for Canadian workers in the resource projects. These proposals were very thoughtful and were very well received.

I indicated to the group last night that we will take on in particular the proposal for tying a closer relationship between immigration and the requirement for mobility, as well as the idea of a taxable refund on mobility. I intend to take it up with the Minister of Finance to provide greater incentives for workers to move from their present location to where the jobs might be so that we can provide for a more efficient working system.

As to the final point raised by the parliamentary secretary about the need for co-ordination, it is one of those motherhood phrases which everyone uses, that we must have more co-ordination. Unfortunately in this field not much has taken place. There has been a serious breakdown over the years between industry, labour and government, and between governments in this area. One of the things I have been trying to do in the last several months has been to sit down with groups in each of the industrial sectors, in mining, in oil and gas, in aerospace, in furniture manufacturing, in textiles, to see how we could develop a co-ordinated approach from our side in those areas. There has been a high degree of response from the industrial leaders.

I want to report, however, that there is not quite the same keenness and enthusiam expressed by provincial officials, particularly in our western provinces where they tend to want to go it alone and, as a result, are substantially impeding the development of new training programs in these areas. Again this highlights the importance, as mentioned by the parliamentary secretary, of the need to establish mobility rights in the charter to ensure that that is seen as a signal or signpost upon which we can develop a national employment strategy, one that will take into account that there is an enormous movement of people from one end of the country to the other.

The only way we can supply our human resource need and ensure that there is effective productivity is to ensure the easy movement of the people to where the jobs are. So long as we tolerate or allow barriers to exist, we will not be able to employ a national employment strategy. To those who sometimes condemn the constitutional debate as being somewhat abstract or academic in this area, I would say that certainly in this area, it is a very real and vital necessity to make our economy grow.

Mr. Jarvis: Mr. Chairman, first of all may I say to the minister that if I do not leave him time to reply to some of the points that I am going to raise, and if he has a chance later in the day or on Monday to do so, I want to emphasize that I have to leave the House shortly before four o'clock and I cannot be back on Monday, and therefore when he does reply, if I should be absent my absence is certainly not dictated by

any lack of courtesy or lack of interest in what the minister has to say, but it is simply inadvertent because, particularly this week, and on Monday, I am preoccupied with the Stratford Festival in my riding.

I do not want to dwell on the festival as a narrow issue, except I think I should say a couple of things because the broader issue is much more important and relevant. One matter that may or may not be minor on the specific issue of the festival is the answer which the minister gave to my colleague, the hon. member for Cambridge, who, as the minister might recall, put a question in two parts to him. First he talked about Peter Ustinov doing King Lear for two consecutive seasons as compared to the Dexter application for artistic director, but in the same question my colleague dealt with certain athletes and mentioned, for example, the Jamie Bone case.

● (1440)

In his reply the minister cautioned my colleague to distinguish between someone coming into the country on a permanent basis and someone coming in under a visa for a short-term engagement. I have not seen the specific application of Mr. Dexter, but traditionally artistic directors, whether it was Sir Tyrone Guthrie, Mr. Neville, Robin Phillips or whoever, would come in under work permits or working visas rather than under landed immigrant status. I hope the minister was not implying that unless such is the case and Mr. Dexter was applying for landed immigrant status. I do not think he was. I see the minister shaking his head. Perhaps he was referring more to athletes than the Ustinov-Dexter cases.

I should like to make one or two comments concerning the Dexter case. The minister is in possession of much more information than I. I acknowledge that fact, and he acknowledged that I was one of the instruments, albeit minor, who supplied some of the information to him. If we compare what I know to what he knows and acknowledging that he has facilities for gathering information, I think I would have come to the opposite conclusion vis-à-vis the application. But I am not sure that is what is important in the present context.

The minister will know this is an extremely important and emotional issue. The obvious inclination is to seek someone to blame, or a scapegoat. Some people may like to blame the board of directors; some people may like to blame the minister. I would like to blame the minister, from a partisan point of view. because it is very convenient. I am very emotional about this issue. Some people may blame the previous directorate; others may blame heaven only knows whom. I think that is natural, and it is understandable that it is very unproductive as far as the festival and the country are concerned. Likely the minister would share that view with me. I hope everyone picks up the pieces, in some form or another, and goes on to restore that institution to the level we would like to have.

I want to deal with issues far broader than the Stratford festival, the vehicle which brought them to my attention. The criteria in the minister's press release included "a thorough and reasonable search". On December 3 I asked the minister for guidelines which would assist in determining who might be admitted to the country under a work permit. As reported at page 5283 of *Hansard,* the minister said:

—the question is which guidelines apply to companies, groups or organizations in Canada in terms of their hiring policy.

On the same page he was later reported as saying:

There is a responsibility on the part of any employer to ensure that proper and extensive searches are made to make sure that Canadians do have that opportunity of access to those jobs.

He went on to say that there was a certain obligation, as reported at page 5284 of *Hansard:*

—to make sure that when a choice is made Canadians are given the opportunity to make application and to have access to that employment. That is the only criterion.

This is where the minister and I part ways. The minister referred my colleagues and me to the legislation and the spirit in which Parliament passed the act because on December 3 I asked about the economic and cultural considerations. I think the same answer would apply to the cultural considerations, but when I asked him about the economic ones, he said:

The decision with regard to the economic impact of the appointment of a director should fall squarely upon the board of directors of that institution.

I think the minister is wrong. He suggested that we on this side should read the act, which is good advice. In part I, section 3 of the act, the objectives of the Canadian immigration policy, the preamble indicates that the act is "designed and administered in such a manner as to promote the domestic and international interest of Canada". I emphasize the word "international", but then it goes on to indicate one of the criterion in section 3(b) is "to enrich and strengthen the cultural and social fabric of Canada, taking into account the federal and bilingual" characteristics of Canada. Subsection (e) is "to facilitate the entry of visitors into Canada for the purposes of fostering trade, commerce, tourism, cultural and scientific activities and international understanding." Subsection (h) is "to foster the development of a strong and viable economy and the prosperity of all regions in Canada."

I accused the minister of implementing immigration policy in isolation or in a vacuum, but I believe he has a mandate to consider much more than a thorough and extensive search. He said:

—to make sure that when a choice is made Canadians are given the opportunity to make application and to have access to that employment. That is the only criterion.

The act does not indicate that it is the only criterion. It lists various criteria in terms of what shall be considered as "designed and administered in such a manner as to promote the domestic and international interests of Canada". It goes on to specify economic, cultural and tourism interests. Yet the minister said that the only criterion is to ensure "Canadians are given the opportunity to make application".

In reading the criteria in the act, I have great difficulty reconciling them with the minister's answers in the House earlier this week. It seems to me, if we bring in someone of international renown to work with Canadians, as we have in Stratford and other artistic endeavors, it is greatly in the

interests of Canadians. I am sure other theatrical companies have done this. Perhaps the Toronto symphony is a good example in terms of visiting conductors. I do not know, but certainly non-Canadian conductors have been brought in to conduct that symphony orchestra during its history. It is greatly in the interests of Canadians to have the marvellous and unique opportunity of working with the best in the world.

Mr. McDermid: Ontario Place.

Mr. Jarvis: Yes, Ontario Place, as my colleague mentions. I am sure there are various examples. Maybe the Winnipeg symphony would be a better-known example to the minister. Perhaps I could refer to the Neptune Theatre, the Citadel Theatre or wherever.

I am not a soccer fan; I do not know much about the sport, but when the North American Soccer League was getting started it brought Pele from Brazil to participate in the league. I thought it was terrific because it attracted an interest in the sport which otherwise would not have occurred. Robin Phillips is the outgoing artistic director of Stratford. I think it is marvellous that a company, which is 98 per cent Canadian, had the chance to work with Robin Phillips because it makes them better performers.

An hon. Member: Right on.

Mr. Jarvis: I think the minister should read the act and look at some of the other criteria. I am really concerned—and I think the Liberal government has been consistent in this regard—about the government's Peter Newman mentality. Peter Newman's mentality is to build a cultural curtain around Canada, which is based on the premise that we are not good enough to compete outside Canada. There may be some basis for it, but I do not accept it. I remember the Hon. Robert Stanfield indicating something to the effect that a truly dynamic country must be more than a refuge. I am not a very profound person, but that comment meant a great deal to me.

• (1450)

I read the comments of Mr. Bliss, the Executive Director of the Metropolitan Opera Company, who drew very interesting distinctions. He said one might consider top talent—I suppose he meant in terms of performers, directors or producers—in a different light than ordinary talent. I suppose one might compare Maggie Smith coming into Stratford, or a symphony director coming into Toronto, or a soccer star coming in to play soccer, in a different light than an understudy at Stratford. In my view that understudy has to be Canadian so he or she benefit from the Maggie Smiths and whomever else—Brian Bedford, and so on. Mr. Bliss draws that distinction very well. I am not quite sure the minister does.

But the other distinction which is even more important and which is hard to come to grips with is that Mr. Bliss says one must distinguish between a performing company in a national sense, a national company, and a world company. And he considers the Metropolitan Opera Company a world company. I cannot judge that because I am not an opera fan and I do not know much about it. But Mr. Bliss said he considers the Metropolitan Opera Company an international company, a world company. Therefore, one can make the distinction that international stars should be admitted to the U.S. to sing with that company.

Maybe I think too much of Stratford but I am told by those whose judgment I value that Stratford is in the top three, internationally, in the English-speaking theatre.

Some hon. Members: Hear, hear!

Mr. Jarvis: I say to the minister we may be the victim of our own success. There is a down side if they are in that league. It is the big league, and you have to play with the big guys in that league. That may be part of the problem. The Minister of Communications said to his colleague, the Minister of Immigration, that Stratford is an international institution. I agree with him. I think we all agree on that. I am not sure the Minister of Immigration is in agreement with that because of this Peter Newman philosophy. Maybe there are other institutions in that category. I suppose the Montreal Canadiens are more than a national institution—I would hope so, having won that many Stanley Cups. I do not think the minister understands there is another category, which Mr. Bliss calls the world company class.

I think we build walls around Canada under the guise of nationalism. It is true, because we are afraid and timid to compete in the greater world arena. I do not know why we should be afraid to compete. The minister knows we have had extraordinary Canadians in the TV production field who went to the United States and the United Kingdom because they wanted to get into that competition since it did not exist here. They wanted to have a chance to compete with the best, to see how they would fare. I say bravo to that. If the reverse is true, if a Maggie Smith, a Brian Bedford, a John Dexter, a Robin Phillips, a Peter Cole or a John Neville is permitted into Canada to work with Canadian companies—98 per cent Canadian like Stratford—I think that gives the Canadian a tremendous amount of confidence when people like those I have mentioned say, "You are good. I know, because I am an international judge. I have directed all over the English-speaking world." I think it is absolutely magnificent for Canadians to have that kind of compliment paid to them. I do not know if the comparison I have given is very good with reference to the extensive search.

Does the minister really believe that if the Winnipeg Blue Bombers fire their coach they will conduct an extensive and exhaustive search before they make an offer to someone from the NHL?

That has been our history. I do not know how many of them there have been. I suppose the coach in Edmonton who has been here a long time may be a naturalized Canadian. Maybe George Brancato is one. We all know, generally speaking, that CFL coaches are brought in from the U.S., usually under work permits, and they go back to Texas, Louisiana, or New York at the end of the season and spend the winter in a more moderate climate. Then they return under work permits.

With respect to musicians and conductors, I wonder if we really have an extensive and exhaustive search for a Canadian before someone comes in to spend a year or two with the Toronto Symphony. The other category is with respect to university professors. I do not know what it is like now, but when I went to university there were always several professors from the United Kingdom, and more from the U.S. At law schools I attended there were professors from Harvard, Yale or Columbia. I never heard about an exhaustive search being conducted to find a Canadian. The same applies to football coaches and players, and so on.

The last point I want to make is that the minister has selected a certain criterion. He says there is just one. I think there are more. What very much disturbs me is that he has that absolute right—I quarrel with the criteria but I agree when he says he has to make the final decision here. Sure he does, and I respect that. I do not have any direct quote to nail him with, but I am worried about the minister going beyond that and saying, "You must satisfy me that you have made a thorough search." If he has not said expressly, "Go out and make a thorough search", he has implied it. That is okay. But when he says "I know there is somebody out there", that is not okay. The second part is not okay.

The minister cannot be the czar of professional athletics, of the performing arts, of university professors or symphony conductors. The minister can set these guidelines out for these organizations, that is, that they must go through the process. Maybe the process is only putting the notice on the board at manpower offices which says that the job is open. I think it should be more than that. I think the minister thinks it should be more than that. But I do not think the minister can say, "Go out and do this search because I know there are Canadians out there who can fill this job." The minister might even go so far as to say that there is John Doe, Mr. X and Mr. Y, out there, and so on. But that second step is too dangerous.

The minister has no mandate, no ability, nor do his officials, to substitute their judgment for the judgment of the board of directors of an athletic club, a theatre, or a university board of governors, or whatever. He has no mandate, no ability, and I presume precious little time to substitute his judgment and determine who shall be selected. He has all the authority in the world to set the criteria, but I say to the minister that he is interpreted by many as having taken that second vis-à-vis Stratford. He has virtually said to Stratford, "Do the search". Not only that, he has gone on to say "because I know there is a Canadian who can do the job." There may very well be. I hope so. But the minister has not the authority to go that far.

Some hon. Members: Hear, hear!

The Deputy Chairman: Order, please. The hon. minister may answer only if there is unanimous consent.

Some hon. Members: Agreed.

Mr. Axworthy: Mr. Chairman, I thank hon. members for allowing me to respond. The points made by the hon. member are worthy and deserving of a response if only to clarify the reason for the decision and the grounds upon which it was made. I hope I can answer some of his questions so he can properly relate them to his constituents in Stratford who, I know, are quite concerned.

I would like to begin by giving the hon. member every assurance that I have neither Peter Newman's mentality nor his money, nor any other of his characteristics. It is not that I do not respect the man but I do not think those are the grounds upon which the decision was made. There is a requirement under the act that any employer, whether an artistic organization, university, a factory or a firm, shall undertake a proper search to find out if there are Canadians available to fill the vacancy. In this circumstance it is quite clear to me, having weighed the evidence from a number of sources, that the board of directors has not conducted such a search in accordance with the law.

I would like to recall one series of events, without going through the whole history. The board of directors had in place a four-person directorate made up of Canadians, whom they dismissed. It was their right to do that. But at the very instant of dismissing them they made application for the hiring of Mr. Dexter, who was obviously a qualified man. There was not even a hint of hesitation between that act of dismissal and the act of hiring a new director from offshore. The hon. member must agree that this does not constitute a proper and effective search especially when a person to replace the one who was just fired is already at hand. I have made no effort, and will make no effort, to dictate to anybody as to who should be chosen. As I have said in this House before, I feel it is my responsibility to ensure that Canadians in the artistic community at least have a chance to make application for a given job and to demonstrate their credentials so as to be duly considered by the board. Canadians should not be totally ignored because it was felt, in the judgment of the board, that Mr. Dexter could do a better job.

• (1500)

The point is that it was not a matter of preference over Canadians; it was a total exclusion of Canadians. The claim by the board that it spent 18 months does not hold water because evidence clearly shows that it stretched beyond the 18 months. Many of the offers made went back 18 months before Mr. Dexter even became a gleam in the eye and before the director was hired. There is a lot of history which could be gone into, but I would simply assure the hon. member that the judgment employed was employed for the reason that it appeared Canadians were being excluded.

I would also point out to the hon. member, because he has raised some general principles with regard to the Immigration Act and how it applies to athletes and other groups of people, that there is the requirement that other groups and organizations must apply exactly the same standards. The case at Stratford has been duplicated many other times by many other ministers who have had to make a similar judgment. For example, there are very strict standards in the hiring of a university personnel, partially because over a period of years

the tendency was, perhaps due to academic routine—and I can attest to that—some university faculties were composed up to 70 per cent or 90 per cent of Americans or people from other countries. This occurred even though there were Canadians in the same field available. There was a certain disposition to think that someone from a certain graduate school should be hired. I will not go into it, but what we require now when a university wishes to hire a dean, a president or a professor, is a demonstration that it has made a proper search for academics of similar qualification across Canada.

It goes back to the point I made earlier in my remarks—that certain cases hit the headlines because they have a sensational quality, they strike the imagination or because a confrontation occurs. Decisions have to be taken on these cases all the time. Unfortunately, I deal only with the rough cases. The easier cases are handled further down the line and the tough ones are passed up quickly. Discretion must be employed in most of the immigration categories because one is dealing with personalities. Immigration is not a matter of rubber-stamping something from a machine. It involves people with different histories, backgrounds, needs, and requirements and discretion must be applied.

There is no one in this chamber who would rather have the situation another way than me because I am the one who ends up making the decision. As I have discovered, there is no such thing as a totally happy decision; it tends to cut both ways, but these judgments must be made. One of the reasons we are in this chamber is that we have been elected to make such decisions. Public servants should not be called upon to take the tough decisions because they are not accountable; the decision cannot be made by a computer because it is a mechanical function. We will always be judged on the basis on which we take our decisions because of matters of human behaviour, and must be judged by people who apply some sense of standards.

Our judgements will differ. I guess that over a period of time the shadings of decisions made by members opposite would be different from those made by members on this side because of our different philosophies. One philosophy is Liberal and the other philosophy is Conservative. Each side feels strongly about its philosophy, and that would dictate a certain different range of decisions.

Rarely is there a clearcut answer to any immigration case. There are reasonable arguments on both sides and that is why we must spend time assessing the facts going over the information. Immigration sometimes slows down in its procedures, because it takes so long to gather all the documentation together and talk to the people involved. I have expressed concerns similar to those of the hon. member as to how well it all works under the new act. That is why I have established a task force within the department, namely, to examine things like the use of ministerial permits and the appeal procedures. I want to make sure that there is an absolute guarantee of fairness and equity in the system and eliminate areas where there may be a high degree of bias.

Since taking over this ministry I have had the opportunity to look at some of the past cases of my predecessor from the Conservative party. He was faced with equally tough and controversial decisions. I can recall feeling some sympathy for my predecessor while watching him on television during the last election as he was being barricaded in his constituency office by a group of people who did not like his decision in one particular case. In this area one is called upon to make Solomon-like judgments which turn out to be not so Solomon-like, but one can only do one's best. We should not dismiss in quite so cavalier fashion the idea that we can simply have this great open international policy. We as a Parliament spend a lot of money to defend the concept of the Canadian culture. Close to $600 million is spent on the CBC each year to ensure that there is a Canadian alternative. We do so for the reason that Canada is in a unique position. We have a small population with its own traditions and we live beside a very large country with enormous power and influence in media, culture and the arts.

Mr. McDermid: Yet we bring in all kinds of movie stars.

Mr. Axworthy: The requirements under the American labour laws for Canadians to be employed in the arts there are much tougher than our requirements. One of the reasons groups such as Actors' Equity and ACTRA become so incensed about Britons, Americans or someone else coming to Canada is that these organizations know full well they will not have the same ease of access to these foreign countries.

Mr. McDermid: Is that right?

Mr. Axworthy: It happens to be true.

Mr. McDermid: Is that right?

Mr. Axworthy: It is not right, but the fact is they create that kind of problem. Our problem is almost double because we are faced with the enormous influence which is exerted on the Canadian media and theatre and which could overwhelm us unless there was some form of response or alternative.

In an institution with the importance and significance of Stratford, the board of directors has a responsibility to give some due care and sensitive consideration to the availability of Canadians for the job. I am not saying that it is required to hire a Canadian, but it should make sure that it gives proper consideration to the hiring of a Canadian, and in this case there was no such consideration. That was the sole basis for the judgment.

The hon. member has said we should be careful because of the economic and cultural impact. I can assure him that I have considered these areas. I have had contact with members of Stratford to determine how the matter can be resolved. It is important that the festival go on, but it must be according to the spirit of the law of Canada and according to our principles and objectives in that law. I would hope that the hon. member, when he goes back to his riding, will argue for flexibility and openness in the minds of the board of directors who, rather than respond to my decision of last week and say, "If that is the decision we will start a search", up to this point in time have implacably refused to take any steps whatsoever.

We have taken certain initiatives in this regard, and I hope they will produce results. The board has not responded in that spirit, but has simply dug in its heels. I know that the member will use his office to say that there should be a way of ensuring that the festival will go on with the spirit of the law being honoured and recognized. I appreciate the way in which the hon. member has approached this matter, because I know it has caused him some difficulty in his riding. As I know there is a solution to Stratford, I dearly hope that the matter will be resolved, but it must be on the grounds of how I think I must administer, judge and interpret the laws.

● (1510)

[*Translation*]

Mr. Dubois: Mr. Chairman, with respect to the estimates of the Department of Employment and Immigration, I would like to deal briefly with all the programs which have been carried on and whose estimates have been increased and afterwards I will put the usual questions to the minister about those programs. First, as the House may recall, in June last, more especially on June 2, the department announced a series of steps costing some $137 million for this financial year, their purpose being to meet the critical and immediate problem of employment facing many Canadians. Of those $137 million, more than $100 million have been allotted this winter and next year to the community development program, especially in those areas where the unemployment rate is higher. In connection with that program, Canada Works, I think that under the previous government our colleagues opposite had decided to drop it. They will surely open their eyes and their ears to learn that many projects which could be beneficial to many people have been introduced.

In Quebec those projects are still very popular and many people have submitted applications. Any member from Quebec, as well as any other province will confirm that the amounts budgeted proved insufficient in view of the numerous applications. The one thing I regret is that, as far as Quebec is concerned, the program was to create jobs for unemployed men and women. Many associations, such as co-operatives and organizations, could submit projects.

What is especially unfortunate, and this, I am sure, is of great concern to the minister, is that the present government in Quebec refused to participate in that type of program by allowing municipalities to sponsor projects. I would like to deal with this refusal by my provincial government which I find deplorable. As a member of Parliament from Quebec I cannot accept the idea that my government, as a self-proclaimed promoter of job creation, could stand in the way of well established organizations, such as municipalities which are keenly aware of the needs and which can grant applications for sponsorship. I cannot understand why the Quebec government could have refused. The situation was such, in many municipalities of my riding, that people had to turn back and try, shortly before the deadline, and still claiming that municipalities had the authority to sponsor the projects, to find other organizations which do not always have the guarantees or the ability to act as sponsor for job-creation projects. A number of mayors in my area have brought up the problem. I certainly hope that the situation can be solved in the year ahead.

The community development program for Quebec had a budget of $37,931,000. In early December, 1,059 of those projects had already been approved for a total of $29 million. There were 3,247 applications received in Quebec, which would have required a total of $186,507,499. For example, and this situation does not exist only in my riding of Lotbinière, I had a budget of $336,000, while the amounts requested in the applications would have required over $2 million.

How is it that a government like that of Quebec, which claims to be progressive, perhaps not Progressive Conservative but progressive, should not realize just how popular that program is and allow permanent bodies such as municipalities to participate in an activity that is most important for job creation? With regard to community development programs, I said earlier in my remarks that the previous government had cancelled them. When you see the number of applications, even from Quebec alone, you realize just how much the people appreciate that kind of activity and are happy to participate and give jobs out there in our ridings.

Another example allows us to continue in that field. Looking at the years 1970-1979, we see that Canada, through the Canadian government, created more jobs, on a percentage basis than the United States, Australia, Sweden, Japan, Germany, the United Kingdom, countries whose economic growth is fairly high. On a percentage basis, according to my source, which is not really political, in fact it is the OECD, percentagewise Canada created over 32 per cent compared with 23 per cent for the United States, on a scale of zero, going up and down, in both directions. We see therefore that this situation should be maintained and even improved upon; we should not do what the administration did that is now sitting across the way from us, when it dropped those programs. The program situation having been brought up since June, there was talk of community development programs.

In that regard, Mr. Chairman, I think that the funds earmarked for those programs should be increased in the not too distant future because many people are involved in them. For instance, you have daycare centres, child care after school hours, emergency assistance services and also home care services for the old. Many people who were not directly affected by the community development program approached me, as my colleagues from Quebec have also surely been approached, with the suggestion that projects be presented to help out the old who are housebound and who do not have the help required to clean up the house and do odd jobs of that kind, and they asked us: Is it possible to introduce that type of program? Before going any further, I shall put the question directly to you. Do you think those programs can be restructured and

their budgets increased in the near future, in view of the outstanding demand for them?

[*English*]

Mr. Axworthy: Mr. Chairman, the hon. member asks two very important questions. I should point out to hon. members, particularly those from the province of Quebec, that we have run into a real difficulty with the allocation of funds under the direct job employment programs with the province of Quebec.

Before the announcement of those programs or the allocation of funds, we made a special effort to consult with the province of Quebec and to encourage them to allow their municipalities to have access to direct employment money. As hon. members know, there is a law in that province which deals with the municipalities, requiring them to have the agreement of the provincial government before accepting a federal government grant in this area. To my disappointment, that has not been allowed for these direct employment programs. It has been denied. Mr. Johnson, who is no longer in the relevant portfolio, was quite adamant about this. I can assure hon. members, however, that as long as we are in this business we will keep trying to convince him otherwise. Perhaps it may take other changes instituted by the people of Quebec to bring this about, rather than something that we can do in this chamber.

Mr. Dubois: A change of government.

Mr. Axworthy: That is right. I am not in the position to make recommendations to the people of Quebec about their politics but perhaps in this case they have a very good and compelling reason for making a change!

I want to thank the hon. member for his comments about the community development project. As he knows, we had to put this program into effect very quickly because of its cancellation by the previous administration. Sometimes these things do not work as well as we would like, but generally we have been able to supply a good service, particularly to areas of high unemployment. The difficulty we ran into was in the actual allocation of funds, as we were working on estimates provided by the previous government. What we were able to do was translate some of that money back into the direct employment program. It is certainly my intention to make a case for additional funding under these programs because I think it fits the philosophy which we put forward in the Speech from the Throne. In other words, where we have resources in the employment field, they should go where the needs are greatest. It is my intention to apply most of the funds in the areas where unemployment is the highest, and to make sure the money actually goes into projects which normally provide employment but can provide valuable services to those communities also. Those are the two principles upon which we try to work. I ask the hon. member to use his good offices when and if he has an opportunity to discuss these matters with my colleagues. Perhaps he can help to provide them with the same encouragement he is providing me, by urging that we should be doing more in the direct employment field.

• (1520)

[*Translation*]

Mr. Dubois: Mr. Chairman, I thank the hon. minister and take note of this assertion concerning representations to be made to his colleagues. I think that this situation, particularly as it relates to community service programs, brings us to deal with a very important point because those projects which had been put forward are those which applied to the care of older people. Many departmental officials told us: In this regard, if you introduce programs for the care of older people in a home, you will create a dependency and that is not what we want. But I suggest the community service program indeed meets our desires and we will not fail to make the necessary representations to your colleagues.

There is another program which offers many possibilities, the Local Employment Assistance Program, LEAP for short. This program offers long-term financing for projects which contribute to business development and provide permanent employment for the participants or prepare them for a regular job. I have a question for the minister about this program. Some businesses in my constituency have tried to apply for assistance under this program. I come from the Lotbinière-Victoriaville area which comes under the jurisdiction of the administrative region of Trois-Rivières, which is part of the Sherbrooke region, which in turn comes under the jurisdiction of Montreal. Montreal oversees all these other areas, and a general budget is provided for a very large region, so that the officials of your department whom we contacted told us—

The Chairman: Order, please. Would the hon. member please address himself to the committee chairman.

Mr. Dubois: Mr. Chairman, could the department not decentralize the allocation of sums under this program, as it does for community development projects, because we are now being told the Montreal region has a certain amount of money to distribute among the Trois-Rivières, Victoriaville and Sherbrooke areas and there is not enough to go around. Would it be possible eventually to decentralize the LEAP program? It seems to be very popular, but it is too centralized in Montreal and this causes budget problems.

[*English*]

Mr. Axworthy: Mr. Chairman, concerning the administration of the community development project, we have been working through the idea of an advisory board being placed in each constituency. This advisory board would work within the regional office of the employment and immigration commission. Actual processing does take place in the regional office in Montreal for the province of Quebec. However, we do rely very strongly upon the advice and recommendation of the local employment officers working with the advisory board and members of Parliament.

I am open to taking advice and recommendations as to how we could improve delivery of the program as well as how we

might provide for greater accountability at the local level. We use the constituency advisory board system so there can be very strong local recommendations coming from each of the local communities within the riding. I believe that is what the hon. member is referring to—or is there another area that I missed?

[*Translation*]

Mr. Dubois: Yes, Mr. Chairman, it is another program, the full name is the Local Employment Assistance Program. This is a permanent program which provides for the long-term financing of projects that will contribute to the creation of an enterprise offering permanent jobs to people or preparing them for steady employment. It is rather this program that I am asking the minister to decentralize and not the community development projects. We know that each of the ridings have to go to Montreal to submit their projects. LEAP, that is, the Local Employment Assistance Program, is overcentralized in Montreal in my opinion. Is there any way to improve on this situation?

[*English*]

Mr. Axworthy: Mr. Chairman, I apologize to the hon. member. I did not quite understand his question the first time around. If he is referring to the LEAP program, that is presently administered from the regional office in Montreal. What I might provide for him is something that we have now introduced in two of the western provinces under that program. I was not very satisfied with the delivery of that program in my own province of Manitoba, nor in the province of Saskatchewan, and for exactly the same reason. The projects tend to be given to one group of people and many others are ignored. A task force was set up in those two provinces. It recommended that allocation be done on a regional basis within the province. I would be quite prepared to talk with members of Parliament from Quebec to see if they would like to introduce a similar review in their own province and come up with similar recommendations. I do not mean they would have to come up with identical ones, but we could look at a delivery system within the province of Quebec to see if we could get a better representation. I will undertake, through my parliamentary secretary, to discuss that with members of Parliament from Quebec to see if that can be done.

[*Translation*]

The Chairman: I recognize the hon. member for Lotbinière (Mr. Dubois) for one last question.

Mr. Dubois: Mr. Chairman, my last question deals with a situation which is gaining popularity in Canada and in Quebec. A number of families are adopting children from other countries as well as children from Canadian or Quebec parents. Some people have come to us to ask for the same benefits as for a mother giving birth to a child and getting unemployment benefits for a while before going back to work.

So I would like to ask the minister if under his department's policies in relation with adoption internationally or domestically, a working woman deciding to adopt a child could not enjoy the same unemployment benefits. What are we doing for that kind of woman now?

[*English*]

Mr. Axworthy: Mr. Chairman, I just want to tell the hon. member that that is one of the topics being looked at in the unemployment insurance review which we initiated last spring. The first report will be in my hands before Christmas. It does include examination of that topic, which will then be discussed in Parliament. We will be working out our procedure for consultation after Christmas and there will be a full discussion at that time.

Mr. Speyer: Mr. Chairman, I wish to ask the minister a series of questions pertaining to the refusal of the work permit for John Dexter. The minister said certain things in answer to my friend, the hon. member from Perth, with which I agreed. He is correct when he said that in the Immigration Act there is a requirement to see whether any Canadian citizen can do the job adequately for which purpose it was designed.

• (1530)

There is also a philosophy within the regulations and within the discretion to promote the free movement of exceptional international talent. Sometimes there is a collision between these two values. In statements both inside and outside the House, the minister stated that in his judgment, and it is his judgment that is absolutely paramount in this case, there was not an adequate search made for a successor to Robin Phillips. I would like the minister to reply, in some detail if he wishes, because there was an extensive investigation conducted by his department, stating the information that he acted upon in terms of whether there was an adequate search. In other words, I am after the facts which led the minister to his conclusion that there was an inadequate search.

We have known for some time that Robin Phillips would be leaving Stratford. A search was in fact conducted. The minister pointed out that a Canadian directorate had been appointed and their services were terminated. I would like the minister to state to the committee on the basis of the information he received how many Canadians were interviewed, and how many turned it down. Will he inform the Canadian people and myself of this, because I do not know the facts? I would like to know the facts upon which he arrived at his conclusion. I ask the minister to be detailed in telling us the facts upon which he came to the conclusion the board did not make a proper search.

Mr. Axworthy: Mr. Chairman, I will try to answer that question. It is difficult in some cases because the facts which came from the board were confusing. It was not certain at all over the 18 months the hon. member speaks of who was contacted and whether they were offered the same conditions as Mr. Dexter or what kind of approach was made. Many people who might have been available were disregarded out of hand without ever being contacted. Several of those who were contacted were offered different kinds of conditions. It was in

the time period prior to the time the directorate was established.

Perhaps the hon. member was not in the House when I replied to the previous member. I will repeat. At the point the Canadian directorate was fired or dismissed, no effort was made in any way, shape or form to contact any Canadian to offer him or her the job. Mr. Dexter was already waiting in the wings, to use a theatrical expression. There was no effort to contact any Canadian at that point in time.

Mr. Speyer: I do not think anyone would disagree with the minister's conclusion that Mr. Dexter was, to use the minister's words, in the wings at the time the Canadian directorate was terminated. My question is, before they were hired, how many Canadians had been asked and had been offered contracts? Will the minister please tell the names of these people who were offered contracts to assume the directorship at Stratford.

Mr. Axworthy: I do not believe it is up to me to offer that information to the hon. member. That is information within the knowledge of the board of governors. It is something they may want to keep privileged. If the hon. member wants information, I suggest he talk to the board of governors. I simply tell him that I consulted a number of sources, among them the board of governors as well as other organizations and other people. On the basis of all that information, I came to my decision. If the hon. member wants that information from the board of governors, I am sure they will be prepared to receive his inquiry.

Mr. Speyer: Mr. Chairman, I am not interested in what the board of directors did. I am interested in the information upon which the minister acted in exercising his judgment. It may have been proper, it may have been improper. I am entitled to the exact information with regard to what the board of directors did on the basis of the report that was given to the minister. Will the minister give us the factual information with respect to enticing or asking other Canadians to take over the festival directorship over the period of 18 months? Who was approached? Were there significant contractual problems? Were the offers acceptable? We would like to know the information the minister acted upon in reaching his decision, not what the board did?

Mr. Axworthy: Mr. Chairman, I thought I had made my position clear to the hon. member. I told him the reason for making the decision, namely, that there was no search undertaken by the directorate. If the hon. member wants to go back into history prior to that time, he is welcome to do so. I invite him to talk to the board. As minister, I have the responsibility to check a number of sources. If the hon. member wants to make him own search, I would invite him to do that.

Mr. Speyer: I submit it is the height of unfairness when a minister in the House on two separate occasions squarely blames the board for an inadequate search for Canadian talent and then refuses to disclose the information upon which he made his decision. I can think of nothing more irresponsible. Why will he not make the facts available upon which he made his decision? I am not interested in his conclusion. I am interested in the facts that led to his conclusion so that the Canadian people can decide whether the minister was right or wrong. It is a question of preference. Everyone will not agree. However, we are entitled to the facts upon which the investigation was undertaken by his ministry and what caused him to arrive at that conclusion.

I would like to ask a broader question having to do with the free movement of international talent. I will focus on exceptional international talent. Is there a comprehensive policy for the minister in exercising his discretion to deny an application by one exceptional artist and grant a permit to another. The other day I asked the minister about a person such as Peter Ustinov who came for a limited stay to play King Lear. Obviously he is an actor of great capacity. He was granted a work permit. Why was a man of artistic value such as John Dexter not allowed the same? Is it the ad hoc whim of the minister or is there some type of comprehensive policy to deal with artists?

Mr. Axworthy: Mr. Chairman, I simply refer the hon. member to *Hansard* and the answer given at that time. When somebody is coming for a particular term and is engaged for a theatrical performance, a work permit is applied for and a judgment is made. The permit may or may not be issued. Where there is a position that has a higher degree of permanency, such as full artistic director where the work permit applied for is for a full year, a more extensive search is made. If the hon. member would like to read the regulations in that area, I invite him to do so and he will get the full details.

Mr. Speyer: I wish to ask the minister another question because there are not many tentacles within the discretion that is exercised. We know that in the sport area in Canada, there has been a great deal of controversy concerning Canadian quarterbacks. In my province there is the case of James Bone from the University of Western Ontario, an outstanding Canadian quarterback. According to the findings of the Ontario Human Rights Commission, he did not get a fair chance in the CFL. When young men such as Scott Mallender or Jamie Bone, both of exceptional ability, wish to play quarterback in the CFL, they must compete against talent from foreign sources. When issuing permits to athletes from offshore will the minister take this into consideration as he did in the case of John Dexter? Will he take into consideration that there are exceptional Canadians who might play quarterback on CFL teams but, because of the unfairness of the regulations, they are not given an adequate chance. The minister's decision in the Dexter case gives rise to many implications. I want to know whether there is a comprehensive policy dealing with entertainers or artists or whether it is done at the ad hoc whim of the minister.

Mr. Axworthy: Mr. Chairman, I suggest the implications are in the eyes of the beholder. The hon. member is in danger of building up a series of fanciful castles in the sky to satisfy his own time allotment. The fact is that by making those

comparisons they simply are comparing apples to oranges or, as in this case, football players and artistic directors. I would point out to the hon. members, in case he has never tried out for an athletic team, particularly in the professional sense, there are Canadians on the field competing at the same time. It is my observation that in the CFL there is not only a Canadian quota requirement—that is one reason I suppose why we have superior football clubs in the west due to better coaching of Canadian home-brewed players—but on the field itself the competition is equal. If a particular coach or judge or management body uses bias or discrimination, that causes concern which, again, the board of directors should be taking up with them. The fact is, competition is there and the access is there. In the case of Mr. Dexter there was not even access provided.

• (1540)

Mr. Speyer: Mr. Chairman, I think with respect to the question of quarterbacks in the CFL the minister has demonstrated his vast ignorance of that subject. The matter was before the Ontario Human Rights Commission and there is no doubt as to the findings of that commission. In that case there was a sense of discrimination against Jamie Bone and damages were awarded. If the minister is not even sensitive to that, I do not understand how he can be sensitive to matters pertaining to artists. I conclude on this matter by stating that on Wednesday and again today the minister has failed to disclose the facts upon which this case was decided. We know that every case depends on the particular facts that give rise to it. The minister has categorically blamed the board—he may be right or wrong—but he refuses to disclose the information upon which he acts.

I asked the minister the other day about the report of his officials when it reached his desk after the intensive investigation which was promised. There was no answer forthcoming. He said he assumed responsibility. He is right. He does assume responsibility, but he has a responsibility to say what the officials recommend in terms of the facts and not the conclusions drawn. It is disgraceful that we have a minister of the Crown who makes assertions against very important and respected men and women in communities next to mine. The minister refuses to tell the facts upon which he made those decisions.

Mr. Axworthy: Mr. Chairman, I find it somewhat curious that the hon. member has not been able to absorb the facts which I have given him.

Mr. Speyer: You have given us nothing.

Mr. Axworthy: Mr. Chairman, I have told the hon. member quite clearly several times, although he obviously was unable to hear. The facts were that at the time at which there was an opening for the position of artistic director following the firing of a director, there was only one person considered and that was Mr. Dexter who is not a Canadian. That is fact, Mr. Chairman. It is the fact upon which the decision was based. There was no effort made, not a finger lifted, not a phone call no letter or advertisement to provide any opportunity for anyone else—

Mr. Speyer: What about before that?

Mr. Axworthy: We are talking about the position that was filled and then opened. Let us hope that the hon. member is able to understand that secret. I do not wish to explain the sequence to him, but there was a directorate, they were dismissed, another person was hired and that was Mr. Dexter. No search was made.

Mr. Speyer: Why don't you tell the whole story?

Miss Bégin: Listen.

Mr. Axworthy: The fact simply stated is that the hon. member is totally and completely unprepared to listen to the facts.

• (1550)

[*Translation*]

Mr. Maltais: Mr. Speaker, I am pleased to take part once again this week in the debate on the Department of Employment and Immigration. First I would like to congratulate the minister and his department for their excellent work in my area of Manicouagan because as a whole the department performs relatively well. I might add in passing, since the minister is also responsible for the office on the Status of Women in Manicouagan, that two women are managers of the Canada Manpower centres, namely Mrs. Bujold in Port-Cartier and Mrs. Pelchat in Sept-Îles. The person responsible for the community programs of Canada is Mrs. Georgette Desjardins who does outstanding work. I think that hon. members in the House often have occasion to adopt a more or less critical or even negative attitude. At this stage, it is proper to state just the same that things are going well and that the people there are doing an excellent job.

Still it stands to reason that an overly large riding such as Manicouagan experiences some problems and I think it is difficult for the department officials to understand, no matter who is minister. Just the same it remains an area which is difficult to identify or at least it is rather difficult to define the problems since in that same constituency there are not two places alike, there is not a town or a village that has similar problems.

I would also like to thank the Parliamentary Secretary to the Minister of Employment and Immigration who is doing an excellent job and with whom we have friendly relations. He is prepared to listen to us at any time. I can certify in my case that he can be reached day or night.

I should like to put another direct question about the extension program aimed at the Havre-Saint-Pierre area up to Blanc-Sablon. The main office is located in Sept-Îles while another important office is located in Baie-Comeau. East of

Sept-Îles, over a stretch of 450 miles, the most important town is Havre-Saint-Pierre. We have a branch office in Havre-Saint-Pierre and that town is located 150 miles east of Sept-Îles and there ends the road. Past Havre-Saint-Pierre there is another 350-mile stretch without roads, along which there are 14 Anglophone hamlets, and a few with adjoining Indian reserves. The problem at this point is that the people who want to phone or meet the representatives of the department, either at Havre-Saint-Pierre or at Sept-Îles, can travel only by plane or by boat, seeing there are no roads. The program has now existed for two or three years; it has cost the department $120,000 to keep a branch office at Havre-Saint-Pierre and have a few agents along the coast.

I ask the minister to review the program completely or that part of the program in order to institutionalize it so that henceforth Havre-Saint-Pierre can be considered as a full-fledged manpower centre, and there can be project officers here and there along the coast. That is very important, and I would even ask the minister to consider the point of view of the manpower centre manager at Sept-Îles, Mrs. Pelchat, whom I spoke of previously. It is imperative that there be consultation in preparing the program to ensure that it really takes into account particular local circumstances. That covers my first question.

The second question deals with Canada Works or community development projects. We should stop changing names every year and settle for one name to give us a chance to know what we are talking about. Those programs are of basic importance to the people back home because we have managed to build up a lot of community services, buildings, wharves to launch boats, public parks, all of which are concrete achievements of great social advantage and public benefit. Still, we have a problem right now because Quebec is opposed to any construction unless it meets the standards of OCQ, and also because the salary paid on community development projects in Canada is $4.50 an hour, while the Office de Construction du Québec wages are set at $10 to $12 an hour; this means that it is no longer possible for us to work on construction projects.

So that the program does not go haywire, so to speak, and lead nowhere, I think we should accept fewer applications but increase the amounts, so that we get more concrete results. In my area, that is basic. I wish the north shore, which I represent, were considered somewhat apart from other Quebec regions, because the type of building we do there is quite basic. On that point I would ask the minister to get in touch with the Minister of Fisheries and Oceans to indicate to him that it is his responsibility to look after wharves and that he should not delegate that responsibility to you and do things to save money.

Last year, when we were in opposition, I said the same thing to the then minister, Mr. Atkey, and Mr. LeBlanc, who was listening, gave tremendous applause. I would therefore urge him to swallow the same medicine, because the department has a role to play and should not replace or substitute itself for another. I would like each—

The Chairman: Order. Would the hon. member please address the chairman of the committee.

Mr. Maltais: Mr. Chairman, if the minister and his officials are listening, all I can say is thumbs up!

As far as Canada Works projects are concerned, the amount could stay the same, but the number of projects should be decreased so that we get more complete and more concrete projects, with salaries in accordance with Quebec standards and so that our community framework remains top quality. A third important point that I would like to emphasize is the need for information. People are not aware of the regulations governing the mobility or moving programs, and when in good faith they report to manpower centres to apply for a job in this or that part of the country they have found and for which they would get paid such and such salary, they are told by the official that there is section 2 or 4 which states that they must not have started working and that, unfortunately, they have been working for 15 days already. On the other hand, they must not earn more than a maximum salary. These people realize immediately that they are not eligible.

It is a well known fact, however, that the procedure for professionals is quite different, since they are there on a trial basis and are therefore in no need to start; on the other hand, they agree to a six-month contract with a lower salary, which admits a playful interpretation, so that qualified workers are privileged over untrained workers who may really be needy. This happens all the time at the manpower centres, whether or not you know the officials. In charge of student employment for three summers in my own area, I have learned how far it is possible to go in the area of regulations and especially interpretation. I wish the department would look into this and provide on television more information concerning the regulations truly affecting the users. I suggest the department's contribution leaves much to be desired, as far as the methodology and the application of regulations directly affecting the users is concerned.

I should like also to deal with another point and to make again the same recommendation to the minister, because the process is slow, as I indicated to the Minister of Transport last Wednesday. Six months ago already, I told the department that it should appoint a judge on the arbitration board on the north shore. That was six months ago and he has not been appointed yet. What would it take to have someone appointed in less than six months? I wonder, Mr. Minister. Red tape? The Privy Council? What is going on? The department must bring someone from Quebec City to Sept-Îles and pay for his travelling and lodging expenses. That is a shameful waste of public funds that could be avoided by proceeding some other way. I am not saying it is your fault, Mr. Minister. Nor anybody else's. I am not putting anybody on trial. But those

are the facts. Six months later the person recommended as judge on the arbitration board for the north shore area has still not been appointed. We think that is an important matter to which we require a prompt solution. Most of all I would not like this to happen again. It is not enough to criticize a situation, it should not happen again. And often the public servants should follow up on the matters we raise with them. What is infuriating is that we write letters and make appeals that remain unanswered. I should like the public servants who are responsible to the minister to tell him about particular cases that need to be brought up in the Privy Council. I receive an average of 45 calls a day and about 100 letters. There is no way I can deal with all those cases. I think there should be someone in the department whose task would be to follow up on the matters we raise with him.

I would like to bring something else to the attention of the minister. I do not know how much time I have left. Time goes by so quickly. However I would like to make a recommendation about a bureaucratic administration which is extremely rigid and callous. Should we not create in manpower centres the position of local or regional ombudsman, I mean one or three persons, more or less like what we in Quebec call the services—I forget the name—with regard to the ombudsman you simply have to appear before somebody who is usually a judge and present your case, this costs $5 or $10 and then you state your arguments directly and you get—it is the small claims court, that is what it is called. There would be one or three persons who would be hired on a full-time basis and when someone having dealt with your department would feel dissatisfied, not on acount of the Canada Works program, but because of regulations regarding unemployment insurance or regarding his search for a job, this person could go and see these three individuals whose main task would be to make a decision and within 24 hours the case would be dealt with.

What is now difficult for claimants is that all answers are computerized and very often they do not take any account of special situations and cause even more problems to the person in trouble than they solve. If the system could at least be humanized and each case explained with a judgement given within 24 hours, this would take away much of the frustration that now exists. I am not saying that another structure should be created, but simply that someone on top should listen every week to the complaints of claimants. There could perhaps be a deterrent fee of $5 to $10 for each appearance before the board which would be responsible for making rulings within 24 hours, and this would in my opinion take away much of the frustration of the present system and even clarify some of the rulings that are made regularly.

I would like in closing to note that the constituency of Manicouagan has received over $15 million within the last ten years under the Local Initiatives Program, Canada Works, Young Canada Works and community development projects. For instance, several villages received more money under the Canada Works program in one year than the annual budget of the municipality. This program is essential in our area. Of course it should be reviewed and amended as any other program, but it should be maintained and even extended and perhaps better adapted to various areas, which is very important in our case.

I have a few minutes left. The people of Schefferville, Gagnon and Fairmount, who live 385 miles north of Sept-Îles, cannot call the Sept-Îles manpower centre free of charge if they have complaints or comments to make or if they want to ask for explanations. This is surprising, and it is the same everywhere else in Canada. If we look at the phone book, we see that the only department which allows collect calls or calls through the Zenith exchange is the Department of National Revenue. In any phone book, as soon as we have 300 or even 100 people in a village, it is written: Government of Canada, Zenith Exchange, National Revenue of Canada. These people are easy to contact. But for other departments, it is unthinkable. Therefore I would ask department officials to reconsider this very important problem which creates gross injustice. It must be corrected because I live in a communication constituency, a transport constituency, and I believe there is no reason why we should have to pay for calls made to officials of the Department of Employment and Immigration.

I also wish to congratulate Mr. Jean Bouchard, director of the Department of Employment and Immigration, who did a beautiful job welcoming refugees, who was very active and should be set as an example, I suggest, for those officials who want to show initiative. I believe this must be pointed out, because unfortunately, employment security too often enables people to remain idle, and to wait for other people to serve them instead of being at their service. I would ask departmental officials to ascertain whether the human aspect is really present in offices, whether some efforts are really being made. I went to the Sept-Îles office, and as a whole, the situation there is relatively good, but if you go to those in Quebec City or Montreal, you really feel you are a number among others, which, I suggest, is very depressing for people who have to visit them. I conclude with these remarks, Mr. Chairman. I would appreciate receiving immediate answers if possible, but above all I would appreciate written ones, since we will be discussing this again next year.

• (1600)

[*English*]

Mr. Axworthy: Mr. Chairman, the hon. member has supplied us with a number of very useful suggestions. As he suggests, we could supply him with written answers to many of the recommendations he has made. I take particular note of the proposal for an ombudsman which I find to be a very attractive idea. I know how close and accessible he is to our parliamentary secretary, so I will ask the parliamentary secretary to follow up that particular suggestion and give us a report.

[*Translation*]

Mr. Maltais: Mr. Chairman, could you tell me how much time I have remaining?

The Chairman: Four minutes to go.

Mr. Maltais: I would also like, Mr. Chairman, to emphasize the significant contribution made by your department to the Port Cartier area when ITT closed down. The department acted with rather amazing speed to help directly the people who were in immediate need. This has to be emphasized, because in such areas morale dips very low at times, and this was a severe blow. I must pay tribute to the department officials who acted without delay.

I would now like to know what can be done in the foreseeable future for the people in Port Cartier. I already wrote to the minister to ask whether the man in charge of the manpower centre advisory group should not be integrated with the Port Cartier office, the gentleman who worked between ITT and the manpower centre. In my view, that official did an outstanding job. He has a trememdous knowledge of the whole ITT situation, and it would be important in my view that he be integrated into the department because very often I have had to contact people in the Port Cartier manpower centre and refer to the ITT file, and not too many people know the case as well as a certain Mr. Gilles Larouche over there. And quite honestly I am not aware of the internal department mechanism to ascertain this, but it is my opinion it should be integrated to the Port Cartier staff, because this is quite important. This is my last remark. I would appreciate very much that you consider this, and I would appreciate receiving a response to my requests including that for Port Cartier.

[*English*]

Mr. Axworthy: Mr. Chairman, I would like to thank the hon. member for his commendation and his kind words about our officials and I will make sure that they are passed on to them. We are also prepared to look at the recommendation he made to see if it is possible to carry it out.

Mr. Ellis: Mr. Chairman, I wish to participate in this debate very briefly. I want to bring publicly to the minister's attention a matter which has been before me now for almost two months and one about which, unfortunately, I spoke to the minister way back in October. At that time I wrote the minister spelling out the problem of a refugee family from Vietnam who had applied to come to Canada together with the family of a brother who were also refugees. They had been sponsored by two separate Roman Catholic churches. The first family was brought over as a result of work done by Saint Michael's, and the second family was being brought over by Holy Rosary. Unfortunately, in the camp—and I can only guess at the circumstances which prevailed there—the family applied to come to both Canada and the United States, although they had been told not to do so. However, I can readily understand that in the deplorable conditions in which they found themselves, they saw it as an insurance guarantee that they might at least get out of the camp in which they were staying. They were accepted by both Canada and the United States. However, the transportation to the United States turned up first. At first they hesitated about getting on the U.S. aircraft simply because they really wanted to come to Canada. They were told by the authorities in the camp, however, that unless they got on their airplane to the United States, they might be prevented from ever leaving the camp. As a consequence, they did as I am sure any of us would do under the circumstances. They boarded the American aircraft and ultimately arrived in Atlanta, Georgia. The very industrious people from Holy Rosary tracked them down, made contact with them and again expressed their willingness and desire to bring that family to Prince Edward-Hastings.

It was at that point that I contacted the minister and, as was not unreasonable, was asked to write a letter. On October 22 I wrote a letter giving all the details and the name of the family, which unfortunately I could not begin to pronounce. I wrote about the fact that the family was in Atlanta, that the officials in Atlanta were holding that family in abeyance so far as settling them was concerned until such time as the Canadian authorities could deal with the matter, because obviously there would be co-operation between them. Having done that, I myself subsequently contacted people in the minister's office two or three times a week. Usually we deal with a different person each time. I received only one letter back from the minister which was a month later, on November 13. It was the usual note saying that the minister had received the inquiry and would write shortly. Again that was almost a month ago and we still have not settled the case of this poor family.

Today we had a call from the department, from another person in the department, asking if we could give them more details. May I say to the minister, through you, Mr. Chairman, that the department has all the details. The family is in Atlanta, they were originally destined to come to Belleville, there is a family in the church of the Holy Rosary waiting to look after them in Belleville, the family wants to come, the authorities in the States are prepared to let them come, and the people in Belleville are prepared to drive down to Atlanta and drive them back to Canada. They have been down to Atlanta once already and have spoken to the family. I do not know what more we can do to clear up this very simple misunderstanding.

I am told that the reason the Canadian authorities are procrastinating is that once the family left the camp in Viet Nam and came to the United States, they were no longer under the jurisdiction of the United Nations. That is the excuse we have been given, but surely to goodness compassion would indicate that the family arrived in the United States simply because they were desperate to leave a completely untenable situation. Surely common sense and decency would indicate that when everything is ready for them here, they should be allowed to come. Perhaps we can send another family back to the States, I really do not know. I do not mean to be facetious about this, but surely in some things that are as straightforward and simple as this the minister could, with the

stroke of a pen, make provision for this family to come to Canada to be with their relatives. There is a home for them, there is employment for them, and everything is ready and waiting for them. I wonder why we cannot have that happen.

Mr. Axworthy: Mr. Chairman, I apologize to the hon. member if there has been some delay. We have been looking at the case, we have tried to get the information that is available. We transferred the file that we had down to the Atlanta office where we have an immigration officer employed, and they have been dealing with the U.S. authorities there and the family itself.

However, the case is not quite as simple as the hon. member makes it out to be. What did take place is that the family applied to come to both countries—

Mr. Ellis: I said that.

Mr. Axworthy: —it was accepted by both countries, but it did not tell the other country that it was applying to the other.

Mr. Ellis: I said that.

Mr. Axworthy: As a result, there was some confusion. The difficulty is this, that now they are landed in the United States and have been accepted, they no longer qualify as refugees.

Mr. Ellis: I said that.

Mr. Axworthy: The hon. member may have said it, but it means that there is a different requirement under the law. There is a law that has to be administered. For me to sign the permit by a stroke of the pen would not give them the same kind of permanency as they would have otherwise if they came under another category. The minister's permit is only good for a year and must be extended year after year. If we could try to provide a more permanent way for them to come, we would try to do so. I am simply saying to the hon. member that it is not quite as easy as signing a minister's permit. That would not provide them with the permanent settlement they desire. There is the other point, that if we take this family, it denies another refugee family still in the camps the right to come to either the United States or Canada. It might not be a critical consideration, but we are trying to work out a means for the family to come to Belleville under a more permanent settlement, rather than the temporary one of the minister's permit. If the member was simply asking for that, it can be done, but certainly it is not the preferable solution under the circumstances.

• (1610)

Mr. Ellis: Mr. Chairman, I am sorry, but what I am hearing is bureaucratic red tape. If a family came from Vietnam or from some refugee camp on an aircraft directly to Canada, there would be absolutely no problem. We are talking about blood brothers, close relatives; these people are close families. If these people had boarded an aircraft and come directly to Canada, there would be absolutely no problem. But, they got here part way on a different aircraft. They stopped along the way, not because they wanted to, but they were desperate to get out of the refugee camp. Now they would like to continue their trip, and their trip can be continued. The people from Holy Rosary will take the same station wagon, which they have used two or three times to visit them, and pick them up. They will put them in the station wagon and drive them to Belleville where their family, a home and everything else is waiting. Surely to goodness somewhere in the United States they could find one other family, if they want to take them into Atlanta, Georgia.

Surely it does not disrupt this confounded bureaucracy that much that these people, out of desperation, travelled a few hundred miles off track in a trip of some 10,000 miles. Surely it is not a big problem. I am not suggesting the use of the minister's permit. I frankly do not know all the ways and means by which this can happen, but it seems to me it is very, very simple. These people have been delayed almost two months by nothing other than bureaucratic red tape. The kind, generous and proper thing to do would be to reunite the family before Christmas as they were originally. I do not know how it can be done or what permits should be used; I really do not care. But if they could be brought from a plane which would have landed in Montreal to Belleville, they can be brought from a plane which landed in Atlanta, Georgia, to Belleville. It is that simple.

Mr. Axworthy: Mr. Chairman, there is no dispute between the hon. member and I. We would like to accommodate him, but it was not a simple mistake of getting on the wrong plane. The family applied to the American and Canadian authorities. The option of the United States came first. It was not a matter of them wandering on to a plane, being at the wrong place and stopping at the wrong place. They deliberately chose to go to the United States; they had applied to go there. The other part of their family decided to go to Canada, and now they are separated.

I will try to find a solution, but the easy solution recommended by the hon. member of issuing a permit is not the best one because it provides no permanency. If I can find another way, I will. I have told the member that I will try, but the fact is they have now landed in the United States, they are wards of the United States and they are no longer refugees. In a sense they are landed immigrants in the United States which means that by our act they must go through another requirement. I will try to work it out, but I ask for the patience of the member so that it can be done properly, rather than forcing them into a temporary solution which would only continue their impermanent state. I think that would be the last thing the refugee family would want, that is, to be battered around by two governments. We are working on it; we will find a solution.

Mr. Ellis: Mr. Chairman, I did not intend to carry on for so long, but I should like to indicate three things. Yes, the family applied to two countries. I have seen pictures and have heard described the manner in which these people are required to live in refugee camps. If I were in their shoes, no matter what the

officials said, I would apply to 18 dozen different countries. However, I have checked the fact that they were accepted by Canada. They had also been accepted by the United States and when the United States aeroplane arrived first, some bureaucrat told them: "You must get on that plane or you are out of luck; you won't ever get out of here". So, why would they not board the plane?

I have talked to the United States authorities, and they have agreed to waive and overlook the fact that they came into Atlanta and that they applied to two countries. Certainly it is against the regulations, but it is a shame. As I said, if I were in their shoes I would apply to more than two countries.

I do not think I am requesting anything that is very special. I do not know all the rules and regulations; I would not pretend to. But I am confident that in the past two months we could have found a simple way of ignoring the fact that they got to the wrong town on the way here, because they were accepted by Canada.

At least they got to North America, and I can assure the minister that the good people of Holy Rosary would be prepared to see them the rest of their journey.

Mr. Forrestall: Fix that poor family up; don't be so cruel!

Mr. Ogle: Mr. Chairman, my opening remarks are almost directly related to those of the hon. member for Prince Edward-Hastings. Last week I was thrilled and privileged to see a solution to a situation not unlike the one to which the member referred. In St. John's parish in Saskatoon a complicated situation was worked out by the minister's department. I know the people there. It amounted to a different situation. Apparently a Greek ship picked up part of a family, which meant that they were destined to go to Greece. Then another member of the same family who had arrived in Saskatoon earlier found a way to solve the problem. I am sure the situation referred to a moment ago will be resolved.

I appreciate the difficulties which the hon. minister must encounter many times when he is confronted with the problem of refugees in the world today. I am sure he must be torn between what his heart would like to do and what the law says he must do. I do not know how the minister is able to handle the situation. It must be a very difficult tension under which to live.

In past months I have dealt with the minister in various difficult refugee situations and I know he has found ways to handle many of them. I thank him for changing with the stroke of a pen the futures of persons, families and generations of a family. It is a very difficult power with which he lives and I thank him for addressing these most difficult questions.

However, I should like to speak about the general problem of refugees in the world and address my remarks in perhaps a more critical manner to a particular area which I feel the policy for refugees does not confront adequately. As recently as this week, an article in *The Citizen* indicated the number of refugee people in the world, which I am sure the minister and his department are well aware, is constantly climbing. Not long ago ten million was given as the number of people who, through no basic fault of their own, and certainly not because they wanted it, became refugees. The recent article in *The Citizen* to which I allude indicates that the number of refugees in the world is now close to 15 million. We as citizens on this planet must face that kind of reality—the reality that the number of refugees in the world almost equals the number of citizens in this country. It is appropriate in situations like this that members of the House of Commons and people across this country appreciate that many of us arrived here indirectly as a result of the admission of refugees into this country. One becomes a refugee as a result of some political, religious or social upheaval when no longer allowed to live in peace in the country of their birth.

• (1620)

I have had the experience of living in another country for a number of years. I learned the language, the culture and the ways. I appreciate the difficulty this kind of transition causes. However, I did it freely, without force. I did it of my own will because I wanted to do it. Still, I found it difficult, even with all those things on my side. However, when a person is uprooted through political force, by religious upheaval or whatever and is forced to leave his roots behind I think we can appreciate the tension, sorrow and agony he must face. Yet we will find if we check into our ancestry that many of us sitting in this House of Commons today are here because at one time our country allowed a refugee family to land here. We must really take this fact to heart when we face the great reality today of there being 15 million refugees without a home and without a future unless the doors to our country, if I may call them that, are open and we say to them "Come on in".

When I began my remarks to the minister I said that he must live with the tension which is created by the law, which says we can take these and not those. He lives with the tension of having to make that choice. What are we to do in the face of this problem? The boat people from southeast Asia certainly assumed a high profile in the minds of Canadians and North Americans in general. As the minister pointed out in his opening remarks, Canada has accepted 60,000 people from that flood—as opposed to 15 million, 60,000 is literally a drop in the bucket. It was a good experience for Canadians. We saw that we could handle that kind of problem. As I said, last Saturday night I was associated with this family coming into Saskatoon. I realized they had left a tropical climate and were coming into 30-degree below zero weather. Knowing what they were going through, at least the social and emotional tensions, I saw the community of St. John's parish in Saskatoon opening up their arms and saying "Come on in; the door is open." It was a thrilling event.

I would like now to direct my remarks to an issue of policy. We have in place a policy which seems to say that if you have been a refugee because of communist oppression, real or unreal, you are welcome. But our response to victims of fascist oppression has been much more equivocal. I must suggest that there is a sistematic bias in that policy. In their masterful two-volume study, "The Political Economy of Human Rights",

Noam Chomsky and Edward Herman present a devastating exposé of this selective compassion using unimpeachable sources, for example, amnesty reports and other painstaking documentation.

Speaking specifically of communist Indo-China, Chomsky and Herman show how refugees there can be used rather dishonestly by western countries for their own political purposes. At the same time, pleas for asylum from Latin America or South Africa evoke a faint response, or even a negative one. To some extent the figures on our total refugee intake, which includes both government and private sponsorships, speak for themselves. In 1979 Canada took in 27,740 refugees all told. In 1980 this figure is expected to top 40,000. As of August 31 of this year, 31,241 refugees had been admitted from the following principal sources: 28,000 from Indo-China, 2,695 from Eastern Europe, 108 from Latin America and 66 from Cuba. In 1981 the government plans to sponsor, in addition to about 5,000 private sponsorships, the following numbers of refugees: 8,000 from Indo-China, which I understand is down from 10,000 this year; 4,000 from eastern Europe, which is up from 3,000 in 1980; and 1,000 from Latin America and the Caribbean, which is up 500 from 1980. One notes that although the Latin American quota for this year is 500 only 108 had arrived as of August 31. One also notes that the flow of refugees from Latin America is a trickle compared with the flood from Indo-China in the last two years. Yet for more than 15 years there has been massive and savage repression to the point of genocide in Latin America as country after country has fallen under the iron fist of military dictators, many of whom were open admirers of the European fascism of the thirties. In the tiny country of El Salvador there will be 10,000 or more political murders this year alone. As the news reported this morning three Maryknoll sisters from the United States and one social worker were murdered yesterday outside the airport as two of them tried to come back into the country. It is estimated that one in every 50 Uruguayans is or has been a political prisoner since the military came to power in 1968.

The point I make is that a very real, vicious oppression is present in the countries there. I have had a great deal of experience in that part of the world. It seems we have a blind spot when it comes to the free world or countries which are sort of lumped under the term "free world". We find it hard to accept that capitalistic and pro-western regimes can be the perpetrators of totalitarian repression, even when there is a mass of evidence that these are regimes in the Third World, not the communist bloc, which torture and assassinate their opponents. I think there is a solid basis for what I am saying as proved by Amnesty International and many other international groups. They have presented facts about the destruction of human rights in those countries. In cases of pro-western regimes which are known as human rights violators, we seem to scrutinize very carefully each individual application for political asylum. We seem to treat the evidence of political persecution with extreme scepticism and seldom, if ever, give the applicant the benefit of the doubt. Quotas for refugees from these dark corners of this misnamed "free world" are kept low and strictly adhered to. Such bureaucratic scrupulousness goes by the board in cases of refugees from communism where the propaganda value is clear and immediate.

There is a group in Regina—and I am sure the minister is aware of these groups right across Canada—which has prepared a brief on behalf of the Chilean refugees. It points out the great difficulty in getting refugee status. It is still an oppressive situation in Chile. The Amnesty International group in Saskatoon has been attempting to get a family from Chile. To the credit of the minister's department, the family has finally been cleared to come to Canada. Just today I was asked by this group to tell the minister that when it finally came time for the family to leave they were refused exit because they did not have the air fare. The people involved have not been able to get the air fare. The ordinary policy applied to refugees does not seem to be the same policy used in Chile. What is Canada's policy on countries in Central America and Latin America with regard to refugee status? Is there a special way of looking at these countries?

• (1630)

I appreciate that the RCMP demands clearance. But trying to get clearance of that sort from the police in Latin America would be like a Jewish family getting a visa in Germany in 1940. It is not just that simple if there is any political involvement, which can be as little as expressing the view that one would like a democratic government so that one might contribute to the ruling of a country. Would the minister tell me our policy in Latin America?

Mr. Axworthy: Mr. Chairman, I am pleased to respond to the questions of the hon. member because they need some clarification. There is no difference in our attitude toward Latin American refugees as compared to those from other regions. We do not recognize any preferred group or region. We try to relate our refugee program to where the demand and the need are greatest. At the time of the problem in Chile, Canada opened its doors as wide for Chileans as for the Vietnamese refugees. Close to 8,000 Chileans have settled in Canada, and this is proportionate to the numbers who came out of the country as compared to the boat people. We provided just as much opportunity for Chilean refugees to come to Canada as for Vietnamese refugees or eastern Europeans. There is no policy which gives special recognition to one region over another.

At times we face certain difficulties. One such difficulty is that Latin Americans, mainly for historical and geographical reasons, do not seem to relate as readily to Canada as do other groups. For example, during the exodus from Cuba last year we were prepared to accept 300 refugees fleeing from that country, but it took several months to fill that quota because they did not want to come to Canada. Most of their friends, relatives and connections are in the United States and they chose to go to that country. Even though there was this opportunity, very few Cubans availed themselves of the program. I believe we have received only 250 or 270 Cubans in that program.

With regard to the visa problem in Chile, I can assure the hon. member that since I became the Minister of Immigration, no problem took up more of my time in the early months than examining in great detail the arguments put forward by church organizations, Amnesty International and others. They felt that the visa regulations put forward by the previous administration were a hindrance to people who wanted to escape from Chile and come to Canada. We listened to both sides of this case, including the points of views of officials, embassies and other sources, which said that the matter was quite open and that there were no problems. I spent many hours poring over documents on the case. I have never come across a case which had absolutely no common ground in fact or in anything else, other than in some of the disputes I have had with members of the Tory party, most of which has left leaving behind only its corpus guard.

An independent fact-finding team went to Chile last summer. My parliamentary secretary, who has also left me, was on that team. This team had no prejudices and was simply asked to examine the situation. It interviewed a wide variety of individuals, including members of different political groups and the Vicaria, which is the major refugee organization in the country. After this very careful examination the team concluded that in fact there was no major problem for someone who wanted to apply for refugee status through our embassy and come to Canada. That judgment and observation was quite independent and objective in its point of view and the decision was to maintain the regulations as they existed. On this basis, it was not a matter of our disregarding the case which was made. We spent a great deal of time and considered carefully the arguments put forward before we came to our decision.

We deliberately made certain choices in setting refugee levels this year in order to provide for a 100 per cent increase in the reserve allocated for refugees coming from Latin America. We also extended the contingency fund in order to respond to particular situations and to give us the flexibility to absorb more people without being assigned to any one country. We have undertaken special negotiations with the province of Quebec because of what is called the Cullen-Couture agreement which allowed us to set up the arrangement whereby we would accept 3,000 Haitians who had arrived in the country illegally. Because the province of Quebec was prepared to take that group, we were prepared to land them here.

What I have said goes to indicate that in most cases we have been responsive and interested as much in the refugee problem in Latin America as in southeast Asia and in eastern Europe. We must take a new look at the refugee problem around the world. I undertook some discussions with the American government in the summer in order to establish a new approach to some of the major refugee problems around the world. Unfortunately, the administration has now changed and negotiations will have to be started over again. I hope the new administration will be as open and responsive as the last administration on the problem of refugees.

Our present approach to refugee problems is not totally satisfactory. I would hope that through the co-operation of my colleague, the Secretary of State for External Affairs, and through working with the United Nations and other countries we will be able to provide a new approach in the next year or two to refugee problems.

Miss Nicholson: Mr. Chairman, during his remarks this morning, the minister referred to amendments to the Immigration Act in 1976. I would remind hon. members that the 1976 act did not amend the previous act, it replaced it. The 1976 act was a completely new act. It followed the appointment of a special joint committee of the Senate and the House of Commons which had travelled throughout Canada and heard witnesses on immigration policy.

The act included many recommendations from the special joint committee. I was chairman of the Standing Committee on Labour, Manpower and Immigration at the time the bill was referred to committee, and the committee worked on it long and hard. We heard witnesses and before the bill was approved there were 33 sessions. It was reported back to the House with approximately 100 amendments.

● (1640)

That committee worked with real commitment and an unusual lack of partisanship in an attempt to give Canada an immigration act that was fair and humane. There were often strong and deep divisions in the committee, not on party lines but rather on grounds of personal ideology or different opinions about how best to achieve a common goal of giving Canada an immigration act which would be fair and leave room for discretion and compassion in special circumstances.

The previous immigration act had not been amended for many years. The department was operating on accumulated jurisprudence, on regulations and, to a large extent, on internal directives. The language of the previous act was harsh and in some cases exclusionary, it was language that was not acceptable to modern ears.

Working on that committee, which operated with a very rare absence of partisanship, was one of the finest experiences of my life. Members from all sides of the House tried very hard to put aside party differences and to work as Canadians for the common good. They tried to produce an act where the rules were clear, public, and understandable; where there was also some flexibility and room for the exercise of discretion on compassionate and humanitarian grounds. They even insisted on seeing the draft regulations before reporting the bill, to ensure that these were compatible with the intent of the statute and the spirit in which the committee worked.

Today the minister referred to consultation with the provinces on levels of immigration. This is required under the new act. The committee considered it important to ensure that immigrants are welcomed appropriately and that services under provincial jurisdiction, such as schools, housing and so on, can comfortably accommodate new arrivals. The minister's remarks on consultation implied that this was working well, that it is more than pro forma. If that is so, all those involved are to be complimented.

I have a number of concerns about the operation of the present act, an operation which is beginning to differ in some ways from the intent of the act as I remember it. The new act repealed the existing act, yet the minister referred to the 1976 act as having amended the earlier act. I find that his officials are continuing with practices which were begun under the earlier act. I have a number of questions about where this authority is derived from, Mr. Chairman. I should like to ask all my questions at the same time, then perhaps the minister could reply at the end, rather than seriatim.

The first is the question of special status for retiring ambassadors. This practice grew up under the old act and I think it was sometimes abused. I know of one case where it was used to land a 35-year old consul who came back to Canada as a landed immigrant and was working within two months. This could hardly be regarded as retirement, but rather as queue jumping or being given special consideration. The new act has no special provision for retiring ambassarors, yet I understand that they are still treated in a special way because of tradition.

There are a number of other matters as well, Mr. Chairman. The interpretation of some regulations by officials seems to go considerably beyond what is written down. There is a regulation that allows Canadian citizens or landed immigrants to sponsor any relative once in a lifetime if they do not have a relative who falls within the normal sponsorable category. The regulation clearly refers to the position of the Canadian citizen, yet it is sometimes interpreted to mean that the person being sponsored must also be alone in the world. The person trying to sponsor under this provision sometimes runs into the difficulty of the prospective immigrant bringing in dependents. There is nothing whatsoever in the statute or regulations that calls for special treatment for this kind of sponsorship.

The regulations also refer to an immigration officer or a senior immigration officer requiring a visitor to post a bond. There is nothing in the act or regulations that ties the act of posting a bond to the place where the immigration officer works. Yet, because screening was traditionally done at the port of entry, some immigration staff now claim that the law requires them to ask for such bond at the point of entry only. Families who anticipate difficulties at the port of entry—perhaps because a visitor previously overstayed—and who try to prepay a bond, are told that this cannot be done and that the visitor must arrive at the port and take his chances on being sent back or allowed to post a bond.

I would ask the minister why there is this rigidity. At what point is the authority divided between the port of entry staff and an immigration officer in an office, say, in downtown Toronto? Where does this practice come from? We are told it is tradition, but under which act—the present one or the one that was repealed?

I also have great concern about the extension of the use of program officers in posts overseas, a practice which seems to have been increasing in recent months. I find that this is contrary to the spirit, if not to the letter of the act. The act and the regulations refer to a visa officer making decisions about approving potential immigrants. Obviously powers can be delegated and I can see some limited justification for having clerical work done by indigenous workers in posts abroad, but the increased use of program officers who are not Canadian, who have no commitment to Canada, to make decisions on who will come to Canada as a permanent resident, is a questionable practice to my mind. There may be reasons for this which I do not understand, and perhaps the minister will explain that later.

I am also concerned that officials take so little responsibility for delays caused by them, particularly in our posts overseas. Canadian citizens sponsoring parents, for instance, may find that the processing takes up to three years in some countries. If a brother or sister turns 21 before the parents are finally interviewed, he or she is ineligible to come in as a dependent, even thought the application is made in time. I think the date that the application was received, Mr. Chairman, should be the determinant—

An hon. Member: Hear, hear!

Miss Nicholson: —rather than the date at which the officials get around to dealing with the case, especially since some delays overseas seem to be caused by program officers, not by Canadian staff.

Finally, when the act was proclaimed, the government of the day published it widely. Members of this House wanted openness. We wanted potential immigrants to know the terms of the act. The act also requires regulations to be published 30 days before implementation and it requires regulations to be presented in the House.

We had hoped, too, as members of this committee, that the department would keep their internal directives to a manageable book size which could be handed to prospective immigrants or their relatives. Mr. Chairman, in fact, at this point, only two years after operation, the department has two tomes which can be inspected but not removed. I do not know the reason for this but perhaps the minister will be able to tell me if he has this problem under advisement and whether he is hoping the original aim of making the Immigration Act simple and understandable is still an aim.

• (1650)

Mr. Axworthy: Mr. Chairman, I want to thank the hon. member for her comments. It is very helpful to receive the advice of someone who was in at the birth of the act and who understands it so well. Her views have been very helpful, particularly to me because I was not in the House at the time and she has given me a better understanding of the reasons and the underlying principles in the act.

I agree with the hon. member that perhaps there is nothing more important in the immigration area than to make it as simple and as fair as possible. That is one of the reasons I established an internal task force two months ago which reports to me directly. It is made up primarily of lawyers and people who work in the area of regulations. They are to review the act from the point of view of regulatory procedures as well as to examine a wide variety of issues which would both speed

up the processing and ensure a much higher degree of fairness in the application of the law. Also, they are to see where there might be irregularities or eccentricities that have grown up in the application of the act.

One of the first things I will do is to refer the comments of the hon. member directly to that group and ask for a report so that I can make changes immediately after their review. Perhaps the hon. member would be prepared to spend some time with members of that task force and elaborate upon those points.

I will respond to some of the considerations and put them on the record. Perhaps we can provide more elaboration in a written response. But on the question of special status for ambassadors, as far as I know there is no special status for ambassadors. If there are cases where that has been so, I would like to hear them from the member and we will look into them.

On the question of the bonds, I am advised by my officials that that was an interpretation given to us by lawyers in the justice department. We will check to see if there cannot be more flexibility but we did ask for that interpretation.

On the question of program officers, that is an issue which has concerned me. There are very strict rules that we do not allow program officers in the embassies or consulates overseas to make decisions. They are there primarily to help in the processing of the paper work, which is fairly heavy. They are not supposed to make decisions, but there may be occasions where that has crept into the procedures. That is also being looked into to make sure there is a clear demarcation of responsibilities.

One of the difficulties we are experiencing as a result of the act which was passed, and I am not saying it was a direct cause, is that because of the change in the family class requirements there is a much greater need for documentation, particularly as to proof of age. To prove that someone is over and above that magic age of 21 in countries where there is limited documentation means checking birth records, voting records and other things. This certainly slows the whole process down inordinately. Therefore, there is difficulty in making sure that the act is administered in the way members of Parliament want it to and it does cause major backlogs. I agree that in some cases the backlogs are unacceptable but we are trying to clear that up now. We have received a special recommendation and I have approached cabinet to ask authorization for additional person employment years so that we can respond to that problem. But there is a consequence of having that particular act. Perhaps in discussions over the next year or two in the manpower committee, we may want to raise that issue with members so we can have a response as to whether or not the age requirement itself puts a heavier burden on the process and slows it down. There may be a better way of facilitating that.

Those are the short answers. I notice there is not much time left, but I will provide more detailed answers for the member to these specific questions and perhaps follow up with her, if she is willing, by asking her to speak to members of the task force about the regulations we have established.

Mr. Hawkes: Mr. Chairman, we are running very short of time. Could the minister tell us how many man-years or person-years are created during the construction phase of one tar sands plant?

Mr. Axworthy: Mr. Chairman, I would have to get that information for the hon. member.

Mr. Hawkes: Mr. Chairman, would the minister have any idea how many person-years are created throughout the 25-year life cycle of a tar sands plant operation?

Mr. Axworthy: Mr. Chairman, I will attempt to get that information as well.

Mr. Hawkes: Mr. Chairman, I am continually surprised by the minister. He is the minister from the west and he is the minister in charge of employment. Those are rather important factors to the west, to Ontario and to Quebec. I suggest to the minister that there are several millions of years of employment from that source. I hope that by Monday we will have answers to that question.

Can the minister tell me whether he is happy with the current policy of making people eligible for UIC benefits by registering at union hiring halls in the construction industry?

Mr. Axworthy: That is presently a policy of this government, Mr. Chairman.

Mr. Hawkes: Mr. Chairman, can the minister tell me whether union hiring halls are aware of all construction job vacancies in Canada?

Mr. Axworthy: Mr. Chairman, as the hon. member might know, we do not have hiring halls in all provinces so there cannot be a totally national system.

Mr. Hawkes: Mr. Chairman, can the minister answer my question: are those union hiring halls which exist aware of all construction job vacancies in Canada on any given day?

Mr. Axworthy: Mr. Chairman, I just answered the question.

Mr. Hawkes: Mr. Chairman, if the minister answered the question—and *Hansard* shows he did not—could he answer it again?

Are all union hiring halls aware of all the construction job vacancies in Canada on any given day? More specifically, do the Canada Manpower centres, which are aware of those jobs, make union hiring halls aware of all job vacancies?

Mr. Axworthy: Mr. Chairman, as I indicated to the member previously, union hiring halls are aware of which jobs are available through the union system, but they are not extensive throughout the entire country nor are they aware of those jobs not on union sites.

Mr. Hawkes: Mr. Chairman, the minister said earlier today that he was moving in the direction of creating a job searching possibility across the country where, through Canada Manpower centres, people seeking work would be aware of all job vacancies. Does the minister not intend to include the union hiring halls in that principle?

Mr. Axworthy: Mr. Chairman, we are putting in place the national job bank which will attempt to provide that mobility of information as well as mobility of people which will ensure that information is available. It is obviously accessible to anyone who wants to use it, including union organizations which run the hiring halls in certain provinces.

Mr. Hawkes: Mr. Chairman, over the weekend, would the minister examine the principle of allowing people to certify eligibility for UIC benefits when they are not aware of job vacancies? This runs counter to what I think the whole system is all about.

We have less than half a minute left, but I want to alert the minister to another series of questions which will come early next week. Near the beginning of this debate, I made an interjection by way of a point of order in which I drew to the minister's attention that yesterday the Council of Social Development brought to the attention of the constitutional committee the possibility that he and his government can seek to enshrine in law the possibility that mobility in Canada could be severely damaged by the specific wording of the mobility rights section—that the social service system in this country might be severely damaged by the mobility rights section. I heard the minister indicate two or three times today that he is counting on that section to make the economic situation for the unemployed better. I hope he will read that section and that by Monday his head will be a little clearer about its potential.

Progress reported.

Mr. Deputy Speaker: It being five o'clock, this House stands adjourned until Monday at two o'clock, pursuant to Standing Order 2(1).

At 5.01 p.m. the House adjourned, without question put, pursuant to Standing Order.

APPENDIX

November 26, 1980

Mr. Claude-André Lachance
Parliamentary Secretary to
The Minister of State for Trade

Re: Tremus Industries Limited.

Dear Sir:

Pursuant to the meeting of the Standing Committee on Miscellaneous Private Bills held on November 25th, 1980, the undersigned, being all the shareholders of Tremus Industries Limited, these presents declare:

1. they are familiar with the procedures taken by Edward McGovern to revive Tremus Industries Limited;
2. they consent with such procedures being taken;
3. they agree to save the Crown, harmless from any claims which may result from the revival of Tremus Industries Limited.

Yours very truly,

Anabel McGovern

Vincent H. McGovern

Edward P. McGovern

November 26th, 1980

Mr. Claude-André Lachance
Parliamentary Secretary to
The Minister of State for Trade

Re: Socam Ltd.

Dear Sir:

Pursuant to the meeting of the Standing Committee on Miscellaneous Private Bills held on November 25th, 1980, the undersigned, being all the shareholders of Socam Ltd., these presents declare:

1. they are familiar with the procedures taken by Roger Gagnon to revive Socam Ltd.;
2. they consent with such procedures being taken; they agree to save the Crown, harmless from any claims which may result from the revival of Socam Ltd.

Yours very truly,

Paul-André Gagnon

J.-P. Gagnon

Diane Gagnon

Sylvain Gagnon

Yolande Gagnon

November 30th, 1980

Mr. Claude-André Lachance
Parliamentary Secretary to
The Minister of State for Trade

Re: Socam Ltd.

Dear Sir:

Pursuant to the meeting of the Standing Committee on Miscellaneous Private Bills held on November 25th, 1980, the undersigned, being the shareholders of Socam Ltd., these presents declare:

1. she is familiar with the procedures taken by Roger Gagnon to revive Socam Ltd.;
2. she consents with such procedures being taken; she agrees to save the Crown, harmless from any claims which may result from the revival of Socam Ltd.

Yours very truly,

Louise Gagnon

November 26th, 1980

Mr. Claude-André Lachance
Parliamentary Secretary to
The Minister of State for Trade

Re: Montilac Ltd.

Dear Sir:

Pursuant to the meeting of the Standing Committee on Miscellaneous Private Bills held on November 25th, 1980, the

undersigned, being all the shareholders of Montilac Ltd., these presents declare:

1. they are familiar with the procedures taken by Roger Gagnon to revive Montilac Ltd.;

2. they consent with such procedures being taken; they agree to save the Crown, harmless from any claims which may result from the revival of Montilac Ltd.

Yours very truly,

Roger Gagnon

Louis Lavergne

G. C. Lengham

November 28th, 1980

Mr. Claude-André Lachance
Member of Parliament
Parliamentary Secretary to
The Minister of State for Trade

Re: Socam Ltd. and Montilac Ltd.

Sir:

Pursuant to Mr. Pierre Raymond's request, legal counsel of Mr. Roger Gagnon, I wish to confirm to you that following the Royal Assent of the Private Bill presented to the Senate and the House of Commons to revive the companies Montilac Ltd. and Socam Ltd., I shall take the necessary steps to transfer to them the assets that I now hold in trust.

Yours truly,

The Public Curator

Rémi Lussier, Notary

HOUSE OF COMMONS

Monday, December 8, 1980

The House met at 2 p.m.

● (1405)

ROUTINE PROCEEDINGS

[*English*]

PUBLIC WORKS

DREDGING CONTRACTS—EQUITABLE TREATMENT OF CANADIAN COMPANIES—MOTION UNDER S.O. 43

Mr. J. M. Forrestall (Dartmouth-Halifax East): Madam Speaker, I rise pursuant to Standing Order 43 for the purpose of bringing to the attention of the House a matter of some urgent and pressing necessity. My motion is with respect to the proposed pay-out of sales tax which has been extended to foreign companies for dredging in Canada and the unfair advantage this policy gives to non-Canadian equipment, as well as to non-Canadian labour and employment opportunities, inasmuch as it denies personal and corporate revenues to Canada. It denies full utilization of Canadian shipyards, their labour and materials, and it inhibits the development of Arctic technology in dredging. Therefore I move, seconded by the hon. member for Central Nova (Mr. MacKay):

That the government give immediate and urgent attention to the tendering procedures that will ensure equitable treatment of Canadian dredging companies and at the same time maximize the utility of Canadian technological expertise and tax return to this government.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

SMALL BUSINESS

EXTENSION OF DEVELOPMENT BOND PROGRAM—MOTION UNDER S.O. 43

Mr. Bill Domm (Peterborough): Madam Speaker, I rise under the provisions of Standing Order 43. Of the total sales volume of all the businesses in Canada, 28 per cent is made up of small business transactions. These firms employ about 2.5 million people. Indeed, these people make up 42 per cent of all business employment in the whole country. How long does this government intend to penalize business people with interest rates which are currently 15½ per cent or more? Therefore I move, seconded by the hon. member for Central Nova (Mr. MacKay):

That this government, having been silent in the aftermath of their campaign promises, and having deepened the silence in their budget, act to help small businesses by extending the term of the small business development bonds program, qualifying spouses of independent businessmen for business expenses, and by enacting other measures which the previous Conservative government was prevented from doing by the often-referred to "Liberal Democratic Party of Canada".

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

FINANCE

INCREASED INTEREST RATES—CONDEMNATION OF BANKS—MOTION UNDER S.O. 43

Mr. David Orlikow (Winnipeg North): Madam Speaker, I rise to present a motion under the provisions of Standing Order 43. In view of the fact that Canada's chartered banks have raised the prime lending rate one full point to 15.5 per cent and restricted the increased interest rate on depositors' savings accounts to just 0.75 per cent, thereby increasing their interest rates and so permitting another increase in the already substantial bank profits, I move, seconded by the hon. member for Oshawa (Mr. Broadbent):

That this House condemns Canada's chartered banks for again taking advantage of the higher interest rates and ripping off Canadian consumers.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1410)

[*Translation*]

IMMIGRATION

ASSISTANCE TO REFUGEES FROM SOUTHEAST ASIA—MOTION UNDER S.O. 43

Mr. David Berger (Laurier): Madam Speaker, under the provisions of Standing Order 43, I ask for the unanimous

consent of the House to move a motion dealing with an important matter of pressing and urgent necessity.

Considering that two families representing the last group of 60,000 Indo-Chinese refugees arrived in Canada are in the House today, I am pleased to move, seconded by the hon. member for Kingston and the Islands (Miss MacDonald):

That the House acknowledge the efforts and the generosity of thousands of Canadians who have helped the families of Indo-Chinese refugees to settle down in Canada.

Madam Speaker: The presentation of such a motion under the provisions of Standing Order 43 requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Motion agreed to.

* * *

[*English*]

ENERGY

CALL FOR NEW ENERGY PACKAGE FOR ALBERTA—MOTION UNDER S.O. 43

Mr. Gordon Taylor (Bow River): Madam Speaker, I rise on a matter of urgent and pressing necessity under Standing Order 43. Whereas oil companies and oil rigs are leaving Canada en masse for the United States, taking capital and jobs with them, while others have already cut back their 1981 budgets, including Ontario steel mills; whereas industries throughout Canada have already slowed down, causing greater unemployment and a lower GNP, and whereas even former Liberals in Alberta, including a former Liberal MP, Dr. Hu Harries, have denounced Mr. Trudeau's energy package, I move, seconded by the hon. member for Calgary North (Mr. Wright):

That this House, before there is a catastrophe too shocking to think of, urges the Liberal government to offer Alberta a complete energy package, including 75 per cent of world prices for conventional oil and world prices for other oils, and the removal of the excise tax on a provincial resource.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

THE ECONOMY

CALL FOR RECISION OF BUDGET AND ENERGY POLICY—MOTION UNDER S.O. 43

Mr. Dan McKenzie (Winnipeg-Assiniboine): Madam Speaker, I rise under the provisions of Standing Order 43. Given the obvious and complete failure of the MacEachen budget and Liberal energy policy to strengthen the Canadian economy and to encourage investment in Canada, as witnessed by reports of billions of dollars of potential Canadian investment flowing south into the U.S. market because of the poor economic climate created by this government, I move, seconded by the hon. member for Red Deer (Mr. Towers):

That this House direct the finance minister to scrap his current budget and energy policy and revert to the Crosbie budget, which was designed to encourage investment in Canada and to strengthen the Canadian economy.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

PENSIONS

CALL FOR INCREASE IN RATE OF PENSION PAID SENIOR CITIZENS—MOTION UNDER S.O. 43

Hon. Stanley Knowles (Winnipeg North Centre): Madam Speaker, under the provisions of Standing Order 43, and seconded by the hon. member for Oshawa (Mr. Broadbent), I move:

That this House recognizes that couples 65 years of age or over have to spend one-fifth of their income on food and, and that food prices are rising at the rate of 14 per cent or 15 per cent, which means that the present system of indexing falls far short of enabling senior citizens to maintain an adequate standard of living, and this House therefore calls on the government to implement its promise to provide help where help is needed by making an immediate increase in the rate of the pension paid to Canada's senior citizens.

Madam Speaker: For presentation, this motion requires the unanimous consent? of the House. Is there unanimous consent.

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

EXTERNAL AFFAIRS

MEXICO—ALLEGED LACK OF CONCERN FOR LIBERTY AND LIVES OF CANADIANS—MOTION UNDER S.O. 43

Mr. Joe Reid (St. Catharines): Madam Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43, and what can be more important than the lives of Canadians? In a press comment last week it was said that last year 785 Canadians were jailed in foreign countries, 426 died abroad, 594 were hospitalized, while others have simply vanished. Some of the worst situations arise in Mexico, but trade consideration, including that of Mexican oil, hamper, hinder and delay inquiries and even the obtaining of simple information as to the whereabouts of those lost Canadians. I therefore move, seconded by the hon. member for St. John's East (Mr. McGrath):

That when the Prime Minister visits the President of Mexico in January of next year, he raise the matter of this disproportionate number of Canadians who encounter detainment, violence and even death in mysterious ways and that he

initiate action which would dispel this country's apparent lack of concern for the liberties and lives of Canadians.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

• (1415)

ORAL QUESTION PERIOD

[*English*]

FINANCE

HIGH INTEREST RATES—PLEDGE TO ENHANCE DIGNITY AND SECURITY OF CANADIANS—GOVERNMENT POSITION

Hon. John C. Crosbie (St. John's West): Madam Speaker, my question is directed to the Prime Minister. The policy of the Liberal party, as expressed last November 6 by the finance critic, is as follows:

The Liberals and I generally want action now to prevent the hardship this Conservative high interest rate policy is creating for millions of Canadians and their families.

The present government's interest rate policy is not different; that has been amply proven in the last nine months. The prime rate at the bank is 15.5 per cent, which is higher than at any time during the nine months we were in office.

My question to the Prime Minister is this. We responded with a small business development bond to help small business, a mortgage and property tax program to help the home owner and an energy tax credit to help lower income people. We helped unincorporated businesses with tax concessions which have been adopted by this government. What is the government going to respond with now that interest rates are higher than they were during our time? What action will the Prime Minister take to help prevent the hardship of this high interest rate situation?

[*Translation*]

Hon. Pierre Bussières (Minister of State, Finance): Madam Speaker, first of all I would like the hon. member to note that the question of interest rates is not one which should be determined to the minute or to the day. It must be examined and analysed regularly. The hon. member must recall the explanations he gave himself in reply to questions asked in this House since he has taken it upon himself to quote people who made some comments at the time when he was finance minister. He must therefore remember the replies he gave, the principles on which he based his answers and his explanations to the effect that interest rates are interrelated to other economic phenomena. In our opinion, these difficult times that we are now going through will be over relatively

quickly because of the medium and long-term action outlined by the Minister of Finance in his budget.

[*English*]

Mr. Crosbie: Madam Speaker, my supplementary question is also addressed to the Prime Minister. This is the only House where you ask a question of Popeye and get the answer from Olive Oyl.

My question to the Prime Minister is this. The fifth plank of the Prime Minister's economic program of last January 12 was, and I quote:

Fifth, the Liberal party commits itself to enhancing the dignity and security of individual Canadians.

That is the fifth plank. He went on to say:

We must endorse the right of every Canadian to have a job.

How is permitting interest rates to increase, permitting unemployment to go to 1,120,000 next year, which is what the Minister of Finance predicts, permitting energy costs to go up, permitting a decrease in the GNP by 1 per cent this year,—going to enhance the dignity and security of individual Canadians? Don't bother referring to the $35 per month increase in the GIS; that is long since gone. When is the Prime Minister going to carry out that commitment and how is he going to carry it out?

[*Translation*]

Mr. Bussières: Madam Speaker, I believe the hon. member is falling into the trap that the Minister of Finance has been able to avoid. He is raising all kinds of problems, be it inflation, unemployment or an ever present recession problem; at the same time, he would like these problems to be solved overnight in a somewhat miraculous way. Obviously, and it is just common sense, unemployment, inflation, interest rates, recession will not be solved all together at the same time; they will be solved through consistent medium and long-term action. In our view, such action is to be directed mainly toward a strong fight against inflation so that in the medium and long range, all Canadians will be better off thanks to an improved economy. It is based also on an economic recovery brought about by the national energy program announced by the Minister of Energy, Mines and Resources. If we refer to the last quarter, some figures on national accounts, we can see that some progress has been made and that the effects of a lessening recession can already be felt.

[*English*]

Mr. Crosbie: These answers are stupefying, Madam Speaker. They are simply stupefying.

• (1420)

I want to address my last supplementary to the Prime Minister. I do not know whether he is annoyed with me or whether he is not interested in the economy. Perhaps he is not interested because it is not a question about the constitution. Nevertheless, could I put it to the Prime Minister again. The Prime Minister made his own personal pledge last January

that he was going to enhance the dignity and security of individual Canadians and endorse the right of every Canadian to have a job. At that time 1979 had come to a close and the average unemployment for the year was 838,000. The average predicted by his minister for next year is 1,120,000, which is an increase of almost 200,000. Do the Prime Minister's election pledges mean anything to him? Do these commitments mean anything? Obviously they do not seem to but I have a large heart and I am willing to give him the benefit of the doubt. Will the Prime Minister explain to me how he is going to carry out these pledges, or will he make any attempt at all to carry them out?

Mr. Paproski: You are sitting on your pledges.

[*Translation*]

Mr. Bussières: Madam Speaker, I think the hon. member is trying to scare the people with a big figure, namely, one million. He should know that the prime basis of a figure is its relativity, that is, its significance in relation to something else. He should also know that our performance since our return to power compared with what he had forecast means that there are more jobs available and that the rate of unemployment has gone down; had we implemented the economic policies he advocated in his budget, we would have many more than one million unemployed; the country would be faced with absolutely staggering rates of unemployment.

* * *

[*English*]

PUBLIC SERVICE

CAFETERIA AND LAUNDRY EMPLOYEES—EQUAL PAY FOR WOMEN

Hon. Flora MacDonald (Kingston and the Islands): Madam Speaker, I have a question for the Prime Minister. I must say it would not surprise me if he does not answer it since he has consistently taken so little interest in this subject. Last January 12, the Prime Minister said:

> We must reaffirm the rights of women and forthrightly say to every employer that women must receive the same wages and benefits as men. There is no place for sex discrimination on the job.

It is now six months since the Canadian Human Rights Commission condemned the federal government and considered it guilty of violating the equal pay provisions in its refusal to grant some 3,000 women employees, mostly laundry and cafeteria workers, equal pay for work of equal value. In light of what the Prime Minister said on January 12 and in view of the Canadian Human Rights Commission condemnation, I ask the Prime Minister—or if he will not answer, then I ask the minister responsible for the status of women or the President of the Treasury Board—when the government will honour the commitments which the Prime Minister made to Canadian women last January. When will the government correct this injustice which is being perpetrated against some 3,000 women employees of the civil service who are cafeteria and laundry workers?

Hon. Donald J. Johnston (President of the Treasury Board): Madam Speaker, as the hon. member knows, this government is firmly committed to that provision. In fact, it was a Liberal government which brought in the provision.

The issue is a very technical one. I have had meetings with Gordon Fairweather and with other representatives of the commission to discuss means whereby this particular dispute can be settled effectively. It is not a simple question of saying, "Let us settle at a particular level", because the group in question is to be compared with another group which has a number of sublevels. One of the issues in the interpretation of that provision is what level is to be selected. Is it the highest level, the lowest level or the median? This is something which has been discussed and negotiated with the commission.

We are looking for guidance from the commission and we are continuing to attempt to settle this dispute, which we acknowledge as a legitimate grievance. There are a number of others that have been raised. Apart from that, we have taken action in Treasury Board to seek areas of abuse so as to ensure that the spirit of that part of the law, section 11 of the Canadian Human Rights Act, can be properly applied.

● (1425)

EQUAL PAY AND BENEFITS FOR WOMEN

Hon. Flora MacDonald (Kingston and the Islands): Madam Speaker, it is the same tired, old excuses when it comes to the government producing equitable solutions for women. I would like to ask a supplementary question. I presume the Prime Minister will not answer, so I will direct it to the minister responsible for the status of women. Last month the Advisory Council on the Status of Women produced a report which showed that, after five years of the so-called equal opportunities program of the government, the scientific and professional category of public servants, those in the higher paid jobs, now has a higher percentage of men than five years ago, whereas in the administrative support category, the clerks and secretaries who are at the lowest end of the salary scale, there is now a higher percentage of women than five years ago. In other words, the situation with regard to pay scales is getting worse for women rather than better.

I would like to ask the minister responsible for the status of women when he or any member of the government is going to honour the commitments made last January by the Prime Minister so that women can receive the same pay and the same benefits as men.

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, I would tell the hon. member we are already in the process of honouring that commitment by establishing the affirmative action program for the public service which was announced last July. The results of that affirmative action program are to establish very clear directions to government departments by which they can make sure there is equal opportunity, and to bring about any changes in

regulations, legislation, training or hiring programs to ensure there is equality of access, opportunity and treatment. That step began last July. The first phase is already completed in terms of hiring and putting in place affirmative action counsellors in each of the departments. We are now proceeding to the second phase of the operation.

Miss MacDonald: Madam Speaker, the announcement at the time the government tiptoed into the affirmative action program was that there would be three distinct stages in the development of the affirmative action strategy. Those three stages were analysis, policy review and planned development. Does the minister realize that women have been analysed, policy reviewed and plan developed to death? Those things have been going on year after year with no noticeable improvement. We are not asking for more review, analysis and planned development, but action, and we want to know from the minister when this action is going to take place.

Mr. Axworthy: Madam Speaker, I will be pleased to take the opportunity to explain the affirmative action program to the hon. member because it is quite obvious that she has not looked at the details of that managerial operation.

Miss MacDonald: I have read it.

Mr. Axworthy: It is a very sophisticated managerial tool.

Some hon. Members: Oh, oh!

Mr. Axworthy: Members of the NDP may not think so because simple minds see things in simple ways. The fact is that it is a very important step forward, one that has been recognized by most women's organizations in this country as something that is long overdue. We intend to proceed with that program in a deliberate and proper way, and not be pushed into it by these kinds of remarks by the hon. member opposite.

* * *

FINANCE

REQUEST FOR ACTION TO REDUCE INTEREST RATES

Mr. Edward Broadbent (Oshawa): Madam Speaker, I have a question for the Prime Minister. I will preface it by saying that unless the Prime Minister answers questions in this House of Commons, there is no point at all in his coming here for the question period.

Some hon. Members: Hear, hear!

Mr. Broadbent: On Friday, in reply to a question from a journalist on the escalating cost of food, the Prime Minister said that Canadians would have to "switch priorities and spend a bit more on food". Food prices are forecast to go up more than 14 per cent next year, which is what they went up this year. Farm income is going to go down. A good reason for that is that interest charges paid by farmers will go up by more than 20 per cent, and this increase is automatically passed on, understandably, to the consumer. I would ask the Prime Minister, who is busy advising Canadians what to do about switching priorities, if he will do the same and take some direct action now to bring down the level of interest rates.

• (1430)

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I want to tell my hon. friend, the Leader of the New Democratic Party, that I cannot accept his advice about not being here simply because I have not answered a couple of questions. They were answered perfectly well by the relevant ministers.

Some hon. Members: Hear, hear!

Mr. Trudeau: The Leader of the New Democratic Party should know, and if he does not he should look up his files, that we have a minister of state for economic affairs who speaks for the Minister of Finance when he is not here, and we have a minister responsible for the status of women who answers questions on that subject. We have a President of the Treasury Board who is responsible for the employees hired by the federal government. Therefore, I do not accept his enjoinder that I have to answer all questions in this House.

Some hon. Members: Hear, hear!

Miss MacDonald: Who made the statement?

Mr. Broadbent: Madam Speaker, the point is that the Prime Minister has not answered any questions. The Prime Minister has general responsibility for the Government of Canada. When a member of the opposition, whether a member of this party or the Conservative party, raises a question for the Prime Minister, he should have the courtesy to answer the question.

Some hon. Members: Hear, hear!

Mr. Broadbent: Since the Prime Minister had, in my view, the presumption to tell Canadians what to do in terms of organizing their family budget, as he did on Friday when he said they should switch their priorities and spend a little more on food, could he tell us how those who are on fixed incomes, those who are living at the poverty level, can be expected to carry out his advice?

Mr. Trudeau: Madam Speaker, when the hon. member lectures me on courtesy, I want to point out to him that it would be a courtesy to the ministers in this cabinet and who are assigned special responsibilities to have the questions relevant to their departments or their responsibilities addressed to them. That would be a courtesy on the part of the New Democratic leader.

Some hon. Members: Hear, hear!

Mr. Crosbie: It is your statement, Pierre.

Mr. Broadbent: Madam Speaker, there is no particular criticism of the relevant ministers. In this case the relevant

ministers are in fact answering the questions. We may not agree with them but at least they have the courtesy to answer.

The question I put to the Prime Minister concerns a quotation from him. Since he has the presumption to advise the ordinary Canadian how he or she should change his or her family budget, could he tell us today if he knows the price of a pound of butter, does he know the price of a loaf of bread, does he know the price of a dozen eggs in downtown Ottawa where he presumably does his shopping?

Mr. Trudeau: Madam Speaker, the hon. member may have had a quotation from me. I take it this exchange began because he told me there was no point in my coming here if I were not going to answer all questions addressed to me. In that sense, as far as the latter part of the question is concerned, it is of a statistical nature and the hon. member knows it is against the rules to ask statistics of a minister.

INQUIRY RESPECTING ASSISTANCE TO PENSIONERS AND LOW-INCOME CANADIANS

Hon. James A. McGrath (St. John's East): Madam Speaker, when the Prime Minister gave advice to Canadians on Friday last, he said that if they wanted to maintain the same level of food on their tables they should reduce spending in other areas. What advice is the Prime Minister prepared to give to the one million unemployed Canadians whose budget is taken up by food costs, shelter costs and fuel costs? They have no other areas where they can cut back. We already know that over half of the guaranteed income supplement increase of $35 to old age pensioners is gradually being eaten up by fuel cost increases and food price increases. What advice does the Prime Minister have for the low-income Canadians and the old age pensioners of this country who have no other place to go? They have no other areas where they can cut back.

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the hon. member makes much of the answer I gave to the question put to me the other day about increased prices of food. I take it he himself knows it is a common sense matter when you have a set budget to spend more or less of it on the aspects which are more necessary to your daily life, and this happens all the time. I am sure the hon. member practises this particular policy, as does everyone, so there is nothing surprising in that advice.

Mr. McGrath: Madam Speaker, the Prime Minister seems to forget we are not talking about the average Canadian. We are trying to make the case in this House for the million unemployed Canadians who have to get by on welfare or unemployment insurance and for the old age pensioners of this country whose incomes are being eaten up, indexing notwithstanding, by inflation and increased fuel prices. Let me ask this. On November 6, 1979, at page 1017 of *Hansard,* when the Minister of Employment and Immigration was in opposition, he said:

> —if there is a requirement to raise interest rates, there is an equal requirement to help those people who are hurt by those interest rate increases.

That was the advice given by the present Minister of Employment and Immigration last November. I ask the Prime Minister what steps the government intends to take to offset increasing interest rates in this country which will increase unemployment, which will increase food costs and which will make it virtually impossible for low-income earners, the unemployed and the old age pensioners of this country to keep an adequate diet on their tables and enough fuel in the furnace to keep themselves warm? What advice does he have for these people?

Mr. Trudeau: Madam Speaker, the member asks about what steps are being taken regarding pensioners. I remind him again that we have increased the old age pension, the guaranteed income supplement, by $35 a month.

An hon. Member: It's all gone.

Mr. Trudeau: The hon. member says it is all gone. It is a monthly cheque and it cannot be spent in advance. The hon. member asks what we are going to do to help them put fuel in their furnaces. Let me tell the hon. member, and perhaps even the noisy New Democrats, that we have a policy which is before the House now and which was put forth before the budget to make sure that fuel prices do not increase in an unacceptable way. If we only had the support of the hon. members opposite, that policy could be implemented very quickly rather than go to the kind of prices for fuel that their budget was going to impose, not only on old age pensioners but which would have literally crippled the economy if we followed the course proposed by another member opposite.

* * *

REGIONAL ECONOMIC EXPANSION

INQUIRY RESPECTING GOVERNMENT ACCOMPLISHMENTS

Hon. Elmer M. MacKay (Central Nova): Madam Speaker, may I try the Prime Minister with another quotation from his well-known speech in Toronto. I will quote very briefly from page 6:

> We must increase the economic might of Canada by strengthening each of the regions. We will make the big projects happen, whether they be developing the fishery in the Atlantic, rebuilding the railways in the west, developing new manufacturing strength in Ontario and Quebec, or expanding British Columbia's resource and trade potential. We need a national government that builds up rather than tears down.

Could the Prime Minister tell the House very briefly of any tangible accomplishment he and his administration have accomplished in this regard since he returned to office, other than the negative ones which have seen an exodus of people, investment and companies from this country?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the hon. member asked for tangible evidence. I refer him to the budget speech of a couple of months ago where he heard that the government plans to see some $15 billion spent over the next few years on the big projects of which he talks. This, of course, would call for the support of this House to

get the budgetary measures through. This $15 billion, if he looks at the budget speech, is to be spent in all parts of Canada. There is $4 billion specifically earmarked for the west, and the rest is for various projects related directly or indirectly to energy, from the Atlantic to the Pacific, which would create jobs, make Canada self-reliant in energy and permit this economy to bounce ahead. But we would need not the negative approach of the opposition but a constructive belief in Canada and support for this budget, and that is what I ask for.

● (1440)

Mr. MacKay: Madam Speaker, we in the opposition would be pleased to support the government if it brought forward anything tangible and worth while. It is interesting to see the government try to blame its own inadequacies on someone else again.

The Prime Minister said that he wanted to strengthen the regions. He promised to do that, but in Nova Scotia the fishing fleet is under pressure. It is said that its operations will be curtailed next year because of government policy. CN is retrenching its operations. The business plan for Sydney Steel has not been approved, and in Newfoundland unemployment insurance accounts for one-twelfth of the personal income of that province as opposed to one-fortieth in the rest of Canada.

I respect the Prime Minister's preoccupations, but would he not agree, using mature and other reflective qualities, that perhaps his preoccupation with the constitution, and that of his government in this regard, has operated to the detriment not only of development of the regions but also of the economic thrust for the entire country? I do not want the Prime Minister to abandon totally his constitutional tasks, but would he not agree that it would be far more sensible for him to pay a little more attention to the management and guidance of the economy of this country so that he could fulfil some of the promises he made in such a definite way with his campaign rhetoric which many months later have not yet even begun to be fulfilled?

Mr. Trudeau: Madam Speaker, the hon. member talks about our preoccupation with the constitution. I have said repeatedly in this House and elsewhere that we would like to get the matter behind us. If it had not been for the stalling and procrastination of the hon. member's party, we would be on to other things now. Indeed, we could be moving forward with some of the projects to which I referred.

The hon. member asks what are tangible and worth-while projects. Let me talk to him about the Montreal-maritimes pipeline. We have been trying to build the first leg of that but we have not been able to get the co-operation of the government of Quebec. The pipeline was supposed to begin last spring; we will not be able to begin it until next spring. This is not the fault of the federal government. It is because—

Mr. Paproski: Blame it on the provinces.

Mr. Trudeau: Now the hon. member for Edmonton North wants to get into the act. I will gladly deal with him later.

* * *

HOUSE OF COMMONS

PRESENCE IN GALLERY OF SPEAKER OF LEGISLATIVE ASSEMBLY OF NORTHWEST TERRITORIES

Madam Speaker: I draw the attention of the House to the presence in our gallery of Mr. Donald Stewart, the speaker of the legislative assembly of the Northwest Territories.

Some hon. Members: Hear, hear!

* * *

FINANCE

HIGH INTEREST RATES—GOVERNMENT POSITION

Mr. Lyle S. Kristiansen (Kootenay West): Madam Speaker, in the absence of the Minister of Finance responsible for exorbitant interest rates, my question is directed to the Prime Minister, who presumably shares that responsibility.

In a prepared and prophetic speech delivered to a *Financial Post* conference on July 10 of this year, the Minister of Finance solemnly concluded that he himself found, and I quote:

—some affinity for the Keynes who wrote: "But beware! The time for all this is not yet. For at least another hundred years we must pretend to ourselves and to everyone that fair is foul and foul is fair; for foul is useful and fair is not. Avarice and usury and precaution must be our gods for a little longer still."

In view of the avaricious and usurious interest rates now prevailing as a result of this government's action—or, rather, inaction—was the minister's Macbethian-sounding witches' prophecy of toil and trouble a simple short-term economic forecast, or was it rather a clear and definitive statement of long-term Liberal government policy?

[*Translation*]

Hon. Pierre Bussières (Minister of State, Finance): Madam Speaker, I would certainly not want to mix poetry and prophecy to the cruel and hard realities of the economy.

As I have just said in answer to another question, the situation with respect to interest rates is temporary and congruent with the present economic climate in North America.

All parliamentarians and all economic agents must support the government in its fight against inflation and promote a climate which will allow us progressively to achieve economic recovery. All other factors in the economy will adjust accordingly, and interest rates will return to more acceptable levels.

[*English*]

Mr. Kristiansen: Madam Speaker, that is more boil and bubble than toil and trouble, but toil and trouble is obviously all that thousands of Canadian home builders, woodworkers

and mortgagees who are caught by the rise in this government's interest rates can expect from the government.

My supplementary question is again directed to the Prime Minister in the absence of the Minister of Finance. When will the Prime Minister, the Minister of Finance and the government stop this act from Macbeth and quit trying to wash their hands of responsibility for the tragic results of their misdeeds?

Specifically, will the Prime Minister and the government now agree to free the Canadian dollar, take positive and decisive action, including action to make mortgages available from financial institutions at affordable rates, and stop this ruinous rise of interest rates, consequent foreclosures and resultant unemployment before this Shakespearian tragedy unfolds any further?

[*Translation*]

Mr. Bussières: Madam Speaker, the hon. member should have realized by now that the government does not use Canada and its economy as a sort of laboratory to test far-out economic theories. Our objective is to fight against inflation. The budget has mapped out the ways to achieve economic recovery, and with the support of the House and of the Canadian people as a whole, we will indeed achieve our objective and look forward to better times ahead as the economy regains its strength.

* * *

[*English*]

INDUSTRY

SPEECH OF PRIME MINISTER IN TORONTO—EFFECT OF BUDGET ON INDUSTRIAL DEVELOPMENT

Mr. Bill Domm (Peterborough): Madam Speaker, my questioning follows along the line of questioning of the hon. member for St. John's West and deals with that infamous speech of the Prime Minister.

I would like to ask the Prime Minister a question in two parts. In his speech of January 12 the Prime Minister gave as one of five promises the promise to bring economic stability to Canada by developing industrial policies. Point three in the Prime Minister's speech was to develop industrial policies which will provide jobs and spur growth.

My question is in two parts. First, before the Prime Minister passes the question on to someone else, did the Prime Minister write the speech? Did he produce this document? If he did produce this seven-page document on economic growth for Canada, would the Prime Minister please respond to this. In the area of central Ontario, and Peterborough in particular, Canadian General Electric is losing business. Would the Prime Minister please tell us what is in the budget which spurs economic and industrial development growth in central Ontario? What is in it which will create a lessening of unemployment? What is in the budget speech which will address point three, economic growth?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, it is paradoxical that the hon. member asks me if I wrote the speech just after a long question asked by Mr. Shakespeare. I will tell the hon. member who prepared my speech if he tells me who prepared his question.

Some hon. Members: Hear, hear!

Mr. Domm: Madam Speaker, I am delighted to advise the Prime Minister that I personally prepared the question.

Some hon. Members: Hear, hear!

Mr. Domm: I will read the supplementary question, which I prepared, to the Prime Minister. In a recent policy statement on energy by the government of Ontario, the deputy premier of Ontario said that Ontario needs seven tar sands plants. If the Prime Minister is going to help the Premier of Ontario and the government of Ontario, why is he cutting three tar sands plants down to one through lack of a budgetary program which will initiate incentive? Why is he doing that rather than answering the premier and the government of Ontario when they say that they need seven to create jobs, employment and a good economic climate? I made the question up; let the Prime Minister try to answer it.

Mr. Trudeau: Madam Speaker, if the hon. member wrote that question, I must congratulate him. He should be sitting on the front bench instead of the comic character from Newfoundland.

Mr. Crosbie: Where should you be? You won't answer questions.

• (1450)

Mr. Trudeau: Madam Speaker, the hon. member does not seem to realize that we have not cut the tar sands. On the contrary, our budget and our energy policy are predicated on the importance of the tar sands projects going forward. As the Minister of Energy, Mines and Resources has said repeatedly in this House, it is the Premier of Alberta who refuses to come to an agreement on the tar sands, for reasons best known to him, and this is an absolute—

Mr. Crosbie: That is false.

Mr. Trudeau: The hon. member says this is false. It is the premier himself who said that. If the hon. member thinks the premier is taking a falsehood out on him, he should blame the premier, not me.

* * *

SUPPLY AND SERVICES

PATROL FRIGATE PROGRAM—INQUIRY WHEN CONTRACT DEFINITION PHASE WILL TERMINATE

Hon. Allan B. McKinnon (Victoria): Madam Speaker, my question is for the Minister of Supply and Services who issued a press release today indicating that Scan Marine and Saint

John Shipbuilding are the winners for the contract definition phase for the Canadian patrol frigate. I must say I am surprised and disappointed that the minister did not take the more honourable position of raising this on motions today. Would he now tell us when the contract definition phase will end?

Hon. J.-J. Blais (Minister of Supply and Services): Madam Speaker, the time that is foreseen in terms of the contract definition phase is approximately 15 months. There will be a period of six months required for the negotiation of the contract with the two successful bidders who will be participating in that phase. I would point out to the hon. gentleman that I am very optimistic that the program will be completed and that the first ship will be delivered in 1987 as initially planned.

Mr. McKinnon: Madam Speaker, the first ship was to be delivered in 1986, not 1987.

As Cantec, or Vickers Canada, as it is also known, has been dropped again from the short list, could the minister explain why it has been put on the list after it had been dropped by the Conservative government? This means that it has been dropped once, put on again and then off again. This has resulted in a delay of one year. Can the minister tell us why, in going through the list, he went through this rather fruitless exercise during the past nine months of putting them back on, only to drop them again, unless it was so the department could stretch the program out and find some money for it?

Mr. Blais: Madam Speaker, I do not recall the previous government having announced any successful bidders. I recall that there was a short list of three which had been identified, but the hon. gentleman was minister of national defence at that time and he is privy to what occurred in those days. However, I do not recall any official statement to that effect. He will recall that in March, after we came into office, we included in the Speech from the Throne a provision which indicated that we would use the procurement dollars in order to maximize Canadian content. As a result, of course, in June of 1980 we requested the participants on the short list to attempt to repair their bids in order to maximize their own offer so as to ensure an increased Canadianization of the contracts and the contract definition stage. In my humble estimation, we were successful in doing that.

* * *

NATIONAL DEFENCE

F-18A FIGHTER AIRCRAFT—RENEGOTIATION OF CONTRACT

Mr. J. M. Forrestall (Dartmouth-Halifax East): Madam Speaker, may I preface my remarks by saying that that is a bunch of nonsense and the minister knows it.

May I ask the Minister of Supply and Services, through you, Madam Speaker, a question based on one put to the Parliamentary Secretary to the Minister of Supply and Services last Friday. The Leader of the Opposition asked, as reported at page 5402 of *Hansard*, in reference to the CF-18A program and reports emanating from the United States about the review of that program—

—whether the official view of the Government of Canada is that the arrangement can be renegotiated?

I put that question to the Minister of Supply and Services given the seriousness of the reports emanating from the United States.

Hon. J.-J. Blais (Minister of Supply and Services): Madam Speaker, I am somewhat concerned about the negative attitude which the hon. gentleman took with regard to the announcement on the frigate program. I thought that he would have been the first one to recognize that this announcement will be very helpful to the shipbuilding industry in Canada, a large portion of its activities being in the hon. gentleman's region.

Having said that, I would indicate that in terms of the CF-18 contract there is no need to renegotiate nor any intention to do so. I might point out to the hon. gentleman that he might want to get a copy of that contract from the hon. member for Victoria, in which he will see that that contract as negotiated at present is one of the better opportunities we have had in terms of military procurement in the recent past.

Mr. Forrestall: Madam Speaker, my question to the Minister of Supply and Services was whether or not the minister believes that that contract can be renegotiated. Will the minister respond to that question? With respect to the frigate program, the government has been procrastinating and delaying ad nauseam. With respect to the CF-18 program, can the minister respond whether he can renegotiate that contract?

Mr. Blais: Madam Speaker, I would point out to the hon. gentleman that the reply which I gave to the hon. member for Victoria was justification for requesting the three short list competitors to repair their bid to maximize Canadian content. We are dealing here with a technology, a weapons system, which we want to be the state of the art once production is secured. I would urge the hon. gentleman to offer us every possible assistance in order to achieve that.

In terms of the CF-18 program, as I pointed out to the hon. gentleman, there is no need to renegotiate it. We are satisfied that the contract is a very good one, that the delivery dates will be met, and that the target prices which have been determined in the contract will be satisfied.

* * *

AUTOMOTIVE INDUSTRY

FUTURE EMPLOYMENT PROSPECTS—MEASURES TO STIMULATE DEMAND

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, I should like to ask a question of the Prime Minister, if I may. I know the Prime Minister is aware of the fact that the auto industry accounts for close to 17 per cent of the employment opportunities in the province of Ontario and that its future

depends to a great extent on consumer confidence and demand. The recent high interest rates have undermined that confidence and contributed significantly to the quite unacceptable unemployment levels in that industry and in other related industries.

Can the Prime Minister say whether or not his government has in mind policies which can guarantee that the almost 20,000 people who are unemployed in the Windsor area, and others unemployed across the province, will return to work some time within the next three months? Second, would the Prime Minister consider, as leader of the federal government, initiating meetings with the various provinces, with the banks and with the industry involved, in an effort to establish a joint program which would stimulate consumer demand, such as perhaps sales tax cuts, interest rate rebates or industry rebates to consumers of automobiles, in order that we can attempt to get that industry back on its feet?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, this is obviously a question for the Minister of Industry, Trade and Commerce who, unfortunately, is ill either in the hospital or at home. I will be glad to make note of the question on his behalf. With regard to consumer demand, I would point out to the hon. member that the statistics revealed today by Statistics Canada indicate that in the third quarter there has been a rise in consumer demand—

An hon. Member: You are using statistics now.

Mr. Trudeau: Yes, Madam Speaker. There has been a rise in consumer demand—

An hon. Member: What is the price of butter?

Mr. Trudeau: —and we just hope that this is the beginning of a recovery which will last.

ASSISTANCE TO WORKERS IN WINDSOR AREA

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, I should like to direct my supplementary question to the Minister of Employment and Immigration. Given that the Prime Minister has not been able, as yet at least, to give some assurance that the programs which are in place, or for that matter any programs which may be put in place, will guarantee the return to work of the workers in the Windsor area and across the province, can the minister indicate why until this time there has been no TAB program brought in by this government, why until this time the government has gone from the shorter waiting period for workers in Windsor to the normal waiting period, and why there is no supplemental benefit program available to those workers in view of the fact there is no hope that they will return to work immediately, given that they still have to pay their bills, and also given that we hope they will remain in the Windsor area so that they can some day return to work in the auto industry and produce automobiles for people here in Canada?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, I would point out to the hon. member that at present well over 95 per cent to 96 per cent of the workers laid off in the auto industry in the Windsor area are totally covered by unemployment insurance and that most of those workers whose premiums or benefits have run out will immediately be able to qualify for the re-engagement of those benefits.

Second, within the budget announcement made by the Minister of Finance, he put forward the proposal for a $350 million adjustment program which will both stimulate the economy in areas where industries are declining as well as provide additional benefits to workers. Those programs are now being developed in consultation with business and the unions. We hope to make an announcement very shortly on the results of those discussions.

* * *

● (1500)

INQUIRY OF THE MINISTRY

Hon. George Hees (Northumberland): Madam Speaker, I should like to direct a question to the Prime Minister. It concerns the exchange which took place at the beginning of the question period between himself and the Leader of the NDP. As there is nothing sadder than a beautiful relationship which ceases to exist, would the Prime Minister tell us when it was that the love affair between the government and the NDP ended; and does he see any chance of reconciliation in the near future?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, there is nothing like a father figure to help that come about, and I rely on the hon. member to do it.

Some hon. Members: Hear, hear!

* * *

AGRICULTURE

REPORTED DIOXIN CONTAMINATION OF ONTARIO CHICKENS

Mr. Al MacBain (Niagara Falls): Madam Speaker, my question is directed to the Parliamentary Secretary to the Minister of National Health and Welfare. According to press reports, a leaked government study indicated that there are high levels of dioxin in Ontario-raised chickens. Can the parliamentary secretary comment on the truth or otherwise of these reports and the possible source of the dioxin, in the event the reports are true?

Mr. Doug Frith (Parliamentary Secretary to Minister of National Health and Welfare): Madam Speaker, in reply to the question of the hon. member for Niagara Falls, in November 1979 the department found the presence of dioxin in chicken livers. It took that opportunity to inform its provincial counterparts. As a result of that a special federal-provincial task force was set up to investigate the use of pentachloro-

phenol, which is apparently used in the treatment of wood. The wood chips are purchased by farmers to be used as bedding in chicken operations; apparently this is the source of the dioxin.

As a result of this special task force, recommendations are now being made and are being studied. As well, the Department of National Health and Welfare and the Department of Agriculture are conducting further tests on the effects of dioxin on meat and poultry. At the same time we have asked the chemical industry to investigate the possibility of using some chemical other than pentachlorophenol in the treatment of wood. With those recommendations in mind, we hope to have some solution to the problem.

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PRIVILEGE

MR. KNOWLES—INCORRECT PRESS REFERENCE TO AGE

Hon. Stanley Knowles (Winnipeg North Centre): Madam Speaker, I rise for a moment on a question of personal privilege. It was drawn to my attention just a short while ago that there is a story in today's edition of the Ottawa *Citizen* concerning the manner in which we as House leaders eluded the press the last time we held a meeting. I do not object to that part of the story, but there are some things which should be kept correct. The story refers to me as "a 68-year old veteran MP". Not only was the press unable to keep up with us, but that writer is four years behind. I am 72.

Some hon. Members: Hear, hear!

ROUTINE PROCEEDINGS

[*English*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 308, 1,215 and 1,735.

[*Text*]

TREASURY BOARD CIRCULAR

Question No. 308—**Mr. Herbert:**

1. Does Treasury Board circular number 1979-20 dated July 27, 1979, state "... a project manager shall be appointed for each project which may require contract or project approval by the Treasury Board."?

2. How many such project managers, by province of location of contract, have been appointed since the issuance of the circular?

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): 1. Yes.

2.

	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta	B.C.	N.W.T.	Yukon
Agriculture Canada			1	1		4			2	2		
Consumer and Corporate Affairs Canada						1						
Canada Employment & Immigration Commission	2			1	1	1						
Energy, Mines and Resources	1				1	1		1				
	(One, location of project—Quebec and Ontario)											
Environment Canada	1	2	2	2	9	18	1		13	7		1
External Affairs	(Thirteen project managers have been appointed to administer the 25 projects initiated by the bureau of physical resources. The projects initiated by the bureau are for contract activities outside of Canada).											
Canadian International Development Agency				3	21	19	3	1	4	5		
Fisheries and Oceans	4		2		2	1				3		
Indian Affairs and Northern Development		2	1	3	8	55	8	13	8	8	2	5
Industry, Trade and Commerce						8						
Metric Commission Canada						2						
National Defence						1						
National Health and Welfare	(One, director, special projects team, located in the national capital region. The project in question covers the decentralization of Canada Pension Plan claims and benefits processing operations, to eight provincial capitals (excluding Ontario and Quebec).											

	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	N.W.T.	Yukon
National Library						1						
National Research Council	The NRC has named from within NRC, 37 project managers for 79 contracts distributed as follows:											

Nfld.	1	Man.	2
N.S.	1	Sask.	1
P.E.I.	1	Alta.	4
Que	10	B.C.	5
Ont	52	Other Countries	2

2.

	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta	B.C.	N.W.T.	Yukon
Public Service Commission						2						
Public Works Canada	1		2	2	11	22			3	2		
Regional Economic Expansion	(One project manager for all prairie farm rehabilitation administration).											
Solicitor General						1						
Correctional Service of Canada						32						
Royal Canadian Mounted Police						2						
Supply and Services	(One location of project—all provinces except Quebec)											
Transport Canada	3	1	2	1	8	43			9	11	4	2
Veterans Affairs							1		1			
Other Departments and Agencies	None.											

EXPORT DEVELOPMENT CORPORATION—ANNUAL REPORT

Question No. 1,215—**Mr. Cossitt:**

1. Was the 1979 Annual Report of the Export Development Corporation published and, if so (a) how many copies were printed (b) was it printed by the Department of Supply and Services and (i) if so, what was the total cost (ii) if not, who printed it and at what cost?

2. Was the unit cost approximately $4.87 and (a) if so, is the government aware that figures compiled by a Toronto business authority in January 1980, declared the unit costs of the average private corporations' annual report was $1.50 to $2.00 per unit and, if so, in what way was the difference accounted for (b) if not, what was it?

3. Were tenders for the printing of the report (a) invited and, if so, what are the names of all those invited including the amount of their bid (b) called for by advertisement and, if so, what are the names of all those who responded including the amount of their bid?

Hon. Ed Lumley (Minister of State, Trade): In so far as Export Development Corporation is concerned: 1. Yes.

(a) 32,000

(b) No

(i) N/A

(ii) M.O.M. Printing—$127,555.32

2. Yes.

(a) and (b) No; but the Annual Report of Export Development Corporation performs more functions than does the report of an average private corporation; it is designed for export development, to show potential markets to businessmen and to inform the business community of the financial facilities available for exporters. To that end a large number of copies are printed and widely distributed.

3. (a) Tenders were invited from the following:

M.O.M. Printing,
300 Parkdale Avenue,
Ottawa, Ontario

National Printer (Ottawa) Ltd.,
1980 Merivale Road,
Ottawa, Ontario

Herzig Somerville Ltd.,
42 Hollinger Road,
Toronto, Ontario

The amount of the individual bid is information that is commercially confidential. The contract was awarded to the lowest bidder.

(b) N/A.

NATIONAL DEFENCE—ELECTRON TUBES

Question No. 1,735—**Mr. McKinnon:**

Did the Department of National Defence place a $77,029 order for electron tubes with Denlen Electronics Corp. (International) Ltd. under contract number 6PX.2750190 and, if so, (b) in what location will the tubes be manufactured?

Hon. J.-J. Blais (Minister of Supply and Services): (a) Yes.

(b) San Carlos, California, USA.

It should be noted that these tubes are manufactured exclusively by Litton Industries in their plant at San Carlos, California and Denlen Electronics is the exclusive Canadian supplier of Litton tubes.

* * *

[*English*]

QUESTION PASSED AS ORDER FOR RETURN

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, if question No. 764 could be made an order for return, the return would be tabled immediately.

[*Text*]

TRANSPORT—CONSULTANTS UNDER CONTRACT

Question No. 764—**Mr. Shields:**

Since August 1, 1978, how many (a) administrative (b) policy consultants were under contract to the Department of Transport and/or any boards, commissions or corporations reporting to the minister and, in each case, what amount was paid to them?

Return tabled.

[*English*]

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

Madam Speaker: The questions enumerated by the parliamentary secretary have been answered. Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

Madam Speaker: Pursuant to Standing Order 54, I do now leave the chair for the House to go into Committee of the Whole.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

APPROPRIATION ACT NO. 2, 1980-81

The House resumed from Friday, December 5, consideration in committee of Bill C-47, for granting to Her Majesty certain sums of money for the Government of Canada for the financial year ending March 31, 1981—Mr. Pinard—Mr. Ethier in the chair.

The Deputy Chairman: Order, please. House again in Committee of the Whole on Bill C-47, an act for granting to Her Majesty certain sums of money for the Government of Canada for the financial year ending March 31, 1981.

When the committee rose on Friday, December 5, Vote No. 1 under the Department of Employment and Immigration was under consideration, and the hon. member for Calgary West had the floor. The Chair has been informed there was an understanding between the parties, since the minister will be absent for the beginning of the debate, that the hon. member for Calgary West will forgo his turn to speak now, as long as he is recognized after the hon. member for Notre-Dame-de-Grâce.

DEPARTMENT OF EMPLOYMENT AND IMMIGRATION:
Vote No. 1

Mr. Allmand: Mr. Chairman, as chairman of the parliamentary Task Force on Employment Opportunities for the '80s, I should like to report briefly to the House, to the minister and his officials what the task force has been doing since its appointment last June and what has been told to us about employment problems in the country. Obviously, in making this informal report to the House I am not speaking on behalf of the special committee. What I will be saying very often will be opinions which have been told to us and on which we have not yet made a decision or recommendation.

As hon. members know, the special Task Force on Employment Opportunities for the '80s was established by Parliament on May 23, 1980, and its membership was appointed on June 4. There are seven members on the task force, four from the government and three from the opposition. The three members from the opposition include the chief critics of the Conservative party and the New Democratic Party. These seven members are very well distributed among the regions of the country, with two from the west, two from Ontario, two from Quebec, and one from the Atlantic region.

In setting up a task force of members of Parliament on these problems, it was hoped that we would have a different approach to these problems than many of the task forces, commissions and study groups established internally by ministers over the years. As I see it, one of the great advantages of a task force of members of Parliament is that once they make their report to Parliament and to the government, the members will still be in the House putting questions to the minister with respect to its implementation.

As hon. members know, when other task forces are established of experts and academics from outside, they are dispersed once they have made their reports and cannot follow up in the same manner as members of Parliament.

The mandate of the task force, in a nutshell, was to examine the situation in Canada where, on the one hand, we have unacceptable high levels of unemployment, and on the other hand, growing critical shortages of skill trades, critical skill shortages both in the blue collar and white collar areas. In examining that problem we are making a critical analysis of our manpower policies, our training and retraining programs, and our labour mobility programs.

We started our hearings within one week of our appointment, and during the months of June and July we heard many of the national associations and groups here in Ottawa: the Canadian Labour Congress, the Economic Council of Canada, the Canadian Manufacturers' Association, and so on.

• (1510)

During the month of August and early September members of the task force met privately with provincial governments with respect to these problems. As members know, this is a field which is jointly shared between the federal and provincial governments and, consequently, we felt it extremely important to consult with the provincial governments in order to let them know that we do not intend to tread into their jurisdiction but that we felt we wanted to explore the area completely. Those meetings with the provinces are completed, except for the province of Quebec, with which we have not yet been able to set a date.

The committee then undertook its travels on the road. Up until this point we have had hearings in Newfoundland, Nova Scotia, Prince Edward Island, New Brunswick, British Columbia, Alberta, Manitoba and Saskatchewan, and in the Jonquière-Lac St. Jean area of Quebec. We were obliged to suspend the balance of our hearings scheduled for Quebec and Ontario because of the early recall of Parliament and the fact that there were so many other important matters taking place here, such as the budget, the energy policy announcement and the constitutional proposals. So, from the point of the recall of Parliament, we have been holding meetings here in Ottawa and we have been receiving many views.

I want to say something about the views, suggestions, recommendations and criticisms which have been coming to us via the various groups, and individuals who have appeared

before us. To begin with, I wish to confirm in a most emphatic way that all witnesses felt we are in the midst of serious critical shortages with respect to skilled workers. These shortages will become worse leading up to 1985. Many people feel if important steps are not taken this year and next to turn around what is taking place, we will seriously impair the productive capacity of the industrial and service sector of this country. As a matter of fact, some witnesses have already reported to us that they have had to refuse orders and that they have had to withhold expansion. Some employers have had to close down wings of their plants or their businesses because they cannot find the skilled workers required to do the work which is necessary. Several reasons have been given for these serious, critical, skill shortages.

In a time when there is relatively high unemployment, some of the reasons given are the following. It has been pointed out to us time and again that whereas in the 1960s and 1970s we were dealing with the baby boom of the 1950s, we are now, in the 1980s, beginning to feel the results of the serious curtailment in the birth rate which started in about 1960. And, whereas we had large numbers of people coming into the labour market in the 1970s, it is pointed out that this will gradually decline as we go into the 1980s and the shortages will become more acute.

Second, the terrible record Canadian employers have, both in the industrial and other sectors, in training their own workers, has been mentioned to us time and again. The Canadian Manufacturers' Association, in a refreshing brief put before us, were very critical of their own members in pointing out that less than 20 per cent of the members of that association actually did any training on the job for skilled workers required by their own companies. They said this was a deplorable situation and must be turned around as quickly as possible.

The reason many of these companies have not done the training in the past, in Canada, is because it was much cheaper for them to go to western Europe or the United States to obtain skilled workers trained in those countries. The situation now is that those countries, the countries of western Europe, those in the common market as well as those which are not in the common market, and the United States, are also faced with a declining birth rate. Also, they are fortunate enough to have very improved conditions in those countries so that it is now extremely difficult for Canadian employers to get the kind of skilled worker they got in the past from those countries.

The last reason which has been given to us deals with the rather negative attitudes which have developed in this country since the Second World War with respect to blue collar work. These are attitudes which have been expressed in a way that almost any kind of white collar work is superior to blue collar work, and that blue collar work is in some sense dirty work whereas white collar work is clean work. This has resulted in many parents encouraging their children to take jobs as clerks in offices rather than to take up some apprenticeship or skilled trade, which very often is much more necessary to society, is honourable, and which we need if we are to produce the goods and services in this country to meet our market commitments.

Those are four of the reasons which have been given: the declining birth rate, the inability to attract immigrants as we have in the past—especially trained immigrants, the lack of training programs in our own industries, and negative attitudes.

Where are these critical shortages developing? To give some examples, companies, employers and unions have told us that the critical shortages are developing with respect to machinists, welders, tool and die makers, electronics technicians, computer technicians, communications technicians, engineers of all kinds, people who can do financial analyses, accountants, actuaries, personnel in the medical and para-medical field, nurses, psychiatric nurses, occupational therapists and physiotherapists, and so on. These are the types of trades and professions which are being affected by these serious shortages.

In Saint John, New Brunswick, it was reported to us that a wing of the Saint John General Hospital had to be closed due to a shortage of nurses. In Halifax the administrator of a large hospital told us that they had recently acquired very complex electronic equipment to be used in the hospital but that they could not find anyone to maintain and repair that equipment. Not only could they not find somebody in Halifax, or in Nova Scotia, but they could find no one in Canada to maintain and repair that equipment. They had to go to Chicago, Illinois, in order to find somebody to do the job. And this is in a province where there are high levels of unemployment.

Another striking example was pointed out to us when we held our hearings in Sydney, Nova Scotia. A relatively young man told us he had come to Cape Breton from Massachusetts because he found in Nova Scotia fishing boats were becoming highly computerized yet there was no one in Nova Scotia, or relatively no one, with the skills to do the maintenance or repair on the mini-computers and electronic systems on those fishing boats. Here is an American who comes to Canada, sets up a business to carry out this type of work, and who is now beginning to train young Canadians in the Cape Breton area to do this maintenance and repair work on fishing boats.

We have been told time and again that these shortages are bad enough now but will become worse unless something extremely positive is done. This is something which is accentuated even further by the megaprojects which are scheduled to come on-line shortly—the oil sands projects, the pipe lines, the offshore developments for energy in the Atlantic and Arctic regions and the superports which are planned. These mega projects will take up much of our skilled manpower, both in the blue collar and white collar fields, such as the engineers, welders, tool and die makers, and so on. They will be taken up from the entire country and brought to Alberta, or wherever the major megaprojects will take place, bidding up the salaries with strong inflationary pressure, and leaving shortages in many other parts of the country which just cannot bid in competition for salaries with those projects. Those are the existing problems and the anticipated ones.

● (1520)

What are the suggested solutions? There has been much criticism of our forecasting system, particularly the forecasting which is necessary to plan training programs and for setting in place proper counselling programs in the high schools, technicals schools, vocational schools and so on. Many witnesses felt that the statistical information which is being used throughout the country is based to far too great an extent on a macro-analysis system and that it does not take into account important regional problems. It has also been felt that the people of Statistics Canada who collected the information which is necessary for the labour market analysis have not been as sensitive as they could be to the phrasing or formulation of questions used to collect that information.

For example, while speaking to a representative of one of the governments in the Atlantic area, it was pointed out that a Statistics Canada questionnaire for industries in Altantic Canada had a question to the effect, "how many part-time workers do you employ?" And there were other questions related to that question. Since tourism is an important industry to that particular province, the ministers and the officials concerned telephoned Statistics Canada in Ottawa for the information on that questionnaire. Statistics Canada officials said that they could not provide that information because, although the questions had been asked and the industries had sent in answers, they decided that it was not necessary to put the data into the computer to make the information available. Of course the provincial officials were upset because this was the sort of information which would have been very useful to them for labour market analysis within the province.

So we have received criticism and recommendations on the statistical information which is being provided, particularly that it should be more appropriate to the regional problems, whether it be northeastern New Brunswick, Prince Edward Island, Labrador, the Gaspé, northern Ontario and so on, and that the information is not detailed enough to solve the problems of these regions. In order to phase in the courses required by industry and to provide the kind of trained labour force necessary and phase out those courses which are no longer required, this statistical information is necessary for such planning and to provide counselling to young people.

Other recommendations have been to the effect that there should be much more on-the-job training and that, if possible, it should be tied into some kind of co-operative educational system. Many employers were very positive with respect to the kinds of programs found at the University of Waterloo, the University of Sherbrooke and Ryerson Tech in which the students spend so much of their time in the institution and so much of their time in the work place. When these students graduate with a degree or a diploma, they have logged many practical hours in the workplace, which is of much benefit to the employer. I understand that the minister and the government over the past few years have been moving in this direction. All I can say is that the recommendations have been that we should move even quicker and further in that direction.

Another recommendation is that we amend our policies, laws and programs to allow to a much greater extent than is presently the case shared-work programs so that firms may keep on skilled workers after the age of 65. For example, one individual might work two or three days a week and another individual the remaining two or three days. In this way two senior citizen workers could come in on a reduced schedule and perform a job which cannot be performed by a younger person simply because no young person with the skills can be found.

I forget the exact figures, but one of the shocking revelations is that a very high percentage of the present skilled blue collar workers in Canada are well over 45 years of age and that there are very few young people coming in to replace these people. Many firms would like to keep their skilled blue collar workers after the age of 65 on a reduced work schedule, but this is not always possible today because of the laws, regulations, collective agreements and so on.

Another shared-work program suggestion which the committee received was that better use could be made of married women who, very often, have been trained to do jobs but have been forced to leave the work force for a number of years to bring up children. The suggestion was that in order to take advantage of these women who have the skills, the system be changed so that they could come in at least two or three days a week, which would contribute to the Canadian economy while at the same time allowing these people to take care of their families at home.

With respect to the young, it was suggested that we facilitate to a greater extent than is presently the case co-operative education programs so that young people may move in and out of the educational institution and the work force. There were also many recommendations received with respect to certain minorities or disadvantaged people. It seems to us that not only does justice demand it but the economic situation requires that we make much greater use of our women, our native people and our handicapped.

The Deputy Chairman: Order, please. I regret to interrupt the hon. member but his allotted time has expired.

Mr. Allmand: I wonder if I might have a few minutes to complete my remarks.

The Deputy Chairman: That can only be done with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Allmand: I thank you, Mr. Chairman, and members of the committee. I will bring my remarks to a close in a very few minutes. As I was saying, with respect to those groups it was felt that we must make a much greater effort to utilize women in non-traditional work, train our native people so that they can do the skilled jobs required, and that we must use our handicapped people who are often very capable of doing skilled work. It was pointed out that not only does justice demand

that this be done but the economic situation requires it. If this country is to reach the production capacity of which it is capable, we must use our potential workers, regardless of their sex, background or handicap.

Many Canadians in the outer regions of the country, in such areas as Atlantic Canada, the west and the northern parts of our central provinces, have suggested that there be much more flexibility in the manpower retraining programs and the mobility programs which are now in use. They feel that many of the rules which have been put in place are based on a statistical analysis which more properly reflects southern Ontario or the major urban centres of this country and that very often those policies do very little to correct the situation in Cape Breton, Gaspé, northern Ontario and other such areas.

It is obvious that something is wrong with our system. Considering the rate of unemployment in this country and the growing critical shortages in the labour force, there must be something wrong with our manpower retraining policies, because they do not recycle all those unemployed people who want to work and who want to learn skills and trades. These people should be retrained and put into these openings which are becoming more numerous.

In conclusion, the task force has obtained agreement with all parties as to the date on which its work will continue. It was impossible to deal with the complex subjects in the short time which was allocated. We will be continuing our work into the late spring, after which there will be a final report. In the meantime we will try to put out an interim report which, I hope, will help the minister in formulating new policies and correcting some of the problems to which I have referred in my remarks today.

● (1530)

Mr. Hawkes: As the minister was absent during the excellent presentation made by my colleague across the floor, I hope he will read it in *Hansard*. I think we have discovered a lot of information through that task force and I am glad that some of it, at least, is on public record.

On Friday last, in the five minutes allocated to me, I asked the minister a series of questions. I should like to begin with those questions today as he has had the weekend to search out the information.

Could the minister tell us how many person-years of employment will be created by the construction of a single tar sands plant?

Mr. Axworthy: Mr. Chairman, before answering the hon. member for Calgary West I would like to assure him and the chairman of the parliamentary task force that not only will I read the *Hansard* report but I look forward with a great deal of anticipation to their presentation. I am sure it will reflect the wisdom and experience of the members—perhaps with some exceptions. I know the chairman has spent a great deal of time in this area. We look forward very much to the findings of this committee.

In response to the question of the hon. member for Calgary West, I would point out to him that each tar sands project has its own characteristics, depending on its size and nature. There is no standard tar sands project; each had different investments and different types of appropriation. I could provide the guesstimate figures that the oil companies have provided, and which our regional offices have provided. Perhaps the most illustrative example would be the Syncrude plant which used approximately 19,720 person-years during construction over a seven-year period and now has an operative complement of approximately 4,000 people.

The projection for the Alsands tar sands project calls for approximately 300 person-years in 1980; 300 in 1981; 1,200 in 1982; 3,395 in 1983; 6,308 in 1984; 6,673 in 1985 and 3,577 in 1986, for an approximate total of 21,757 person-years during the construction phase of the project. We estimate that the operating phase will require about 2,800 people for each of those areas.

The Cold Lake project which is presently being considered calls for 500 construction person-years in 1980; 677 in 1981; 2,091 in 1982; 4,771 in 1983; 7,679 in 1984; 7,552 in 1985; 4,796 in 1986, and 2,910 in 1987, for a total of 30,076 person-years in construction. The operation of that plant will require something approximating 2,600 person-years after it is completed.

As the hon. member knows, the decision on the progress of the tar sands plants is being held up by the Premier of Alberta for, as the Prime Minister said during question period, reasons known only to himself. The hon. member knows that we have put forward a very clear offer to provide the pricing asked for by the oil companies of $38 per barrel. The Minister of Energy, Mines and Resources made that offer in early fall, so we have responded to the demands of the oil companies for a price commensurate with the actual cost of recovery in the tar sands. The Premier of Alberta thus far has refused to grant permits to those projects. As I have mentioned to the hon. member previously, I hope he will use his good offices as a member of the Conservative party of Alberta to persuade the Premier of Alberta otherwise, so that these very necessary projects can go ahead.

Mr. Hawkes: Mr. Chairman, the minister continues to amaze me. As a minister from the west he should understand clearly that even the federal price offer on the tar sands makes those projects non-viable economically. I agree that the Premier of Alberta has indicated clearly that in the absence of a sane and sensible oil policy for this country, he is not prepared to deal with one small portion of that sane and sensible policy, but instead will do his best to teach the federal government what are the requirements of a sane and sensible policy which might lead us to self-sufficiency.

Let me return to the question of person-years of employment created in relation to those plants. Could the minister indicate whether his figures include the person-years of employment for the infrastructure—the city that is required to go with each of those plants? If not, could he give us some estimate of the person-years involved in construction of the cities that relate to the plants?

Mr. Axworthy: Mr. Chairman, when the hon. member asked his questions on Friday, he neglected to include that request. We cannot, therefore, provide those detailed figures. I will make every effort to find those figures for him, but because this is the only day left for consideration of these estimates, I am afraid we will have to communicate with him by letter, unless we can find the figures. He will recognize it will require some degree of pretty gross estimating. We do not know exactly what the necessary size would be. We could transpose from the developments in Fort McMurray, I presume, but we will attempt to get those figures and provide them to him.

Mr. Hawkes: Mr. Chairman, I would hope that with 25,000 employees we might have those figures later today. It might just take a phone call from one of the officials that I notice in the gallery and on the floor.

I asked the minister a question about person-years of employment created throughout the life cycle of a plant, assuming a 25-year life cycle. The minister will recognize that the figures he has given to this point are related specifically to the building of the plant and the operation of it, but do not include the multiplier effect.

For instance, if we were to build a home with all the rooms that normally go in it, we would include the person-years required to erect that building but not the person-years generated in the plants that make the bathroom fixtures, the rugs, and so on. Could the minister indicate what his officials use as a multiplier in terms of the construction? It would be some figure within three to four times as many jobs, I presume, being created in a multiplier sense as opposed to the direct sense. Could the minister tell us what figures his department uses?

Mr. Axworthy: Mr. Chairman, the hon. member will recognize that he is now very slowly moving into the arcane world of black magic forecasting for which economists are well known, and the inaccuracies of which are well recognized. I would not want to mislead the House by giving figures which suggest a multiplication that is not true. The average multiplier often used by economists is in the area of three to five, but at this point there is no accurate multiplier factor for jobs created in the tar sands plants other than those which we could track down once they are in place, and use as examples. The Syncrude plant is the first major tar sands operation, and it would take some time to gain the experience and the evidence to give a sound data base on which accurate figures can be based.

I will ascertain from my officials whether there is a multiplier with which they would feel reasonably comfortable. I want to say that I would find that a fairly dangerous practice to use, in the present imperfect art that is economic forecasting in this country.

Mr. Hawkes: Mr. Chairman, just using the bottom end of that arcane black magic determination for which, as a taxpayer, I know I contribute tremendous sums of money to the federal government, I am a little disappointed that the minister chooses not to share those numbers with us. Using the bottom number just on the construction phase alone, we are looking at better than 120,000 person-years of employment and using the upper number we are looking at 180,000 person-years of employment. That is for one plant alone. Given his knowledge of the labour force in Canada, could the minister tell us how many of those plants could proceed during the same time space without us getting into severe skilled manpower shortages?

Mr. Axworthy: Mr. Chairman, I raised that very same question about six weeks ago when I met with representatives of the oil companies who were engaged in the development and planning of the tar sands area. Quite frankly, they do not know, either. As we all know, one of the weaknesses in the country thus far has been effective planning of human resources in our major resource field. There has been great reluctance on the part of industry to combine efforts so as to come up with joint forecasting, joint planning and development of skill requirements. Industry has been relying on an ad hoc, piecemeal, company-by-company formula, and no efforts have been made to combine them on an industry-wide basis.

● (1540)

During the time of the advisory council meetings in Calgary, which I believe were held in October, we had a large-scale meeting with representatives of oil companies in an attempt to convince them that it may be important to proceed with a closer arrangement of planning. However, one of the impediments is the action by the province of Alberta which cancelled agreements of the manpower consultative and planning committee, something we normally have with each of the provinces. We endeavour to sit down and set up planning and consultative committees with provincial governments, industry, and the federal government. But I believe the province of Alberta withdrew from that about a year or so ago, perhaps a little bit longer than that, so we have not had the participation of the province in those areas.

They have voiced their reluctance from time to time to have companies deal directly with the federal government. This is something I deeply regret because I think the problem is much bigger than any one government's position or policy, or any one industry's. Rather, it is necessary for us to begin to combine our efforts to come to some agreement. But until we are able to get all the parties to agree that it is necessary, it will be very difficult to make those forecasts and to try to co-ordinate the efforts of the companies so they can space out their planning on a sequential basis so there is no overheating of the economy or a squeeze on manpower requirements. We suggested at that meeting that if all the projects converged at the same time, there would be a very short and intense pressure placed upon labour requirements in certain key fields, for example, pipefitting, machinery, engineering and what not.

Because the oil and gas industry is a high paying industry we suggested they could draw sufficient numbers of people from other industries within the province of Alberta, western Canada, and from other parts of the country. What it would do though is create a second order of deficiencies. Industries which cannot compete with them on the same price scale will be forced into severe shortages which would affect productivity.

It is the old story of robbing Peter to pay Paul. The oil and gas megaprojects could probably go ahead, but other industries which require the same kinds of skills and workers would suffer increasingly. That is why I suggested in my opening remarks that it would be very important for us to develop the kind of training and apprenticeship programs which would draw people from other walks of life who are presently not having the same advantages into those training areas. That is why we have to develop not just an industry or a sector approach, but we have to develop a national employment training strategy so there will not be those sort of shock effects when one draws people from one industry to another, which creates tremendous gravitational pulls from another industrial sector. Therefore, it is important that we begin to put together the building blocks of a national employment training scheme. We are trying to do that through the operations of the committee of this Parliament, the operations of our own committee, and through discussions with the provinces next year when we renegotiate the occupational training act.

The Deputy Chairman: The hon. member for Calgary West. I must remind him that he has only one minute left.

Mr. Hawkes: Mr. Chairman, in a recent speech the minister said that finding solutions will not be made easier if we follow what he thinks is a recently established Canadian pattern of finger pointing and buck passing. He said we seem to have developed a knack of solving our problems by blaming them on each other.

I suggest to the minister that the forecasts of manpower needs in the province of Alberta are of pretty good quality. They are available to the federal government. The reason they are of good quality is that we tend to work together with the employees, the employers, and the government of the province. This is done in an atmosphere of mutual trust and co-operation. We do not treat each other as the enemy. I suggest the consequence of that is a more productive system, and a system in which it is possible to plan because employers choose to give accurate rather than inaccurate information. There may be a message for the minister in that process. I look forward to further discussion on other issues as the day progresses.

[*Translation*]

Mr. Lapointe (Beauce): Mr. Chairman, I am extremely pleased to have the opportunity to take part in this debate which will enable me to describe briefly the federal policy instruments which were used to promote job creation in my constituency. I shall conclude by asking a few questions of the minister on specific subjects. For a decade several job-creation initiatives have been introduced in each constituency through the Minister of Employment and Immigration and the Department of Regional Economic Expansion. Many of those projects attracted several participants and raised much interest, particularly because of their numerous effects on the socioeconomic life of our constituents. The first objective of the various programs which were established was, as we know, to create employment and to improve living conditions in the community.

Mr. Chairman, the people in Beauce supported those various programs with enthusiasm, particularly if we consider the number of applications I received for the new community development program this year. Seventy-five groups filed an application to have their projects approved, and some of them are very innovative. That enthusiasm is typical of the business mentality in Beauce where hundreds of diversified industries normally depend on local financing and manpower. It did not surprise me; indeed, the contrary would have. It gave me the opportunity of realizing how much imagination and creativity some of those people have. Unfortunately, the consultative committee and myself had to turn down almost half the applications because of budget restrictions. Indeed, out of 75 projects only 36 were accepted after a careful examination aimed at selecting those projects that were most representative of the criteria set down by the department.

The government injected $600,000 in my riding through that program. I should like to ask the minister if he still expects the budget earmarked for the ridings to be increased in order to meet more adequately the many requests we receive each year from our ridings; over $2 million is needed as I have received requests for over that amount in my riding alone. I am very much aware that it may be very difficult for the minister to grant such an amount, but might it not be possible to increase the amount of $600,000 to $1 million, for instance, and spread the projects over a slightly longer period? This would result in an even better performance and even more encouraging results.

[*English*]

Mr. Axworthy: Mr. Chairman, I thank the hon. member for his comments about the effectiveness of the program in his area. We introduced that program for the very reasons he has put forward, namely, to concentrate our scarce financial resources in the areas where the need is greatest. I regret that we were not able to supply all the money which would put the people in the Beauce region to work. We were working with a set of estimates prepared by the previous government. As a result, we were required to provide for some reallocation of those moneys in order to re-introduce a job-creation program.

● (1550)

The previous government cancelled the direct job-creation program, so there would have been no money available at all. We had to work within very finite limits. Since the introduction of the program we now see what a strong demand there is. I intend to continue discussing this with my colleagues in cabinet to see if there are funds available which could be reallocated, and we would make every effort to put them back into those work projects. That is a discussion that is ongoing.

I hope we will be able to provide some answers to the hon. member and other hon. members in very short order to see if we can do some further reallocation to provide further work opportunities. As I pointed out, this is a transition period. We are trying to do a thorough re-evaluation of our employment programs to get more effective use, and to target where the needs are greatest. I welcome very much the comments of the

hon. member. It gives us a better set of information to work on in his region.

[*Translation*]

Mr. Lapointe (Beauce): I thank the minister, Mr. Chairman. Still, in terms of jobs in my riding this year, the department will have created 125 jobs thanks to this new program, to be added to the other 800 created since 1977 under the Canada Works program. The student program gave rise to some controversy this year in my riding with regard to the geographic distribution of the projects, but in my opinion the criticisms were groundless, since I could not answer all applications received because of lack of money. On the other hand, the Young Canada Works program created some 425 jobs and injected $675,000 over the last four years. That program helped young people representing about 27 per cent of the labour force and almost 45 per cent of the total number of unemployed getting a job which gave them a good experience while benefiting the community.

I used these programs as examples to demonstrate that the federal government has helped the unemployment situation in Beauce where the participation rate increased from 55.8 per cent in 1975 to 58.4 per cent in 1979. The ratio between the labour force and the corresponding population aged 15 and over has risen from 51.5 per cent to 53.2 per cent. Although the levels of these two percentages are not as high as the corresponding figures for the province of Quebec and Canada as a whole, their rates of growth are superior. As a matter of fact, the participation rate for the economic region of Quebec went up by 2.6 per cent, compared with 1.4 per cent and 1.5 per cent for the province of Quebec and Canada respectively. The total creation of these jobs through various employment and immigration programs has helped lower the unemployment level during certain periods. In spite of adverse economic circumstances, the Beauce region has maintained its unemployment rate at a lower level than the averages for Quebec and Canada. To a certain extent this has been made possible in part thanks to another federal department, namely, the Department of Regional Economic Expansion, which has invested in the riding more than $18.5 million and created some 3,850 new jobs since its establishment in 1969. There are a few figures. In the town of St. Georges in Beauce alone, some 1,300 jobs have been created and that is significant. However, the problem of unemployment is still too acute, especially when there is a shortage of manpower in some specialized trades. I agree with the spokesmen for the Task Force on Employment Opportunities for the '80s who suggested that we should emphasize training and manpower mobility schemes. In that connection, I would like to congratulate my colleague the hon. member for Notre-Dame-de-Grâce and the members of his task force for their contribution to that effort to set up a coherent employment strategy for the eighties.

This is where the importance of consultation is evident. I entirely agree that each employment centre should set up a committee on manpower requirements which would be made up of people from all trades who could advisedly make some suggestions on courses which could be given to workers who are prepared to retrain in forefront areas where many jobs are available. I am therefore happy to see that the government has added an additional $10 million to the critical trades, skills and training program. I also want to draw attention to other departmental programs which truly satisfy the needs of my constituents, especially the technology employment program which will provide the small and medium-sized businesses in my ridings with the funds necessary to hire students with specialized training and to subsidize their salaries.

Finally, Mr. Chairman, I want to indicate to the minister that there is an urgent need in the second largest city of my riding, namely, Ste. Marie and its area, to have an unemployment insurance office independent from the one in St. Georges. Ste. Marie is an important centre in Beauce. The population is certainly large enough to support such an office. The people must now travel approximately 85 kilometres to get to the nearest office, which, I am sure you will agree, is a fair distance.

[*English*]

Mr. Axworthy: Mr. Chairman, I would like to comment on the last point made by the hon. member on services provided regarding Ste. Marie or St. Georges, and indicate to him that officials of the Quebec region are looking into that question to see to what degree additional services may be necessary based upon the clientele. I will report to him as soon as I have that information.

• (1600)

Mr. Hawkes: Mr. Chairman, it is a delight to be back. To begin, could I ask the minister how many jobs have been created in the Canadian economy in the first ten months of this year?

Mr. Axworthy: Mr. Chairman, I believe the number is 277,000.

Mr. Hawkes: The minister's answer is very similar to the one he gave in the House on Friday, when the blues recorded that he said 270,000. But Friday's printed *Hansard* has the figure of 170,000. Could the minister tell me what happened between the printing of the blues and the final version of *Hansard*?

Mr. Axworthy: I have no idea. We will check with the *Hansard* office, but my answer has been the same throughout, 277,000.

Mr. Hawkes: Could the Minister of Employment and Immigration tell us how many jobs were created in the nine months the Conservative government was in office?

Mr. Axworthy: I will endeavour to look up the information. Because the record was so poor, we have not paid much attention to what they did exactly.

Mr. Hawkes: Mr. Chairman, a million unemployed is a rather serious situation. In the seven months since the return

of the Liberal Government of Canada less than 200,000 jobs have been created. In fact, if you examine the labour force survey you will find there has been an average of a little more than 17,000 jobs a month created. In the previous nine months there were over 301,000 jobs created, and I think the minister will find that that is in excess of 30,000, in fact, in the neighbourhood of 33,000 jobs a month, which is almost double. Can the minister tell me of the jobs he claims have been created under his government, what proportion of those are in the public administration or in the public service sector?

Mr. Axworthy: Before I answer the specific question raised by the hon. member, I think it would be important to point out to him some simple economic lessons about how the economy works. I am not trying to be presumptuous about it because I know he often reminds us of what a set of advanced degrees he has. To try to play a game of somehow saying that in nine months we can demarcate a period in which there was a major changeover does not take into account the economic reality that trends and patterns of the economy are affected very much by international conditions, the international flow of money in cash and the kind of industrial development that takes place. We know, for example, from our own history of the last 20 or 30 years that we are very susceptible to the economic decisions made in the United States in terms of purchasing power for exports, on which about 60 per cent of our economy depends.

Furthermore, I should like to point out that in the area of public policy and public stimulation there is a certain time lag. The initiatives taken, the tax changes and various kinds of incentives offered take a certain amount of time to take hold and one flows into the other. To claim somehow there was a period in 1979 when everything was magical, I would say that was probably directly a product of the previous Liberal decisions made in the budget of 1978.

Some hon. Members: Hear, hear!

Mr. Axworthy: If the hon. member is here to compliment previous Liberal administrations, I am sure my colleagues who were here during that time will be glad to take those compliments willingly. The fact of the matter is we should not have to be involved in that kind of game. We must recognize that what a government does is respond to conditions both as it sees them and as it tries to counteract them. What we are trying to do is to live with a very difficult and very awesome economic situation.

May I point out to the hon. member that at the present time the employment growth in Canada is one of the highest in the industrialized world. We are still maintaining a phenomenal record of job creation. Contrary to the statement he made, we have created 270,000 jobs in the first ten months of this year, at a time when the United States has gone through a very severe recession and when a number of normal markets such as lumber and the automobile industry have been in serious decline. We have faced drop-offs in the area of automobile production because the market is not there, much of the market being demanded by the United States. Even within a very difficult and very onerous economic period we are able still to maintain a high degree of economic growth.

May I point out there are even some bright spots on the horizon. For example, the job creation for women during that ten-month period has been higher than any other period—close to 5.5 per cent economic and employment growth for women during that period of time, which is much higher than the normal employment growth. The unemployment rate for women has dropped in the last ten months from a high of 7.8 per cent down to 6.6 per cent. Therefore, it shows there is a certain degree of promise in parts of the economy even though there are other parts which are heavily depressed.

As I pointed out in this House many times, and as my colleague, the Minister of Finance, has pointed out, we cannot totally and completely command the economy because we live basically in a private market economy. Most of the economic decisions are made by investors, corporations, and others. The government can only try to provide some direction and some guidelines within those areas. Certainly we cannot twist the economy according to our whims but must ride the currents which are, in many cases, caused outside our borders and within our borders. We have to develop an economic policy that tries to concentrate where the problems are most severe, as in the case of unemployment, areas wich face the greatest disadvantage. That is why we have adopted the kinds of policies targeted at high unemmployment regions and targeted at certain groups within the economy who face the greatest difficulty in getting jobs.

Much of the other kind of growth is a stimulant based primarily upon decisions made outside the government by others who are not really within our control and only respond to some of the signals we provide. I can attempt to give some of the breakdowns in the area of the actual labour market development.

The Deputy Chairman: The hon. member for Calgary West rises on a point of order.

Mr. Hawkes: Mr. Chairman, I think the question I asked the minister was what proportion of the jobs he claims have been created, since they took office in March, were in the public administration sector. I wonder if I could just have that simple answer.

Mr. Axworthy: The answer I will attempt to give is as follows: The employment growth in the primary goods producing area was 7.4 per cent during 1980; in secondary goods producing, 9.2 per cent; and the service producing contribution to average employment growth was 83 per cent. In these areas we have actual growth rates of 2.6, .9, and 3.3.

The Deputy Chairman: The hon. member rises on a point of order.

Mr. Hawkes: I appreciate the free information but it has the incorrect base. I am asking about the period March to October which is the period in which the party opposite has been governing this country. He is giving me the total 1980 figures

which reflect not too badly because they include a period of the Conservative government. I would like him to restrict his answer to that period from March to October.

Mr. Axworthy: Mr. Chairman, I tried to point out to the hon. member before that to make these sort of artificial demarcations at a point of an election and implying that all of a sudden the economy turns over, is absolutely ludicrous. I will attempt to get him a month-by-month breakdown regarding some of these figures. To say that these were Tory times and Liberal times is not the way the economy works. I would suggest that he go and get some small briefing on the fact that economic currents and trends flow through different months and different years. The advent of an election or no election is usually immaterial to those other than in the longer term when the government has the opportunity to change its policy, to change the direction to provide more stimulation. As we have pointed out in the budget presented by my colleague, we have now provided a more stimulative budget than that which was provided under the previous government and those returns will show up in the Canadian economy within the next nine to 18 months.

Mr. Hawkes: That is economic theory from 100 years ago. We live in a modern age of communication, and I might suggest to the minister opposite that there is something called psychological confidence. There is either a belief that governments work together with industry, work together with entrepreneurs to create jobs, or there is a belief that the government is determined to put the private sector out of business. Those two psychological differences, I suggest, have a great deal more impact on the economy than the minister may in fact recognize.

● (1610)

If he is playing a political game with us, I am not worried, but if he honestly believes what he is saying, that the degree of trust which private sector people have in their government is not an important factor in their decisions to proceed to invest or in a young person's decision to go to school—if he honestly believes that faith in government is not important in that context—then I am more worried than I was when I began this day.

Let me just put on the public record the fact that since his government took office—and these statistics are in our labour force survey data—it has created less than 200,000 jobs, and about one-third of them are in the public administration sector. In our nine months in office we created approximately twice as many jobs per month, but only about 6,000 of that total of over 300,000 were in public administration, which is less than 2 per cent compared with 33 per cent to 35 per cent. Those figures are in the labour force survey, and they are irrefutable. I do not suggest and have not suggested that this was specifically because of economic policy because our budget was defeated, but I do suggest that the business community had psychological confidence that the Government of Canada cared about jobs and about economic development. I suggest that was a very important factor in the increase in job creation under our administration and is today a very important concern which was accelerated on October 28 by the government opposite.

Can the minister tell us how many man-years, or person-years, of employment are created by one drilling rig in this country? The minister is from the west, and this is an important industry. We seem to have an economic policy which chases rigs out of the country. However, as a rig operates for a full year and searches for oil for us, how many jobs are created throughout the Canadian economy by the direct activity of one rig during one year?

Mr. Axworthy: Mr. Chairman, I suppose the answer depends on how deep the rig digs. I do not think we have to give a specific answer to that kind of question. I think the hon. member is simply toying at this point in time, but we will attempt to find the answer for him. We will consult the oil rig industry and find out the number of person-years involved. I would like to provide a small correction to the hon. member's terminology. It is person-years, not man-years, because we are now in an era of non-traditional work for women, and I think it would be helpful if the hon. member recognized that. However, we will attempt to obtain information in terms of person-years for the hon. member.

I would like to go back to this new economic theory about psychological confidence in the economy the hon. member has put forward for our consideration. This sounds something like a cross between psycho-cybernetics and Milton Friedman.

Mr. Evans: Let's be careful.

Mr. Axworthy: I apologize to the Parliamentary Secretary to the Minister of Finance whose tutelage, I gather, was under Professor Friedman. If the hon. member for Calgary West wants definitive proof of the psychology of things between one year and another, I point out to him that the actual registrations in our employment offices in Alberta are down this year from a year ago. In other words, more people registered for work considering that there was higher unemployment or higher demand for work a year ago than there is this year. By using the logic of the hon. member's argument, I suppose we would have to suggest that more people in Alberta are more confident with this government than they were with the previous government.

Mr. Hawkes: Mr. Chairman, in the face of the considerable number of business decisions which are made in the province of Alberta and across the west—and I suggest across Canada—to take capital south, to Asia or to the North Sea, and in view of the number of those decisions which have been made in the last six months, accelerated by the events of October 28, it is difficult for me to sit on this side of the House and hear the minister repeat that business confidence is not important to economic development.

Let us leave that for a moment and ask the minister about the budgeted amount of $350 million which is to be split between the minister's and other departments of the federal government for industrial purposes in the next four years. This is a $350 million special development fund. Could the minister indicate to us what portion of that fund will be coming to his department and for what purposes?

Mr. Axworthy: Mr. Chairman, as the hon. member would recognize, based upon budget discussions we felt it very important to respond in a variety of ways to the changes in the industrial composition of the country. I do not think those changes can be divided purely along departmental lines. It should be more along the lines of the kinds of activities and services we want to sponsor and promote. What we are presently doing is working in co-operation with several departments of government.

We are working with the Department of Industry, Trade and Commerce, the Department of Labour and the Department of Regional Economic Expansion to come up with a package of proposals which would help industries which are going through major changes or shifts in production and help the workers in those industries who are facing adjustment problems to be able to respond to them. We are not trying at this time to divide the money along departmental lines, although once we get to the administration of it, it will be administered through certain departments. What we are far more concerned about is applying the $350 million to target industries and communities which are most directly affected by some form of industrial change. As I indicated in the House this afternoon, we are presently working to put that package forward. We hope to be able to have made decisions on it sometime within the next three or four weeks. Once the announcement is made, I am sure the hon. member will have an opportunity to ask questions in the House in order to get further details.

At the moment that matter is before cabinet, and besides indicating the general purpose and objective of that program I cannot go much further until the cabinet has finally decided on the program itself.

Mr. Hawkes: Mr. Chairman, I direct the minister's attention to publications from the Institute of Social Research in the United States and particularly Dr. George Katona. The minister may find those studies instructive in dealing effectively with the economy in the manner I have suggested.

I direct the minister's attention to his own statement on Friday afternoon at page 5415 of *Hansard*. As reported on that page the minister said:

—there has been a tendency by the private sector to rely almost exclusively on the import of skills from other countries.

In that same context he talked about his own program providing training spaces for 300,000 Canadians. I am wondering if the minister could give us the exact reference which enables him to conclude that the private sector in this country relies almost exclusively on the import of skills from other countries. What on earth led to that statement? What is the specific reference which gives the minister the data base on which to make the statement?

Mr. Axworthy: Mr. Chairman, I am surprised at the nature of the hon. member's question because I believe he was in attendance at the Conference Board meetings about three weeks ago in Toronto at which this very topic was discussed. Private employers who were in attendance themselves conceded and admitted that that is exactly the kind of program they have been relying upon, the importation of skills. If the hon. member wants exact data, we will provide it for him in terms of showing the actual immigration levels under the independent classifications.

I will give the hon. member just one example. The Employers' Council of British Columbia published a study last summer—I will get the exact reference for the hon. member—which indicated that close to 70 per cent of the skilled, trained workers in certain key areas of the forest industry are from offshore. The problem the council is most concerned about is that the industry is not able to replace those workers. They are now reaching an age which is close to retirement. They will soon be out of the work force because of compulsory retirement requirements. The people required for replacement simply are not there. So I would be very glad to obtain for the hon. member, because I know he is a member of the Allmand parliamentary task force, some of the exact data.

● (1620)

I recall from memory the figures mentioned in statements at the Employers' Council of British Columbia, statements made at the Economic Conference Board, the latest report of the mining industry and the latest report of the construction industry. The construction industry's report, which I received this week, indicates that close to 50 per cent of their skilled membership originally derives from outside Canada. So I think it is pretty clear that those are, in fact, the figures with which we are working.

We are not attempting to lay blame. We are simply asking industry to recognize that that easy way of obtaining skilled labour will no longer be available to them, that there is too much competition in the world for the very same skills, and that we will increasingly have to put far more concentration upon the training of people here in Canada. That is one reason why we feel it is very important to alter the training programs to provide for opportunities and access to women to come into non-traditional fields, an area which they have been denied for a long period of time, and to broaden the scope—

The Deputy Chairman: I regret to interrupt the minister, but the time allotted to both questions and answers has expired.

Miss MacDonald: Mr. Chairman, I should like to deal for a while this afternoon with a subject which I raised with the minister and some of his colleagues who either cared to answer or did not care to answer me in the House today, on the subject of women in the public service, and the lack of advancement by women in the public service over the years, something which, I say with regret to the minister, I do not see as having improved much. In fact, in many cases the situation has regressed.

If we are to look at the question of non-discrimination in the work force on the basis of hiring, on the basis of responsibility and on the basis of salary and income, then surely the prime responsibility for equality must rest with the federal govern-

ment and the way in which it treats its own employees. It is the federal government which must set the standards and implement the programs. It must take action if it wishes the rest of the country to follow. It must take action if it wishes business and labour to follow the same way. It must set the example.

What I want to do this afternoon is to point to some of the inequities which exist and which, in many cases, are becoming more pronounced. Unfortunately, that is not the view of some of the minister's colleagues, and I direct my remarks to him in the most constructive way possible because I think he realizes that this is an area in which I have a great deal of concern and in which I have had a specific interest over the years.

It was with some interest, therefore, that I read the press release issued by the President of the Treasury Board on August 22, in which he stated:

> We have come a long way toward achieving the government's goal of making equal opportunities for women a reality in the Public Service of Canada.

His interpretation of what "coming a long way to achieving the government's goal of making equal opportunities for women a reality", and mine, and that of a great many other women, are entirely different. We really do not believe that we have come that far in providing equal opportunities for women in the Public Service of Canada. If I were to look only at the Treasury Board I would see that there is only one person, as of this time, with one secretary working on all the equal pay for equal work cases in the whole of the public service. All there is in the Treasury Board is two people who are looking at these cases. I would urge the minister to speak to his colleague, the President of the Treasury Board, and try to bring to his attention the fact that this will become a much bigger problem than two people can handle, that it will grow in dimension, not diminish.

I am sure that the minister responsible for the status of women knows that the statement in the press release issued by the President of the Treasury Board has been totally refuted by the Canadian Advisory Council on the Status of Women in their most recent publication, released in October, 1980, entitled "Women in the Public Service: Overlooked and Undervalued." I am going to quote rather extensively from that publication, first of all because I feel that the views in this report should be disseminated much more widely than they have been heretofore, that it should be in the public domain to a much greater extent, and also because I hope that what the advisory council has to say about women employees in the public service will be brought home much more succinctly to the minister responsible for the status of women. The following are some of the quotes from the report.

We read, for example, that:

> Inequities today persist in spite of the fact that most departments currently have five year "action" plans in line with the equal opportunities for women policy adopted in 1975.

The inequities exist after five years of so-called action plans having been in progress.

As the minister is aware, there are six occupational categories in the public service, that of senior executive, scientific and professional, administrative and foreign service, technical, administrative support and operational. All of these, of course, have responsibilities and salary scales attached to them. In the top four, those which offer the most salary and the most responsibility, those which are considered to be the most prestigious categories, that is, senior executive, scientific and professional, administrative and foreign service and technical, 45.6 per cent of the employees are male, 21.4 per cent are female, that is, in the all officer categories. In other words, less than half the employees in those four top categories are female. But in the other two categories where the income is lower and the responsibilities are lesser, in the support categories, that is, administrative support and operational, 54.3 per cent of the employees are male, whereas 78.6 per cent are female. In other words, at the lower end of the salary scale, at the lower end of responsibility, and at the lower end of upward mobility, we find a great many women locked into almost dead-end jobs.

The minister is aware that women make up slightly more than one-third of the public service, and yet when we look at the category of senior executives we find that 96.3 per cent of the senior executives are male and 3.7 per cent are female, this with one-third of the public service being composed of women. Indeed, I suppose one can say that since 1972 women have made some slight changes in most categories except in the scientific and professional category. The rate of change, however, in that eight-year period has been extremely slow. If these rates of progress were to continue, it would take another 66 years, until the year 2046, for women to achieve proportional representation among senior executives. Frankly, Mr. Chairman, I know I will not be here to see that longed for proportional representation of women. I doubt very much whether the minister will be here.

• (1630)

Mr. Breau: I will be here.

Miss MacDonald: I am sure even the hon. member for Gloucester will not be here, but I would ask him to do everything he possibly can to ensure that the time-span is diminished so that women will receive much greater equality long before that period of time, given these projections. Being the honest fellow he is, I am sure the member will want to make that effort to try to get the minister to move much more rapidly than he is in this field.

In the six occupational categories which I mentioned, two of them have become increasingly segregated over the years. As the ministers will appreciate, that is a deplorable fact. The scientific and professional category has become much more a male preserve. The percentage of men who hold jobs in the scientific and professional category has increased, while the administrative support category has become consistently more female-dominated. In 1972, 68.2 per cent of the employees in the administrative support category were women, that is, secretaries, clerks and so on. In the eight years since then the percentage of women has risen to 79.7 per cent. In other words, women are more increasingly being locked into the lower end of the salary scale.

These categories have a specific number of groupings within them, all of them in a hierarchical scale. Even in the top categories which a few women manage to enter, they are at the bottom of the groupings in those categories; they do not make it to the top.

I have mentioned the administrative support grouping where women are found to be most predominant. Over 90 per cent of the women were in the bottom four levels of the group's eight levels, so we see even within a category itself women are being denied access to the top positions. As the minister will appreciate, all of this has a very distinct bearing on the differences in incomes between men and women which, of course, has an even greater bearing on the economic independence women are able to achieve for themselves.

The wage gap in the federal public service unfortunately is growing between men and women, rather than diminishing. There are a number of reasons for this. Some 67 per cent of all female public servants earned wages in the last year which placed them in the bottom 40 per cent of all employees in the public service, whereas only 26 per cent of men were in that category. By contrast, in the top 60 per cent earning categories of the public service where higher salaries are found, 73 per cent of the employees were men but only 32 per cent were women.

The earnings of female public servants relative to their male counterparts have improved only slightly in a few categories since 1977, but in certain categories they have not improved at all. I mentioned before the very top category; the minister will know the incomes of women in that top category of salaries. In 1977, 26.8 per cent were men in that category. In 1979 it was still 26.8 per cent. Women had 6 per cent in 1977 and only 6.1 per cent in 1979. They had gone up but a mere fraction. At the bottom end of the salary scale—and this is of significance—39.2 per cent of the employees were women in 1977, but in 1979 that number increased to 41 per cent.

The minister talked about the increase in the number of women employed in the public service, but as the numbers of women employees increase, they increase in the lowest end of the salary scale. Women are not making the breakthrough into the top area. When different groups within the public service negotiate salary increases, they are generally negotiated across the board for the whole group in that category. This means that the increases tend not to be as great a benefit to those who receive lower salaries as those who receive the higher ones. In other words, the increment which a women receives is smaller because her income is smaller to begin with, whereas the increment which a man receives is larger because of his already larger salary. Perhaps the minister will say that everyone is being treated equally, but the percentage increase is allegedly sex blind, and in that regard a woman is doubly penalized.

There are other aspects in the public service to which I want specifically to draw the minister's attention. The system denies women access to the decision-making levels. If the minister looks at the manner in which women are placed in jobs in the public service, I am sure he will see how few of them rise to the level of decision-making where they can provide real input into the recommendations and options brought before ministers or deputy ministers. As long as women continue to be at the margin of decision-making, it is unlikely that decisions taken will reflect the special priorities of women, which is something that must be considered. Currently women have very little input into decisions being made about which programs to cut to reduce government expenditures, even though they may have a tremendous amount to do with the lives of other women.

Since 1977 the proportion of women in the senior executive group has increased only .8 of one per cent and remains abysmally low at 3.3 per cent. As of March 31, 1979, there were only 42 female SXs compared with 1,220 male executives. I ask the minister what kind of comparison that is—42 women as against 1,220 men in that category?

These are the kinds of things which make it very difficult for women to accept the statement of the President of the Treasury Board that we have come a long way in ruling out the inequities against women which exist within the public service. I know the minister will rise and talk about affirmative action programs and about things that are being done. I am really serious when I ask him to address this matter and tell us what kinds of programs are being considered, not just in one or two departments but in the entire public service. I am not referring to programs which are very limited. I am referring to programs which will be mandatory for the whole public service in order that the inequities which I have listed, whether they happen to be in incomes or in the input of decision-making are removed.

● (1640)

Is there really a program under way which will correct these inequities that have existed despite the five-year programs, which are supposedly in existence, and despite the affirmative action programs which are now only in the process of planning and development? Is there really some significant commitment that we can point to which will not be torn to ribbons, as the most recent statements of the President of the Treasury Board have been by the Advisory Council on the Status of Women?

The Deputy Chairman: The hon. minister has one minute to answer that question.

Mr. Axworthy: Mr. Chairman, I will try to do my best, although it is not enough time to respond adequately to the questions raised by the hon. member for Kingston and the Islands, because they are serious questions. I say to her that the report of the advisory council accurately describes the conditions. No one argues with that or refutes it. There is, however, a certain time lag in that report. The time lag is there because the report was prepared before we introduced the affirmative action programs.

I would ask her, as someone who is known to be interested in this area, not to disregard so lightly, pass over or push away the importance of the affirmative action program we have implemented. It is not frivolous, light-hearted or perfunctory.

It is a very serious attempt to overcome the underlying discrimination which exists in most work structures in this country. It is clear that the equal opportunity program was not working very effectively, although there were some marginal improvements and certainly some major improvements on the lower level of the professional recruitment for women.

There is a certain kind of ratchet effect where the problem of having a number of SXs takes a certain amount of time to work up the ladder. There was not much effort made for lateral movement in the civil service. We can see some improvements, but it would take some time to achieve that. Therefore, after discussing the problem quite seriously among the ministers concerned, including myself and the President of Treasury Board, we felt that the only response was to employ the affirmative action system, or technique, which has been incorporated in the United States, Great Britain, and a few other countries. It is a very tough system, Mr. Chairman. It really works.

The Deputy Chairman: I regret to interrupt the hon. minister but to continue he would need the unanimous consent of the committee.

Some hon. Members: Agreed.

Mr. Axworthy: Mr. Chairman, I thank hon. members for giving me the opportunity to continue. I will make my reply as brief as I can.

The reason why the affirmative action program was introduced in only three departments to begin with was that it does take a certain number of people who know how to make the program work. One of the drawbacks in this country was getting the skilled personnel in the management area who have the technical skills, expertise and knowledge in affirmative action requirements. Therefore, we are using those three departments. The initial phase is to build up those skills. We have now established a resource team in my own department which provides for other departments in the public service. We have established affirmative action counsellors and teams in each of the respective departments, who report directly to the deputy minister. Those deputy ministers then report directly to a small committee of cabinet, who will monitor on a monthly basis the progress which is being made.

The first question was accountability—to make sure that there was a senior commitment from the ministerial level on down. That commitment has been made. Second, we had to develop the resources, which we have now done. As that circle widens, as more people get skills, then we will be able to broaden the approach. But, frankly, we have had to borrow people from my department in the regions and bring them into Ottawa to make the program work. We are not getting the experience. It is now in place. The training is now completed. We have just gone through a very extensive training phase of the affirmative action counsellors. I believe that was completed last week. So the first phase is now complete.

We are now into the second phase, which is the identification of the problems. The hon. member said in question period that the problem has been studied enough. That is not quite true. The statistical work has not been done. What must happen is you must compare not only the number of people in each category and occupation but in each department. You must compare them to the availability of those in the work force outside.

For example, in the case of my department if we have a hundred chartered accountants who work in the department and only 5 per cent of those are women, yet 20 per cent of chartered accountants available in the work force are women, we know there is a discrepancy. That kind of comparative analysis must be done, which is what we are presently doing to make sure that the judgments are made according to what is available within that work force, so that the targets can be effectively set. I will conclude quickly, Mr. Chairman. Once that is in place we can then identify where the blockages in the system are. Is it in the recruitment program, the training program, the pay scales, or personnel practices?

Miss MacDonald: It is the people in charge.

Mr. Axworthy: I disagree with the hon. member. What is very clear from the affirmative action experience in the United States is that it is not the personnel manager who is the bigot or who dislikes women—there are some of those—but, in fact, what has been allowed to evolve over the years is systemic discrimination—discrimination which grows into the system over generations and decades. The only way you can eliminate that is to change the system, change the hiring practices, the recruitment and training practices. Once the blockages, the handicaps and limitations are identified they will then be removed, thus ensuring that women, as well as native groups and minority groups, will have access.

I want to point out to hon. members that the removal of those blockages and handicaps will not just affect the three departments. Once they are implemented they will then become system-wide because the three departments are being used as the lead agencies to determine that. It may be that there will be legislative changes to the Public Service Employment Act. It may be that certain public service regulations will have to be altered. It may be that the whole system of in-house training must be altered. In each of those cases, once that improvement or reform is introduced for my department, Treasury Board, or Secretary of State, it can then become system-wide in its application.

I want to assure the hon. member that we are very strongly committed to the principle. The affirmative action program has more teeth and vigour in it than the equal opportunities program ever had. This is because we recognize the deficiencies it had, which is why we have gone to the other system. It is a system which has a proven track record. Where it has been employed, in the case of the United States, it has been demonstrated that there can be substantial improvements for those groups which are being given greater opportunities or access. It will take about a four-year period to implement. As the hon. member well recognizes, four years compared to the long history of discrimination is a very short period of time.

But I am quite convinced that we will see substantial improvements when that four-year period is over.

Mr. Manly: Mr. Chairman, last Friday in his opening remarks the minister said:

> While I am quite anxious to deal with the specific and ad hoc questions and inquiries of hon. members, I hope we can devote some time during the discussion of these estimates to look at some of the longer term questions faced by the department, because it is a crucial department in terms of the economic and social policies which we will be facing in the 1980s.

I agree with those comments of the minister but I would like to point out that the long lists of specific questions, which will come to him from almost every part of the country, are really a result of the government's failure to take that long look in times past.

I regret that during his opening remarks the minister did not make any mention of the employment needs of native people. I would remind the minister of the statistics published by the Department of Indian Affairs and Northern Development in their publication "Indian Conditions as Surveyed." It points out that recent estimates of Indian unemployment have ranged between 35 per cent and 75 per cent of the labour force. In his June 2 statement the minister accepted the 75 per cent figure. Whether it is 35 per cent or 75 per cent, we realize that this problem is getting worse.

As this report says, in the next ten to 15 years it is estimated that the net increase in the Indian working age population will be 50,000 to 60,000, an average of 4,000 to 6,000 per year. The creation of permanent jobs through Indian economic development has recently averaged slightly more than 1,000 per year. We are falling behind.

In addition to that, the minister knows that approximately 35 per cent of those Indian people who do have employment are employed for less than six months per year. They support a large number of dependants and they take home a smaller pay cheque. Considering this fact, I regret that, in spite of hearing of some ad hoc programs, I have not heard of any long-term policies. What we have had is more ad hockery.

● (1650)

I have a number of questions which I would like to address to the minister. I will attempt to be brief, and I ask that the minister be brief so that we can get through as many as possible.

The minister has established a native opportunities training fund of some $10 million. According to a Department of Indian Affairs study, there are some 108 projects across the country with environmental hazards which will have a major impact on native populations. It seems to me that with 108 major projects this $10 million is completely inadequate. Will the minister first of all indicate on what this $10 million for the Native Opportunities Training Program is based, and what objective study of the needs for native training lies behind it? Is it a one shot fund or is it a permanent fund?

Mr. Axworthy: Mr. Chairman, if we are dealing with ad hockery, it would be useful for those who are raising questions to follow the same principles and not deal with ad hoc programs. There is a range of programs available to native people, and it is not useful to pull out one program and identify it as being the only program. For example, within my department—and it is not the only department which is exclusively involved in providing job opportunities for native people—there are the services of our regular training programs, both institutional and industrial. Some 5,000 native people are enrolled in the traditional Canada Manpower program and the Canada Manpower industrial training programs.

In addition, there is the LEAP project which has a budget of $65 million, of which 50 per cent is directly focused on native training employment programs. The LEAP programs are probably the most advanced and successful programs for providing work training opportunities across Canada, and particularly in western Canada where the LEAP project is able to respond to community needs and to provide for sponsorship within a wide variety of both status and non-status communities to give many people that necessary first work experience to begin developing basic skills. The allocation in this program has been approximately $32 million, and the enrolment for native people is 8,800.

There is also the Outreach programs, 50 per cent of which are allocated to native people, to provide them with the Outreach extension services in native communities and the opportunity to develop their own work opportunities in the private market or in the Manpower programs which we otherwise employ.

The $10 million native training program was added to these other programs to provide special priority for projects related to source development in western Canada or other places where there would be new needs arising, and where native groups themselves could see opportunities to develop further work opportunities if they have the proper skills. The government is in the position of signing for several such programs. I believe we have signed close to 100 agreements since the announcement of the program last spring. The program is being used partly as a test case to determine whether its approach is effective in developing direct line training programs with native groups themselves.

As I have pointed out on many occasions in this House, we are in a transition period. Major studies are under way through the parliamentary task force and through the department to revise and revamp many of the training and employment programs. In the meantime different models, approaches and plans are being tested to determine which are the most effective. From early evaluation, indications are that the way in which the $10 million native opportunities program has been utilized has been very successful. It has given the native groups the opportunity to choose, design and tailor training to meet their specific needs in resource areas. I will be in a position to report more accurately to the House at a later date on the outcome of that program which is really just being implemented. Early reports show that it is somewhat effective.

Mr Manly: The minister points out that this is a test program. I presume that if it is successful it can look forward

to a substantial increase in the amount of funding provided to it. I would like to refer to a specific situation relating to the Cold Lake project. On December 2, the Minister of Energy, Mines and Resources was asked about native participation in this project. As it is reported at page 5236 in *Hansard*, he answered:

> It is difficult to know what exact arrangements will be possible. I have raised this matter with Imperial Oil, which is the main promoter of Cold Lake, and they have indicated they are willing to consider participation by the Indians in the project. Obviously, it would require the full co-operation of the two governments in order to achieve this particular purpose.

Considering the fact that Canadians have been asked to put up an additional $40 million for this project, and thereby have a vital stake in it, this approach by the government is a very weak-kneed—"If Imperial Oil is willing, if the Alberta government is willing; then we can see what we can do about native participation". Is the minister prepared to fight for an affirmative action program for the Cold Lake project and to insist that no pricing agreement be signed without agreement on native training, native employment, and native business development support? In view of the $40 million allocated to Imperial Oil, how much will the minister make available for native training, and is it all to come out of this $10 million?

Mr. Axworthy: Mr. Chairman, while we would like to implement an affirmative action program for the major resource projects in Alberta, the provincial government seriously disagrees with our approach. It follows what it calls the "local preference program". In fact their human rights legislation has basically outlawed affirmative action principles or requirements other than if the provincial cabinet makes an exception, which would have to be approved by order in council. In effect, what the Alberta government is saying is that affirmative action programs are illegal according to provincial statutes.

The federal government has made it very clear that it does not agree with this opinion. It will be an area of some continuing discussion between the federal government and the government of Alberta because we, as a government, are fully committed to this principle. Because of this, the resource companies are caught between the Alberta government, which is not prepared to recognize affirmative action, and the federal government and its insistence upon it. That is really what the Minister of Energy, Mines and Resources was referring to.

There is no clearcut choice, and it may be that there will have to be a court case. I believe, and my hon. friend over here would know, that two Indian bands have already gone to court to test that law in Alberta, and that the courts have sided with the bands. It may be that the federal government at some point will have to go to court as well, but that decision has not yet been taken in the hope that we can work out an arrangement with the government of Alberta. In the meantime this law is a serious impediment to the introduction of the affirmative action principle.

Mr. Hawkes: On a point of order, Mr. Chairman, would the minister give us chapter and verse proof that the Alberta government has refused to recognize affirmative action?

The Deputy Chairman: Order. There are time limitations. The hon. member will have his opportunity when we return to him.

Mr. Manly: I certainly hope that the federal government will use its leverage to insist that there be an affirmative action program and to protect native participation in this project, instead of sacrificing it to other interests. I think it is important that the federal government start living up to its responsibility for native people and not always be backing down to provinces like Alberta on something like this.

• (1700)

The minister referred to the fact that his is not the only department involved in funding. I should like to refer to a paper issued by Irvin Goodleaf, executive director of the National Indian Brotherhood, entitled "Native Employment Strategy for the '80s". In part he states as follows:

> I refer, lastly, to Canadian Employment and Immigration Commission programs which all too often place bands and enterprises in a "Catch-22" situation by their restrictive criteria. We are told, for example, that we cannot use LEAP funds to establish businesses in competition with existing non-Indian businesses. We are told that LEAP funds cannot be used to finance 'the normal activities of any ongoing enterprise.'
>
> Mr. Axworthy, on June 2, 1980, announced a whole range of employment programs, each one geared to specific purposes. Picture the situation of a small band with limited staff resources, far from any Canada Manpower centre, trying to determine the most appropriate funding source for its specific projects.
>
> A more appropriate approach would be to establish a single community development fund for Indian communities with a straightforward set of criteria stating how the money can be spent.

At a meeting of the National Indian Brotherhood executive council on October 20 it was noted that many federal departments and agencies had included Indian population statistics in the distribution of federal funds to provinces, municipalities and other agencies. It was also noted that Indian moneys on a federal level have been distributed to other federal departments, resulting in the diffusion of services and under the guise of a native component, both of which give little value for the funds appropriated for Indian governments. It was recommended that a joint approach be made to Treasury Board, other federal departments, Indian governments, and the minister so that a one agency concept could be developed and implemented which will identify all Indian moneys and have them distributed to the various Indian governments by the minister.

Whenever we ask either the Minister of Indian Affairs and Northern Development or the Minister of Employment and Immigration about this, they point out that this is not the only program, that there are other programs. This is confusing enough for members of Parliament, so I am sure that for the native people who are trying to get funding for necessary programs, it is very confusing indeed. I wonder if the minister would give us reaction to the one source concept of funding.

Mr. Axworthy: Mr. Chairman, there is already a system in place within cabinet for that kind of co-ordination with the social committee, where major priority is given to the development of new native programs. The responsible ministers in

each of the departments that have an impact on native programs are represented. It is through that committee that a fair amount of discussion is presently taking place, part of which is related to the issue of how to develop better delivery of federal services and federal resources to native people.

Part of the problem is the split jurisdiction between the federal and provincial governments. Our responsibility is clearly with status Indians, while the non-status and Metis come under the jurisdiction of the provinces, even though we help them through our internal programs. The hon. member can see where there might be a certain static in the system if we simply co-ordinate our programs for status Indians, because we would then have to pull the rug from under a lot of the non-status groups that we presently help through LEAP programs and Outreach programs.

With regard to the criticisms raised in the paper that the hon. member quoted from, I do not think they are fair in some respects. The question was asked how small Indian bands are expected to respond. As I pointed out earlier, close to $3.7 million is allocated under Outreach programs which, in many cases, provide workers to many of the small bands and councils and communities in the north and in western Canada to make them aware of native programs.

In northern Manitoba there are something like 20 or 30 Outreach workers who live within the reserves or the communities. They provide ongoing information, contact and liaison between the native organizations and the department about the programs that are available. I met with many of them a month and one half ago in order to find out how well this is working. In some cases they are the only workers represented in those areas and they do get deflected into providing health and social services and other kinds of programs. Through the Outreach program, however, we have attempted to provide the direct contact and information and advocacy which is necessary in order to provide the native communities with the opportunity to take advantage of the programs that are available. That is what we use the Outreach program for, with varying degrees of success. As I have pointed out, we are evaluating how effective this approach has been, and the Outreach program itself is being re-evaluated.

Mr. Manly: Mr. Chairman, I think the fact remains that the bands that have expertise in applying for different funds get much more in return from those funds than those bands that simply rely upon the Outreach program.

I should like to mention the labour component for housing which is a very significant need in most Indian communities. As the minister knows, this used to be provided by LEAP, and some $8 million has been allocated for housing from LEAP in the current year. In future, the labour component must be funded through the Canada Community Development Project Fund. A total of $7 million is available for all native projects across Canada. If all housing moneys were taken out of this $7 million CCDP, how much would be left for other community development projects in native communities?

Mr. Axworthy: Mr. Chairman, in the one minute left, I have to say that under the Canada Community Development Project, while we put an additional $7 million over and above the normal allocation, obviously in those constituency areas where there is a large native population, the full allocation can also be registered, and it is equated according to the unemployment figures as labour surplus figures in those areas. We have attempted to make adjustments in those cases so that the allocation does not all necessarily go for housing. It really depends upon the advice we get from the advisory boards in each of those constituencies.

[*Translation*]

Mr. Gimaïel: Mr. Chairman, it is always most interesting to deal with manpower and immigration in this country, and especially with manpower. As we are now looking into the department's estimates, I can truly say that in ridings such as Lac-Saint-Jean which I represent, the Department of Employment and Immigration is probably most representative in various ways of the Canadian government. First of all, the department's presence has been excellent for a number of years; there are several of its officials operating within my riding; most of my constituents have been in contact with one or more of these officials. Moreover, the department's policies are in line with the country's policies, which means that in whatever region they may live in Canada, all Canadians have equal opportunities to develop and acquire a higher social status, thus safeguarding their self respect.

At noon today, I was interested to hear the hon. member for Oshawa and Leader of the New Democratic Party ask the Prime Minister what his government meant to offer small wage earners to help them pay for food costs which have risen and will certainly continue to rise. Mr. Trudeau replied that Canadians may have to change slightly their purchasing habits and spend more money on food. My own reaction would have been to say: just consider the past ten years, and you will realize what this government has done precisely to help the have-nots in this country. The best example of its effort is the fine job which the Department of Employment and Immigration has done.

And then there are what are called job-creation programs. Whatever one may say or think, it is a tremendous and unique experience. For once a government, in the early seventies, when unemployment was not as high as it is today, feeling that the future might be less promising because the economic and international situation was getting increasingly difficult and hard for different groups of people, decided to earmark millions of dollars and make them available to the Canadian people. That is what we may call a vote of confidence not only in the present but also in the future.

The sad thing is that most unemployment problems we face in this country are felt especially by the young people. Half the jobless in this country are young. Why? For all kinds of reasons. The jobs are unionized and thus protected. There is

also the fact that a large number of young people are entering the labour market, and a large number of women are leaving home and returning to work as they were entitled to do. The fact is that young people have to face the problem of our economic structure. And what does it mean when a government says, "We are giving you millions. Please develop your ideas and implement them." That represents an extraordinary poll. It means an extraordinary political structural basis. It also means that people who do not have much money can state their ideas and contribute to the development of their country.

A more important consideration, however, is that in Canada it is impossible for everyone to be wrong at the same time. I know some countries and even some provinces where policies come from higher authorities, where everything is directed where you can get money when you endorse government decisions. This is quite fine until the day when the higher authority is wrong and then everyone is wrong.

In projects such as Canada Works or in the local employment assistance projects it is possible, of course, that certain things are done that are not so good. This can happen. Yet most of the things done are good and I would even go so far as saying that most ideas become essential directions for the government. It is in that respect that I find this program to be so important.

Just think that barely one year ago only—indeed we are soon going to celebrate the defeat of the former Progressive Conservative government—let us just think that hardly a year ago there were people calling themselves Canadians, who say that they are in favour of developing this country, who preach separatism, for instance, both in the west and in the east, be it in Montreal or Calgary, who enjoy saying once in a while that they would like to see this country break apart, these people came to tell us that they were suppressing these labour force programs, especially the programs designed to create employment.

Instead, you will be given tax credits for hiring. That is all very well, but when you come to a province like Alberta the situation is much better than in Quebec. There has been a lot of hiring going on in Alberta in the last little while. And there is going to be much more in the next few years because that is where the billions are. Everyone is aware of that, everyone knows this. But did that government think for one minute of the negative social impact of such a decision?

I refuse to discuss the matter any longer, Mr. Chairman, but I still want to stress to my hon. colleagues the fact beyond the political will of governments, beyond the wishes of the heads of states, one thing remains that is extremely important in this world of ours: the sun shines for everyone and, given that context, everyone under the sun has a right to human dignity. And in our society, regrettably so I must say, human dignity depends to some extent on money.

If a man does not get the bare minimum of income to at least go shopping holding his head high, serious social problems arise. In that context I should now like to ask the minister—but first I must congratulate him on those projects, on those local employment programs. I shall never forget the Canada Works program. I should like to ask the minister if we can now hope to have them again next year, while thanking him for having reintroduced them this year.

• (1710)

[*English*]

Mr. Axworthy: Mr. Chairman, in answer to the hon. member, we have pointed out several times in this House the philosophy that we are trying to apply in this department. We try to focus on the areas in the country, and on those groups and those industries which need help the most. To do that we need to have some degree of control and some ability to focus on those areas and to move away from programs which are simply glossed over which may affect some of the unemployed and others who are not. For that reason, we have tended to move more into the direct employment programs where we can have a greater sense of design, planning, and application, where the problems are most severe. To that extent I can assure the hon. member that that will be our intention. However, we will have to wait to see what kind of proposals come from the parliamentary task force and others who, I hope, will give us useful advice on how we might improve upon those programs.

[*Translation*]

Mr. Gimaïel: Thank you, Mr. Minister. Concerning the recommendations which will be made by the task force on the opportunities for the eighties, I hope that, in that context, my colleagues who will be members of that group will also consider the great impact of such projects in areas which, like mine, maintained social peace in our country for the last ten years. Those projects are very important and I hope nobody will try to diminish their merits by saying, as I often heard in some provincial legislatures, that they only amounted to a patching policy. I smiled a lot since then because those same people developed programs such as OSE and everything you want, all kinds of programs which are only reproductions of those which were established ten years ago. And I hope that we shall go on moving at top speed as we have been doing up to date in that area.

If I may put aside your department for a while, I would like to deal with what I think is a fairly interesting issue concerning employment across Canada. In the last ten years, the Canadian government, through a department which does not come under your authority but which is doubly related to yours, by the fact that Mr. Love, your present deputy minister was for many years deputy minister at DREE, and the fact that it too deals with economic issues, and you will know by now, of course, that I am talking about the Department of Regional Economic Expansion, the government, therefore, through this department, has acquired tremendous control over the economy, not only of the provinces or the major

economic regions of this country, but over all its subregions. At present, no provincial department of trade and commerce can provide us, in a reasonable amount of time, with as much information as DREE can on any subregion in any province of Canada. I find that most interesting and I also think that it is the key to the future policies of your department and of other economically oriented departments.

Also it is obvious that by knowing the needs, the causes and the problems in each one of our regions, the government can provide leadership to provincial and municipal governments through the programs it develops to solve our economic problems. What concerns me most is that there are still inadequacies in certain services. I am thinking, for example, of the Post Office, which has yet to open post offices in some areas. But what I mean especially is that additional facilities could be provided across the country. In some areas, because policies were not fully implemented or for some other reason such as change in government, services provided by certain departments are not as good as elsewhere.

My question therefore is this: does your department foresee the possibility of using funds already available in other programs or funds that it may be granted, to call upon local manpower to build federal government facilities, such as post offices, in certain areas?

I expect you will tell me that comes under the Department of Public Works but I can reply that that department, when it is forced to pay for labour and material, is burdened with very heavy economic duties. Since your department is already paying much for labour in the country all year long I wonder if it is conceivable that part of the manpower you pay for either through Canada Works or various other programs could be used for purposes such as those?

[*English*]

Mr. Axworthy: Mr. Chairman, I think the hon. member poses a very important policy question as to how we can begin to combine the efforts of the employment creation which we are able to support and some of the other priorities of departments, such as fisheries, regional economic expansion, and public works. In the development of the community development employment program this year, we set forward the principle that we would work with other departments which had specific capital works programs in mind, that we would provide the employment component and they provide the capital component. It worked very successfully in the maritimes where the departments of fisheries and the environment put up a certain amount of capital to do fishing wharf enhancement and the development of new fishing services. We provided the employment composite.

● (1720)

We have been fairly enthusiastic about the way that worked out. We hope to develop it further in our additional employment programs, as they develop. It is a way of getting double value for the amount of money that is spent. We can enhance our own priorities so that we will be increasingly moving our employment programs toward the establishment of key national priorities, so that two or three departments can combine and use their resources in a combined fashion.

[*Translation*]

Mr. Gimaïel: I thank the minister for a quite satisfactory answer. It is true that you contributed to many of the Department of Fisheries and Oceans programs, my own riding being one of those which received grants, and it is true that there is a very important double goal that is often achieved. I should wish the experience to be repeated with other departments.

In a somewhat different area that still concerns DREE, I was telling you earlier about the expertise of DREE in ascertaining the needs of areas, but that department is still acutely aware of the strengths and weaknesses of the various areas of the country. There is nonetheless something that worries me a little about what is going on in your department. I have already written you about it. I would like to make further comments on it this afternoon after having thought out the matter. The small matter that worries me relates to the Canada Manpower Mobility Program, the CMMP as it is called in the various sectors of your department. That program was, and I repeat was most useful for the people in my area. It could allow people to move over short distances within provinces with a reasonable amount, by that I mean they were receiving enough of a grant, based on real costs, to go and look for a job 100 or 120 kilometres away, or a greater distance if needed. This program was changed, and that change was quite negative because, taking as an example the province of Quebec, the largest in Canada, the program is now available within reasonable standards, that is, for amounts of $100 and more, to people undertaking rather extensive trips.

Assuming someone goes from Quebec to Alberta, because he or she found work through the manpower centre, your department will give a sizeable grant to help. But should the same individual go from my constituency, Lac-Saint-Jean, to work in Quebec City, he would not reach the minimal $100 level, and this is a misery because $100 is not enough in my view to cover the move; he would not reach that minimum level and would be flatly refused. As I said, Quebec being the largest province, the same policy applies to provinces like New Brunswick and Nova Scotia and almost completely eliminates any help from your department for interprovincial manpower move. This is an extremely drastic change. Instead of a plan that took people from areas within greater regions to bring them to strong points, taking them for instance from Lac-Saint-Jean to work in Quebec City or Montreal, your program now takes people from a province, from a large region with a weak economy and moves them to another province with a very strong economy.

I consider that a setback because I will say very frankly that I strongly believe in moving workers within regions and even within provinces. Why? Because they have the opportunity to

undergo training and sometimes even to come back home with some experience after a while. That also enables a great many young people who are obviously without any qualifications when there is a job opportunity to leave these areas and find work where there are more opportunities. But I believe that asking them to move to a completely new environment is to court serious social problems.

I would look unfavourably at a policy of the Government of Canada promoting the displacement of people from the maritimes to Alberta which would bring about a massive exodus greater than usual from the maritimes or from Quebec toward Alberta or the richer provinces. I would be concerned by such a movement because we must realize that it is not so easy to settle in these rich provinces for it is well known that housing is expensive, development is extremely rapid and local municipalities can hardly keep up with it to provide the necessary infrastructures, and if you add to all these problems the fact that governments of some provinces, like Alberta, are more interested today in increasing the liquidity they get from the sale of oil even to their own residents than in trying to help their own citizens or their own municipalities develop fast enough, I am afraid that such a program would make matters worse. And I ask you, Mr. Chairman, if it would not be possible not to do away with the structure of the manpower mobility programs as it now exists and with the help it provides for long distance travel but to revert partly to the previous policy which was specifically intended to help movements within the same subregions of Canada.

[*English*]

The Deputy Chairman: Order, please. The time allotted for the question and answer has expired.

Miss MacDonald: Mr. Chairman, I want to carry on with my questioning with regard to the affirmative action programs the minister mentioned. He seems to put a great deal of reliance on that approach to correct the inequities which exist within the federal public service respecting women. I would perhaps be more reassured if I thought that some of the programs initiated by his government earlier had had more commitment to them than we have seen over the years.

I want to ask two questions about the affirmative action program. First, what is committed to it in the way of resources, and from where are those resources being drawn? Second, will the minister undertake now to provide the House with a quarterly report as to the advances being made by the affirmative action program so that we will know from quarter to quarter just what is being accomplished? I say this because I know the minister has tremendous statistical and research resources at his disposal within the department. This is something he can do very easily to prove the affirmative action programs are working.

Mr. Axworthy: In the first two phases of the program, the hon. member will recognize the primary resource is the allocation of person-years. I believe it is about 25 person-years which have been allocated to this stage for the first two phases as the programs extend and the reallocation comes about. As for her second suggestion about the quarterly report, I personally will be pleased to consult with my colleagues, the President of the Treasury Board and the Secretary of State, who are part of the committee. Knowing of their generosity and openness, I am sure they will not object.

Miss MacDonald: I am not as sure as the minister. When he answers the first part of the question, I would like him to tell me where the resources are being drawn from so that I will know some other program is not being cut back as a result.

There is a second matter I wish to draw to the minister's attention with regard to the under-representation of women. I draw some of my facts and statistics from a report prepared for the Canadian Advisory Council on the Status of Women. I am talking about boards, commissions, councils, committees, Crown corporations, all of that grouping of corporations and commissions whose members are appointed by the federal government.

● (1730)

I am sure the minister realizes that to those commissions and boards, those order in council appointments, there are two kinds of appointments. There are full-time appointments and part-time appointments. First of all, I want to mention the full-time appointments. There are some 292 full-time appointments to boards, commissions, councils and so on that are made by the federal government. Of these 292 appointments, 247 of them are men and 45 are women. The majority of those 45 women are appointed to two commissions only, that is to the citizenship commission and to the Canadian Advisory Council on the Status of Women. If we take out the number of women on those two boards from the 45 women appointed, it would leave only 21 women appointed to the other 84 agencies or committees. Of those 21 women appointed, only about 9.4 per cent of them hold executive positions. In other words, they are not providing major input at the decision-making level.

Of the 13 women who hold full-time executive positions, only five are at the very top. Of these five women, only two are classified at the deputy minister level—in fact, I think it has dropped to one now. So that we have only five women holding executive positions at the same time as 125 men holding senior executive positions. That shows, in brief summary, that women are not only under-represented in full-time appointments, but they are in positions where they can wield very little power and are denied comparable status in pay. Those are the full-time appointments to boards.

As for part-time appointments, there are some 956 appointments in the federal government. Of those, 812 are male and 144 are female. Of the 144 females appointed part-time, only two hold executive positions. Again, we see how poorly women are represented in these appointments and, secondly, how they get very minimal or low-status appointments. There are no women at the very top. There are no women who hold the position of chairperson, of president or of chief commissioner.

I should like to bring to the attention of the minister the kinds of boards and commissions I am talking about, such as Air Canada, the Bank of Canada, the Canada Labour Relations Board, the CBC, Canadian National, the Canadian Transport Commission, the National Energy Board and Petro-Canada. In all of these, decisions are being taken which affect our communications, our transportation systems, our finances, our energy supplies and our economic strategies. These are decisions that are being made without adequate representation from one half of the population of this country.

Three of the eight agencies I mentioned have only one woman sitting on their boards. They are Air Canada, the Canadian Labour Relations Board and the National Energy Board. The other five I mentioned have no women on their boards at the present time. They are, the Bank of Canada, the Canadian Broadcasting Corporation, Canadian National, the Canadian Transport Commission and Petro-Canada. There are no women on the boards of these very important agencies which are directing much of the decision-making of this country.

What I should like to ask the minister is this. Since this is another whole area where the federal government has the opportunity to move and where he as minister responsible for the status of women has a great opportunity to provide input, how many of these Crown corporations or federally-tied companies are committed now to affirmative action programs?

Mr. Axworthy: Mr. Chairman, I thought the hon. member was going on to another line of questioning, but I see she came back to the actual affirmative action issue. I can tell the members of the House—I do not know if it is public yet but I am sure they would not mind my saying—that we have already signed an agreement with Canada Mortgage and Housing Corporation to establish an affirmative action program. The president of that corporation and the minister responsible have been very co-operative in coming together. Since we have undertaken the activity with the public service, they have now agreed to this in that major Crown corporation as a first step. I have also written letters to several of my colleagues who have a number of Crown corporations under their jurisdiction indicating to them an interest to negotiate with them.

As the hon. member may know, within our own Department of Employment and Immigration we have a separate section working with the private sector to develop affirmative action programs with private companies and with Crown corporations. These are being negotiated right now. For example, they are negotiating one with the government in my own city of Winnipeg, on the same premise.

In the area of Crown corporations we are attempting to make some progress and are negotiating to get these agreements signed, although it does take some time to explain to them what the opportunities might be, how the affirmative action programs in fact work and how to get decisions by their board of directors or by their other chief executives. This is something we are pursuing.

Miss MacDonald: May I suggest to the minister, who has been making such a great thing about a search for a Canadian in a certain other occupation, that he take that approach with the president of Petro-Canada, with the chairman of the National Energy Board, the president of the CBC, the president of Canadian National Railways and with a good many Crown corporations. I can assure him they would not have to search nearly as hard to find a number of women who have the ability and the clout to provide the input necessary on these boards. The minister responsible for the status of women should give these commissions very direct guidelines to go out and search immediately for women to become members of the boards of these Crown companies and government agencies.

Just one final question on a different matter, a matter that I know is of great concern to many people across this country. I want to know if the minister is approaching his provincial counterparts to discuss the updgrading of work standards for domestic workers in this country, especially those who have recently immigrated to Canada and where the work situations in which they find themselves are anything but adequate.

Mr. Axworthy: Mr. Chairman, in respect to the last question, I have written to the provincial ministers of labour outlining the position of our government. We feel that the labour codes should be brought up to standard and applied to domestic workers who come from offshore. The position of this government is that we would not agree to issue work permits until we gain some assurance that the working conditions for someone coming to work as a domestic would be comparable to those offered to a Canadian. That is not always possible to administer because so much of the labour activity is beyond our jurisdiction. I have written to the provincial ministers about that and we are in discussing holding some kind of conference this year, and we will certainly put that item on the agenda.

• (1740)

Mr. Foster: Mr. Chairman, the estimates of the Department of Employment and Immigration before us today certainly give us an opportunity to raise a wide range of questions concerning this department. The programs operated by this department are very important to the slow-growth areas of the country. I think especially of programs like Canada Works, LIP, the youth employment program, LEAP and a large number of other training-related programs which have a definite effect on the slow-growth areas of our country, especially those requiring direct job-creation programs.

In my constituency these programs have had a more visible impact on rural communities than perhaps any other federal government program. Their impact is visible in terms of improved housing for Indian bands, new halls and recreational facilities and docking and marina facilities in a large number of communities. There are programs for new firehalls, new community halls and facilities for senior citizens. There is also a large number of recreational programs. I think we have reached a certain limit, however, with respect to community

facilities in that many municipalities have now used up all the funds available to them for material costs.

Many municipalities and the department generally are now interested in projects which will actually create new economic activity. In this respect I think of projects under LEAP. For instance, this winter we are building an addition to the nursing home at Wikwimekong which is one of the largest Indian bands in the Algoma-Manitoulin area. This nursing home is receiving LEAP funding and will ultimately provide accommodations for some 30 patients. LEAP is providing funding for labour costs. It will ultimately create some 14 jobs in that nursing home.

Likewise funds which are being spent under direct employment programs like Canada Works and the Winter Works programs will improve docking facilities for the tourist industry, which is very important throughout the Algoma-Manitoulin district and for which no other source of funding seems to have been available for the last year or so. The Canada Works program has been very beneficial there.

However, the problem we face with these programs is the drastic reduction in the amount of funding. For the past several years the funding level in the Algoma-Manitoulin area has run in the neighbourhood of $1.5 million. During this past year it has been something like $250,000. Applications from Indian bands, rural municipalities and other non-profit groups have continued at the higher level. A few weeks ago I asked the minister if additional funding would be provided for the community development program, and he indicated that in the budget there is some $350 million for industrial activity and adjustment. I hope he will be able to indicate to us today the amount of additional funding which will be provided under the community development program, because a number of projects which were not funded or had to be reduced in size for this coming winter could be funded if the minister allocated additional moneys to this program.

The second inquiry I have is whether future funding for this program will be set out in the main estimates. When the community development program and the Canada Works program was established, it was established on a five-year basis and the funds were put in the main estimates of the department. Job-creation officers working with municipalities or Indian bands were able to say, "We will do this project over a two or three-year period". The program was totally cancelled while the Conservative government was in power, and many projects were left half completed.

However, now that the program has now been reinstated, I hope the minister will be able to indicate how many years this program will be in operation so that groups applying for funding can plan to phase their projects over a period of years. This is very important because funding for materials must be put up, and since groups often cannot afford to pay the full cost in one year, they phase their projects over a number of years. For instance, at least one municipality in my constituency—there might have been two or three others—was undertaking a marina project. It was phased over a period of two or three years as its shares of funding was available. I hope the minister will be able to indicate the duration of this program.

I want to raise a number of questions about the Local Economic Development Assistance program. Applications have been sought from a number of municipalities across the country to set up LEDA corporations in an effort to generate more economic activity, especially among the private sector, to provide some assistance to local development corporations, to seek out and find worth-while industries in slow-growth areas and to provide some capital funding or loan funding. A number of municipalities are waiting to find out whether they will receive interim funding for the design of projects, and I would be interested in knowing if the minister could tell us when decisions about LEDA corporations will be made known, at least in the Ontario region.

Early this fall the minister indicated to me that he was assessing the possibility of establishing a Canada Employment Centre in Blind River, Ontario for the north shore area. I think this would be a wise move. There is a certain amount of economic activity there, but the services of Canada Manpower would be very valuable to that community and to the north shore region. I hope the minister will give an indication today whether a decision has been made and when the Manpower centre will be provided for that community and that whole sweep of communities along the north shore of Lake Huron.

The hon. member for Notre-Dame-de-Grâce, who is involved with the special committee on manpower and critical manpower needs, spoke in the House this afternoon. I think his committee has a very important responsibility to this House because in a large number of instances in communities in northern Ontario there is a shortage of trained, skilled workmen, especially tradesmen, diesel mechanics and tool and die makers. There are all critical manpower shortages, yet we have high unemployment in the country.

I hope that committee will be making recommendations, because surely during the 1980s, as major construction projects go forward—I refer to Elliot Lake, Sault Ste. Marie, Espanola and a number of other pulp and paper communities throughout northern Ontario—there will be shortages in certain trades such as pipe fitting, steam fitting and others like that. I certainly hope we can find a solution to this problem of high unemployment while at the same time a number of tradesmen are in short supply. A few years ago mining companies in northern Ontario were applying for these skilled tradesmen in the United Kingdom. A few months later there were massive lay-offs at the Inco mine at Sudbury. So obviously we need a better training program and a better forecasting mechanism in the department.

● (1750)

Recently I read that the Department of Employment and Immigration, in co-operation with the provincial governments, was planning to purchase a new school in Toronto for training people, which would reduce the apprenticeship and training period on the job from four years to three years. It seems to me that this would be a good move, and I wonder if the

minister is planning to do that in other communities across the country, thus increasing the tradesmen who are available while at the same time giving more Canadians a chance to work in trades where there is a shortage of supply.

The minister noted on Friday in his speech that about 170,000 jobs were created this year. He also indicated that the number of people coming into the labour force would be reduced during the next few years. I wonder if the minister could provide us with the figure for the actual number of people which the department anticipates will come into the labour force between 1981 and 1985. It seems to me that it would be useful for the House to know whether the actual number of people coming into the labour force, as projected by the department, is dropping. This has been indicated many times, but we are not sure of the exact projections of the department. Surely it would be useful, in planning the work of the committee and of the department, if the number of people coming into the labour force were reduced during this period. Ultimately this would reduce the number of unemployed.

Mr. Chairman, I want to leave sufficient time for the minister to respond to the several questions I have put to him, so I will take my seat now.

Mr. Axworthy: Mr. Chairman, I should like to thank the hon. member for a series of interesting and important questions. I will try to answer them as best I can in the time he has left me.

On the first question concerning the funding for the community development projects, as I pointed out, we have to work within the estimate limits which were set by the previous government. We are now reconsidering the employment programs we have. As I pointed out in my previous answer, we are at present looking at these matters in cabinet. There is the obvious difficulty that there are thousands of demands on very scarce resources and we are trying to allocate them to the most important needs. Certainly it is my intention to request some additional funds in the employment area. When we are able to make some decisions on the budget allocations put forward by the Minister of Finance, the hon. member will find proper attention paid to the employment requirements in this country, particularly in areas of high unemployment.

On the issue of the Blind River office, I apologize to the hon. member but a decision has not yet been made. We are assessing the requirements of either setting up a branch office or of increasing the frequency of our visits to the area. I hope we will be able to have a decision for the hon. member by mid-January, so he can assure his constituents that they will have some form of improved service by that period.

On the question of the trade schools, I have been intrigued by that particular development. We have received a high degree of co-operation from the government of Ontario in developing new approaches to training programs. We will be starting major negotiations with all provincial governments within the next six to nine months on the extension of the occupational training act. This is the fundamental formula we use for applying training moneys to provincial institutions. It is our hope at that time, when we have possession of some of the findings and ideas that have been developed by the Allmand task force and the task force working in our own department, to be able to use those ideas as a way of developing new approaches which we will be in a position to discuss with provincial officials.

I would say by way of comment that the new approach which that trade school initiative represents is one that I personally find very attractive because it responds to the real problem of making sure that those who are going into training programs are not limited to either institutional or industrial training but have a combination of both. We have been looking at the polytechnic model which is used in Europe as one of the ways in which we can focus on particular sector needs, whether it be in construction, aerospace, or whatever, to set up different kinds of training centres which would specialize in those areas across Canada. We will be looking at that experiment very closely, analysing it and discussing it with provincial officials.

In the area of the LEDA proposals, as the hon. member will recognize, we put that forward as an experimental program in longer-term community economic development, and we will be administering this jointly with the Department of Regional Economic Expansion. As I indicated at the time, our resources would allow for perhaps 15 projects across Canada. At this time we have received upwards of 40 applications, and many keep coming in, which shows the attractiveness of that approach. So we will be in the very tough position of having to decide which projects may best illustrate different facets of different ideals, different methods of local economic development, and we will be choosing according to that criterion. So some choice will begin to be made within the next month when an announcement will be made. My own regret is that we will not be able to fund all the projects, but will be choosing them according to those which give the best over-all picture of different opportunities and different alternatives which we can try.

With regard to the labour force growth, this is work that is being done by the different task forces which are working at present. By way of illustration, early forecasts have shown that while the labour force growth in the period of 1976 to 1979—the period which we have just completed—has been about 3 per cent, it is our expectation that in the period 1980 to 1985 it will be in the range of about 2 per cent, which, when measured against the labour force in Canada, which is in the neighbourhood of about 11.6 million workers, will show an approximate growth of 900,000.

We have to be very careful in using that figure in the sense that one other phenomenon or trend has been quite obvious, and that is the increasing participation rate of the labour force. One thing we have been noticing is that the participation of women has gone up radically, by almost 5 per cent or 6 per cent in the last four or five years. The participation rate of young people has also gone up quite remarkably so that there is a higher ratio of people working than at any other time in the country as compared to over-all population. So while there

may be a decline in the population numbers, if the ratio of participation rates goes up, it will tend to shorten the gap between labour demand and labour growth.

At the same time I think we will still be facing the possibility of running labour short in key areas of the population which have been traditionally restricted to male workers, because that may be the area where the shortage may show up most profoundly. That is why it is important for us to develop ways of making a transition in providing opportunities for women to move into non-traditional work, and that is one of the reasons why we have introduced several new programs to that effect.

Mr. Foster: There is one short question to which I would like the minister to respond. It concerns some indication that the direct employment programs, such as the community development program, will be in operation, or a clear signal given that this program will operate for two or three years. This would allow municipalities to do a phased project. After all, they have to put up the material costs. I wonder if the minister is planning to have the funding for such direct employment programs in the main estimates next year, because in the past year they have been in the supplementary estimates and there has been no clear indication of the length of time during which the program will run. I think it is important both for municipal officials and employees in the minister's own department to have a clear signal that the program will last for one, two or three years. I hope that that will be the way in which the program will be operated.

Mr. Axworthy: May I say in half a minute that that is a very worthy proposal. We are examining it in the context of the over-all evaluation we are conducting of labour market requirements which the task force and others are examining. Of course, the only limitation is that estimates can only signify money for one year, and we must keep going back for new funding. But certainly from my experience the community services program, in which we provided for the extension of the program over a three-year period, seems to be working very well. We will be using it as a model to examine, as part of the larger direct employment programs.

• (1800)

Mr. Hawkes: Could I ask the minister how many people live in Alberta?

Mr. Axworthy: Mr. Chairman, I do not have the exact figures. I believe it is somewhere over the two million mark and growing very rapidly, by about 8 per cent per year.

Mr. Hawkes: Mr. Chairman, it is a little over 2,100,000. How many people live in western Canada?

Mr. Collenette: What is this?

Mr. Axworthy: Mr. Chairman, if the member persists in elementary geography and demography lessons, I am sure we can get him an atlas which would supply him with information. But I would hope we could go on to more serious topics.

Mr. Hawkes: It is a little over six million. About 8 per cent of the people of the country live in the province of Alberta; a little over 25 per cent live in western Canada. In the registered apprenticeship trades in Canada, what proportion of those registered in apprenticeship trades programs are registered in the province of Alberta?

Mr. Axworthy: I will get those figures for the hon. member. We will look them up.

Mr. Hawkes: Are those figures available from the minister's officials? I am willing to wait a moment.

Mr. Axworthy: Yes.

Mr. Hawkes: Could I have the figures for western Canada as well? The answers to those questions are important to the line of questioning I wish to pursue.

Mr. Axworthy: Mr. Chairman, if the hon. member will bear with me, I will provide the following figures. Under the present institutional training programs, in the province of Manitoba there are 9,640; in the province of Saskatchewan there are 8,947—

Mr. Hawkes: A point of order, Mr. Chairman.

Mr. Axworthy: —in the province of Alberta there are 29,465; in the province of British Columbia there are 33,833. In industrial—

The Assistant Deputy Chairman: The hon. member for Calgary West is rising on a point of order.

Mr. Hawkes: Mr. Chairman, I just asked the minister for the registered apprenticeship trades programs. He is giving the programs of his department, but I am interested in the proportion of people in apprenticeable trades who are registered in the province of Alberta. I suggest to the minister that it is in excess of 25 per cent, with around 8 per cent of the population. Will the minister simply confirm that and give me the figures for western Canada?

Mr. Axworthy: I was endeavouring to give the figures for western Canada before the hon. member popped to his feet with one of his often gratuitous points of order. If I may continue giving the answer, under the industrial program, which pays for most of the apprenticeship programs or the critical trade skills, the following figures are available for the province of Alberta, 6,563; in the critical trade skills area, 200. Those are the programs we supply. If the hon. member wants further numbers, we will endeavour to find them for him.

Mr. Hawkes: I suggest to the minister that the province of Alberta specifically and western Canada generally have the best record in Canada today of people in trades training programs. I think the facts are such that well over one-quarter of the people registered in apprenticeable trades in Canada today are registered in the province of Alberta. I raised that issue in that form because, as reported on page 5418 of *Hansard*, the minister made the following statement:

I want to report, however, that there is not quite the same keenness and enthusiasm expressed by provincial officials, particularly in our western provinces where they tend to want to go it alone and, as a result, are substantially impeding the development of new training programs in these areas.

Where is the minister's justification for claiming that western provinces are impeding the progress of training?

Mr. Axworthy: As we have tried to point out in the House several times, the labour market in Canada is not divided along provincial or even regional lines. We must draw our skills, our people and our resources from right across the country and from outside Canada. In our forecast it is estimated that the skill shortage in the western provinces will be in the neighbourhood of almost 30,000 per year over the next four years. Those are people who are not available in those provinces or are not being trained at the present time. They will come from other provinces and other countries.

Under those circumstances it is very important to ensure when they arrive that they have proper training and that the training is allocated in accordance with demands in terms of the different industrial sectors, whether it is mining, oil and gas, or pipeline construction. Therefore, it is very important to have the ability to employ a national training scheme and to have those kinds of discussions so that, within the jurisdiction of the federal government, where we must be responsible for the movement and mobility of people across Canada, we have the ability to make decisions and choices to ensure a large movement of people to satisfy the shortages in these areas.

At the present time we spend in the province of Alberta, which "likes to go it alone", as they say, well over $65 million of federal money on our programs to ensure training in those areas. Furthermore, it is very important when training is provided that it is not provided for only one group or category of the population. We as a federal government have tried to be an equal opportunity employer and trainer to ensure proper access for native groups, women and minority groups.

As I pointed out in a previous answer, there are certain provinces which are opposed to that approach and say so in their legislation. If we are to make effective and efficient use of people in the country, then we must ensure equal opportunities. Again that is why we feel there must be a national approach.

If the member would look at the context in which that statement was made, it was within the context that Canadians must supply the labour market needs of western Canada. Canadians would be moving into those areas, not just regional or provincial people. That is the difference in approach between this side of the House and that side of the House.

Mr. Hawkes: Again I direct the minister to his statement, as reported on page 5418 of *Hansard* for last Friday. He deliberately said that it is the western provinces which are impeding progress in training. I suggest that is a false statement; nothing which he has said in the last two minutes substantiates it.

Let me move to disadvantaged people. Has the minister made a comparison of the success of provincial manpower departments versus Canada Manpower centres in terms of their ability to place disadvantaged people in this country, those who are disadvantaged because of age or physical handicaps, women and native people? Which agencies of government, provincial agencies or federal government ones, have the best record in the country today?

Mr. Axworthy: Mr. Chairman, I point out to the hon. member who seems to be here to defend the provincial governments, a role to which he is welcome, that in the very famous apprenticeship program in the province of Alberta, of which he is so proud, less than 1 per cent of the enrollees are women.

Mr. Hawkes: I suggest to the minister that that situation is true across the country, as we have discovered, and in fact in some places it is even less. If he looked at Government of Canada apprenticeable trades in some government departments, I do not think he would find anything about which to be proud.

• (1810)

There is a great deal of fear growing in Canada. The tone of the minister's speeches seems to imply that he intends to interfere with provincial jurisdiction in the area of education. I would like to ask him if he can clarify for us whether or not it is his intention, over time, to take unto the federal parliament responsibility for many educational endeavours which are in the laps of the provinces under the present constitution.

Mr. Axworthy: Mr. Chairman, we know how easily the hon. member opposite gets frightened. I do not think most Canadians share his well-developed sense of apprehension. I have never indicated I intend to take over the jurisdiction of education, nor does this government intend to do that. In many cases we have been quite concerned that the provincial governments have not lived up to some of their responsibilities. If the hon. member recalls, we had a discussion in this House on Friday concerning that very problem. In many cases we were being asked to provide opportunities to ensure there were basic skills. This was an area which properly fell within provincial jurisdiction but it was not being satisfied.

I would also like to point out to the hon. member that the area of training is one which is shared by levels of government and with industry itself. Many of the problems we face in getting people into areas where skill shortages exist begin in the primary and secondary schools where there is lack of counselling. We have worked in a very co-operative fashion with a number of provincial governments to overcome that problem. In my own province of Manitoba we have worked with the provincial government to establish resource centres and choice programs so that young people can receive the kind of counselling and career choices which they so desperately need.

We have absolutely no interest in developing major confrontations with the provinces, as long as they are prepared to co-operate with us. Co-operation is a two-way street. It must work in a joint fashion. But there are problems which arise because someone says, "We will take your money but we will not take any accountability for it; you just give us the money

and we will spend it." As a result they do not agree with some of the basic principles that we have as a federal government. We are not prepared to accept that.

By the way, I would like to point out for the enlightenment of the hon. member, since I know how interested he is in getting proper information, that when he said the position of the apprenticeable trades in Alberta is no different from anywhere else, he was wrong. In the area of apprenticeship the present figure for women in Alberta is .9 per cent compared with 4.7 per cent in Ontario, 6.9 per cent in Newfoundland and 5.7 per cent in British Columbia. That is a substantial difference, I suggest, in terms of percentages—none of which is good enough. That is one reason why we have been quite insistent—

Miss MacDonald: I thought you were bragging.

Mr. Axworthy: The hon. member opposite tends to be skeptical. I would ask her to tell us what her party did when it was in government to promote the working of women in non-traditional fields. What programs did they introduce? Not one, Mr. Chairman.

Miss MacDonald: A great deal more than you.

Mr. Axworthy: No programs at all. No affirmative action, no training programs. Not one single program was introduced by the previous government to deal with the broadening opportunities for women.

Miss MacDonald: We replaced all of your Outreach programs which you cut out.

Mr. Axworthy: I am prepared to accept the responsibility of this government but I think the hon. member opposite should look first at her own dismal record, which is not exactly great.

Mr. Hawkes: I continue to be amazed by the minister. Apprenticeable trades vary from province to province, according to their definition. I think in the provinces the minister was talking about he was including trades such as hairdressing and cooking.

Mr. Axworthy: As they do in all of them.

Mr. Hawkes: I think he may find some differences exist across provincial borders. I only have five minutes left but could the minister indicate to the House what he considers to be the primary barriers to mobility which exist in Canada today? What are the primary barriers to labour market mobility?

Mr. Axworthy: I am very pleased the hon. member has left me four minutes in which to address such a large topic. I will try my best to be brief.

I think there are a variety of barriers to mobility. Certainly one of the most important barriers at the present time is the difference in standards which are set. We have attempted to work with the provinces to establish a red seal program which would certify trades in each of the provinces on a standard basis. However, at the present time there is only a limited number of those trades which are so certified and there is a limited number of workers in those trades. It would be my ambition that we be able to work much more directly with the provinces substantially to extend the red seal program so that there could be common certification and a common standard set for the application of trades right across Canada. Again, that is something which we intend to discuss with the provincial ministers when we have an opportunity to meet them this spring. That is certainly one of the major barriers.

A second major barrier is basic human motivation and behaviour, in the sense of being tied to a community and developing the incentive to move. That is one reason we have attempted to enrich mobility grants up to a maximum of $4,500 to ensure that if there is an economic reason why someone is reluctant to move from where the jobs are declining to where they are expanding, that economic barrier could be reduced or eliminated. So the second major problem is overcoming some of the economic hurdles for people who decide to move.

The third area is the transfer of information so people will know where jobs are. Those people with certain trades but no work will be able to go to where work may be. We have introduced a national job bank, which is a computerized system that will be able to plug in the job vacancies right across Canada through computer terminals in major centres. Workers can then go and find out where work may be available in other parts of the country. Within the first two or three months there is already something in the range of 9,000 different placements on that job bank. The number will certainly grow beyond that. This gives us the ability to provide for an information transfer so people know that the job is there.

The fourth area, as we have pointed out, is major regulatory and legislative limitations imposed by both levels of government. We must work to eliminate those. At the provincial level there is the kind of Draconian legislation which we see in the province of Newfoundland where they totally exclude workers from other provinces, preventing them from moving in to work in the offshore fields. There is the construction legislation in the province of Quebec which also excludes workers from other provinces. There are regulations in the trade services and training areas which must be reworked in order to provide for common standards. We must provide that kind of mobility where legislative or regulatory barriers have been set up which people must try to get around.

Those are some examples of the kind of mobility barriers which we must work on. As I pointed out, they must be worked on in a variety of ways and in combination with levels of government and industry itself.

Mr. Hawkes: Could the minister explain to us what the difference is between the manpower regulations associated with the northern pipeline and the legislation passed by the Newfoundland government?

Mr. Axworthy: Mr. Chairman, I believe that if the hon. member looks at the legislation he will find it does not provide

for exclusive hiring for the north, with a preference. That is the very major difference between the two pieces of legislation.

Mr. Hawkes: We may explore that when we have more time later this evening. Out of the four major mobility problems the minister referred to, could he indicate which of those would be solved by the constitution legislation of 1980?

Mr. Axworthy: We would hope that we can provide some solution to all of them. The charter of rights would establish a basic standard, a foundation upon which all governments and individuals would know that they have certain rights. Where there are impediments to that, such as the Newfoundland legislation, they could be struck down. But as the hon. member should know, because he is a member of the constitution committee, one of the other advantages of the charter of rights, whether or not it is in a non-discriminatory area, is that it will require governments to go back and check their statutes, their laws and regulations, to make sure that they conform to those precepts of the charter of rights. Therefore, they will have to make a complete re-evaluation to ensure that there is not, within their different standards or codes, that kind of impediment to choosing where they will work or live.

Mr. Hawkes: On Friday afternoon I asked the minister to read the brief in the Canadian Council on Social Development to the constitution committee. Has the minister taken the opportunity to read that? Is he saying to us he totally disagrees with their perspective and that they, in fact, are dead wrong? How can he make the statement he just made in light of the information which is contained in that brief?

● (1820)

Mr. Axworthy: Mr. Chairman, it is not my function to agree or disagree with the Canadian Council on Social Development; it is the function of the hon. member who sits on the committee. The committee was established to receive briefs and representations, to sift through them, distil them, decide which is right and which is wrong and then to advise the House. As a member of this House I am quite prepared to put my trust and faith in that committee and the soundness of its judgment.

[*Translation*]

Mrs. Hervieux-Payette: Mr. Chairman, first I would like to say how pleased I am to have this opportunity to state the point of view of a woman who has returned to the labour market. As a member, I suppose I am part of the labour market, but I should say to my constituents and probably to all Canadians that for 11 years I was a full-time mother and that at the end of those 11 years I had to resume my studies and complete my training while I was still acting as a mother.

Mr. Chairman, I would like to make a few general comments as a woman who is now on the labour market, who left a job in the private sector after having worked in the public sector. As for whether a bill of rights should be included in the constitutional motion, my colleague opposite was asking a while ago if Canadian women found it essential to have such a bill of rights. I should say that in my opinion and in the opinion of the majority of women whom I have consulted so far in Canada, it is essential to include a bill of rights in the Canadian Constitution.

Indeed, Mr. Chairman, one cannot claim that in 1980, after more than a hundred years, women have achieved equal status in the market place. There are many obstacles which Canadian women must overcome when they want to join or rejoin the labour force. Of course, one of these obstacles—which should not be one—is motherhood. The fact that they bring children into this world and thus contribute to Canada's future is not an asset but a liability for women who want to rejoin the labour force. Even their getting married is an obstacle, Mr. Chairman, and I am sorry to say in 1980, without a bill of human rights enshrined in the constitution, with a somewhat limited tradition of equal rights under federal and provincial legislation, following some ten, 15 or 20 years of experience of a federal or provincial charter of human rights, I find the status of women deplorable. Mr. Chairman, Canadian women have still a long way to go before they can get equal pay for equal work.

In spite of the organizations which have been established and the legislation which has been adopted, I suggest that all governments, past and present, have failed in their duty to provide jobs to all Canadians, especially to women, who want to work, something to which they should be entitled as a right. Mr. Chairman, there is also a part of our charter of rights which deals with manpower mobility. I suggest that these provisions will benefit women. There are agreements under the red seal concerning tradesmen. We are all well aware that there are very few women involved in the various trades who are able to move from province to province. Some professions have acquired national status, like engineering, technology, and others. We must confess, however, that in some occupations which seem reserved for women, there exist important obstacles preventing them from securing employment. And I suggest that it is the federal government's responsibility to eliminate these obstacles partly or entirely.

With regard to job access, Mr. Chairman, I think the job-creation program should make it easier for women to get back onto the labour market, especially for those who have raised children and now have to help pay the cost of their children's education or those who became head of the family. Those women, Mr. Chairman, who are now in their forties, who were unable to attend school for very long, now find themselves at a dead end in that they are left with taking very low-paying jobs or else living on unemployment or welfare benefits. And I must say, Mr. Chairman, that in this day and age it is unthinkable that in a country like Canada about 70 per cent of single parent women and their children are getting welfare payments. Indeed there surely must be something missing in their education for the women to be in such a large number in that category. Mr. Chairman, I suggest we should dispel the impression too often given by the business community or even by government circles that women are parasites in society and

are eating away at government revenues through welfare payments. Mr. Chairman, I say women live on welfare not by choice but by obligation and because of discrimination in the labour market.

I believe employment and manpower programs for the '80s must be studied in light of the economic growth that we will witness. Yes, Canada is a country with a great potential. We have tremendous possibilities in the field of energy, we have natural resources in large numbers and we have manpower, people who can join the labour market, who in fact are already in the labour force and who represent tremendous human capital. In fact, Mr. Chairman, in the last ten years, Canada has been one of the countries whose employment rate of growth has been considerable, one of the highest among the members of the OECD. Between 1970 and 1974, the annual rate of growth was 3.5 per cent, and according to forecasts, it will be 2 per cent from 1980 to 1984, and 1.7 per cent from 1985 to 1989. Despite those forecasts, Mr. Chairman, it must be recognized that there will be a shortage of workers in the labour market. On the other hand, I should like to give some figures to show the evolution of women's role in the labour force. In 1955, they represented only 19.4 per cent of the work force; by 1980, at this point in time, they represent 45.9 per cent of it and by 1985, forecasts have it that women will represent 51 per cent, almost the same percentage they represent in terms of population.

Mr. Chairman, I feel it is important to study employment and immigration from two angles: how we will make up for shortages in the 1980s, and how and toward what work women should orient their efforts in the labour force. On the one hand, immigration can be one source of workers; on the other, I feel that women working in larger numbers can fill the other 50,000 jobs the present work force would be unable to fill.

Those sectors now under development, that is high technology, those in which skilled workers can find employment, where salaries are higher, where jobs are more secure, are those which at the present time are probably the least accessible to women. Speaking of the major developments in Canada, let us mention the James Bay project where women worked almost exclusively in the traditional fields, where they held clerical jobs and were the object of, let us say, Mr. Chairman, a certain amount of sectorialization not to say discrimination.

● (1830)

Indeed, well paid positions at James Bay were seldom open to women yet in future development, in the development of gas and oil resources, in the development of the tar sands, projects as important as Cold Lake in Alberta will generate from 8,000 to 10,000 jobs. What kind of positions are these projects going to create? First, they will be specialized jobs such as welding, machinery and in these specialized jobs, Mr. Chairman, there will be very few women, unfortunately. Women could perform welding tasks, but they do not get the necessary training to do that kind of work. We know there will be growth in these areas over the next ten years and it is in this area that female labour force training should take place.

In 1980 only 1 per cent of Canadian women were apprentices in the area of non-traditional jobs. In adult vocational training women made up 42 per cent of the enrolment yet only 862 women were directed towards non-traditional jobs compared to 35,000 men. Where is the deficiency, Mr. Chairman? I do not think there would be much difficulty for women to learn those trades of welders, drillers, programmers, key punch operators, all trades which provide stable employment and are jobs of the future. What programs does the minister propose to correct this situation? At present there is the on-the-job training program which, I think, could be greatly extended. It is a very progressive program, especially with respect to Quebec which has not yet taken full advantage of it. Quebec employers could indeed apply for the grant which pays up to 75 per cent of the salary, for up to 52 weeks, at a weekly rate of $185. In fact, 3,500 Canadian women, Mr. Chairman, could benefit from this program.

What efforts will be made to attract female workers in these areas which provide interesting jobs and are a good source of manpower for employers? I think that this area, Mr. Chairman, calls for joint action. The federal government must make its concerns known to the business community, unions, teaching institutions, women's organizations, so that all those concerned can join in the effort to publicize these on-the-job training programs. In order to ensure that women make a smooth entry into the labour force, there are other measures I think, Mr. Chairman, which must be taken and one of those which will be crucial to our economy in the years ahead is the development of private daycares in industry with the help of government, or of public daycares set up in schools which would provide ideal settings for this and which, in any case, are emptying year after year.

Mr. Chairman, I would like to speak of another measure which is essential to Canadian working women. I am referring specifically to the last brief by the Canadian Chamber of Commerce which stated that we must do away with the maternity leave benefits provided by unemployment insurance. I am astounded that the chamber of commerce made no mention of the possibility, by the same token, of eliminating sick leave for workers. I think that unemployment insurance benefits now paid are the least that can be done to encourage maternity leave and that they should at least remain at the same level and preferably be increased. That is why I ask and suggest to the minister that he should consider with his colleagues the possibility of extending maternity leave into unpaid maternity leave of at least 12 months renewable for a second year. This type of maternity leave policy, which provides for job security for the mother or the father, would certainly be in line with a harmonious population increase

policy for Canada. It would be a question, Mr. Chairman, so as not to frighten the chambers of commerce or the employers, not so much of protecting the employee's job but rather the employee's employment. Furthermore, I think that this type of leave should apply in cases of adoption.

I think that among the steps the Minister of Employment and Immigration should take to encourage the return to work of mothers, flexible hours can promote the harmonization of working conditions for the spouses, particularly for those who have children and who should finally lead a harmonious family life. Furthermore, economically, I think that those flexible hours make it possible to relieve traffic, reduce absenteeism and offer several other advantages which were demonstrated by numerous studies.

Another area the Minister of Employment and Immigration should reflect upon more deeply is time sharing. At the present time I think that there are many barriers as far as time sharing is concerned. We should first enable employers not to completely absorb the problems of fringe benefits twice and to have fiscal policies which would make that formula possible and which would enable families who need an additional salary, to have the additional income the second spouse can bring to the family without jeopardizing the education of children.

Mr. Chairman, having been deprived of this myself and having had to devote several years of great effort and spend especially a considerable amount of money, I suggest the government and particularly the Minister of Employment and Immigration should introduce fiscal measures related to training at the technical, college and university levels. I think discussions should be held with the Minister of Finance with a view to allowing working spouses to write off tuition fees incurred for the training of the spouse who must go back to school to further his or her education; I believe such a program is a necessary supplement to an employment policy. Indeed, I point out to the Minister of Employment and Immigration that such training leaves are recommended by the International Labour Organization, and also that in some countries, such as France, people are granted training leave every seven years. For a young country like Canada I am not asking for educational leave every seven years, but we must at least be favourable to the idea of facilitating the return to work of women who were denied secondary, collegiate and university education.

I now come, Mr. Chairman, to the types of programs recognized in the charter of rights the government is proposing in the resolution on the constitution. They are the affirmative action programs. I think both the public and private sectors should now insist on the implementation of such programs. Up to now three departments have agreed to implement affirmative action programs. They are the Secretary of State, the Public Service Commission and the Employment and Immigration departments. It is a very good and worthy undertaking but I think the department should let us know when other departments will join in the program, when Crown corporations will have to carry on affirmative action programs. I would also like the minister to tell us when he is going to put pressure on his colleagues about the government's contracts with those who supply it with the goods and services it needs to the tune of $6 billion each year. Those companies would not be forced—because I think that word is pejorative—but would have the advantage of participating in a positive action program. In other words the fallouts from projects like the F-18 and the frigates and all other federal government projects would also benefit women and all jobs in the field of advanced technology like aeronautics would not be reserved exclusively to men.

Furthermore, the federal government sets funds aside for the creation of jobs every year. This year the government will spend $100 million to that end. I would like the minister to tell us how much of that sum will go toward the creation of jobs for women. On the other hand, Mr. Minister, I would say that one of the major difficulties experienced by women who want to go back to work or join the labour force is a certain lack of information within women groups or in private employment offices or in training centres.

● (1840)

I think the federal government should promote the hiring of women through good advertising programs, for instance, the program for on the job training in non-traditional trades. I think those programs are not readily accessible to women who are at home or who are looking for a job. Mr. Chairman, I would like to refer to my personal experience in that whole issue of on the job training and hiring which is very positive and in my own riding, which gives me a—

The Assistant Deputy Chairman: Order, please. I regret to interrupt the hon. member but her time has now expired.

Mrs. Hervieux-Payette: Mr. Chairman, may I conclude?

The experience of my own riding of Mercier has demonstrated that women can weld, do iron bending, to the satisfaction of employers, and also in Japan those experiences are very positive. I ask the minister whether he could answer my previous questions.

[*English*]

Mr. Hawkes: Mr. Chairman, could the minister give us a quick summary on the philosophical differences between Canada Manpower centres in Canada and the employment centres run by the state of California?

Mr. Axworthy: Not right away, Mr. Chairman.

Mr. Hawkes: Mr. Chairman, I think the minister might find that employment centre operations which are run by the provinces in Canada are more similar to those run by the state of California than they are to the ones run by Canada Manpower. Could the minister tell me what he feels is the major

difference between provincial government employment placement operations and federal government employment placement operations? What is the difference in philosophy?

Mr. Axworthy: Mr. Chairman, the major difference is that the provincial employment centres are restrictive and ours cover the entire country. We attempt to provide services for individuals right across Canada to make sure there is full opportunity and access. The provincial centres cater to their own populations and to specific industries only.

If the hon. member wants to argue for a restrictive manpower service run by the provinces, then he is welcome to it. But we on this side of the House happen to feel, consistent with our own philosophy, that this country survives and continues to exist by a national approach and a shared national approach. Therefore, we will continue to operate a manpower service for all Canadians.

Mr. Hawkes: Could the minister confirm—I will give him another minute to think—that he believes that the philosophical differences are in the area of a restrictive and limited manpower service, that is, between the way in which provinces run their manpower placement services and the way in which the federal government runs its manpower placement services? Is that the minister's state of knowledge?

Mr. Axworthy: Mr. Chairman, I am not here to debate the state of the knowledge of one member over another. I try to do my best, and I am sure the hon. member tries to do his best. I simply pointed out that they are restrictive to the extent that those services only operate within provincial boundaries. They cater only to the population within finite limits. That is why there are provinces, and that is why we need a national government to make sure there is the ability to transcend those provincial boundaries and not to have the country fragmented into jurisdictions with fences between them. It is to make sure that a Canadian in Manitoba who wants to move to Alberta knows there is a way of finding out whether there is a job there and that there is a mobility grant to move him there, and training is available which may be useful in both places so he could move back and forth. That is the difference.

Sometimes the hon. member expressed amazement. Sometimes we find it amazing that he and others like him have such a limited and restricted view of this country. They see it only in terms of its provincial boundaries and not in terms of its national focus.

I suggest that if we are to go through a mutual educational process during these hours together, it may be well worth while for the hon. member to think about his philosophical basis, which it seems to me is totally parochial and provincial in scope, with the assumption that without question provincial governments do things better. Provincial governments do some things very well. There are very good provincial governments. I was a member of a provincial assembly for seven years. I took a great deal of pride and a great deal of interest in that particular occupation. However, I came to one conclusion, namely, there are things provincial governments simply cannot do.

If we are to hold this country together, there must be a strong national government which can provide services, resources and facilities for Canadians regardless in which region or province they happen to live. That is a real difference. So if we are going to exchange philosophies, I suggest that the hon. member has a few things to learn as well about what this country is all about.

Mr. Hawkes: Mr. Chairman, let me tell the hon. minister that I have worked in different regions of the country, perhaps in more regions than he has and for a longer period of time. I care about Canada at least as deeply and maybe more deeply than he does. I understand clearly that we are free men and women who enter into social contracts to work together.

An hon. Member: It doesn't look like it.

Mr. Hawkes: There is a great deal of resentment of a central government which operates under the guise of being strong, which is doing irreparable harm to this nation. The government he supports is dangerously on that course.

I did not indicate to the minister in any way that I preferred the provincial model over the federal model. I think we need to utilize all the philosophies available in the placement field. I am beginning to discover, however, that the minister seems either unwilling or unable to deal with the fact that there are at least two major philosophies relating to replacement operations. In this country provincial governments tend to adopt a placement philosophy which is different from the federal one. Provincial governments tend to actualize it. There may be a good model by using both, with the federal government doing one thing and the provincial doing another. I am anxious to discover whether or not in the theoretical literature dealing with placement services the minister recognizes the two different philosophies. Then we might move on to an examination of what he sees as the strengths and weaknesses of them. Does the minister know what the two major philosophies are?

Mr. Axworthy: Mr. Chairman, it would be helpful if the hon. member would describe the philosophies he is talking about. In reading the literature, as the hon. member knows, there is a wide variety. There are not just two philosophies of placement services. There are several philosophies of placement services. There are almost as many philosophies of placement services as there are theoreticians of personnel policy. Everyone has designed his own will or his own pyramid. I would suggest if the hon. member wants an answer he should outline which two philosophies he is putting in contradiction.

There are several philosophies, several approaches, and all kinds of models. We would be very interested in hearing from him which one he thinks is appropriate, or which two he puts in contra-distinction. If he is referring to the distinction I raised before between the position taken by the government in his own province, which is that of assuming local preference, versus one where we think there should be equal opportunity,

then there is a major difference and I do take issue with that idea.

I do believe that one should not be judged by one's geographical location, and if there be exclusions, monopolies or restrictions put on people because of sex, age, or because they live in another location; I do not think this country is formed purely by geographical boundaries. Clearly, one of the problems we have faced in Canada, whether it is in training or employment programs, has been discrimination based upon sex, race or ethnic background. Those are the discriminations which we think must be overcome if we are to provide for full mobility, not just in a geographical sense across Canada but also in a vertical sense so that people can move into occupations that have been denied to them in the work place.

The hon. member's colleague from Kingston has rightly argued that for generations women have been denied proper opportunity for access to a full range of jobs and proper pay. Slowly, that is a recognition which this country is reaching. We have denied equal opportunity to 51 per cent of the people in Canada.

We, the government, declared in our throne speech that we want to end that discrimination. It will take time. It will not happen in the miraculous fashion which the hon. member for Kingston and the Islands prescribes, even though she and her government did not do much about it when they were in office. But that is history. Nevertheless, it will take some time and it will take some effort, but we are committed to that principle. We want to see it implemented, but we cannot implement it if the contrary policy, put forward by certain provincial governments, as the hon. member proposes, does not even recognize that there is that kind of discrimination. They say there cannot be discrimination because theirs is a province where discrimination does not exist. By the stroke of a pen they eliminate it, even though it is a very real factor.

● (1850)

I suggest the hon. member read some of the court cases brought by Indian bands in his province against his provincial government on the affirmative action question of resource projects. If he read those court statements and briefs submitted by the native bands, he would see how wrong is the decision of his province. It has served to deny many native people in that province opportunity to those resource projects. If that is the discrimination he is talking about, I am prepared to say those governments are wrong. The approach we take is to promote equal opportunity of people, geographically, between sexes, races and backgrounds, is the right one and we intend to continue promoting it.

Mr. Hawkes: I bring to the minister's attention the statutes of the province of Alberta. Here is our human rights act. It had a lot more force in law than anything his government has done in the past 17 years to protect the rights of individuals. I come back to the theme. The minister has a habit which is well known in this House. When he does not have a knowledge base, he talks about something other than the question which has been asked. I specifically asked the minister how many dollars in the estimates before us within his Canada Manpower centres are devoted to the placement of handicapped people.

Mr. Axworthy: Again, Mr. Chairman, this is information we will attempt to find out. It really is such a niggardly request that it defies description, that you can separate out of the amount of estimates that amount allocated to one group of people. Our employment centres provide multi-regional services for a wide variety of people. When someone comes to them, the counsellor does not say, "Because you are not handicapped, I cannot serve you". They serve people of all kinds, descriptions and needs, every day in the placements they make. The number this year was close to a million registrations.

We do not ask people what their background is. We do not deny them access. Nor do we say we have a special allocation, that counselling or placement service is pigeonholed for only one group of people. If we did that, the first to scream about an inefficient operation would be members opposite. They would say there are rows and rows of counters with people waiting for someone to walk in the door.

We have tried to provide programs to aid and assist those with handicaps. We provided a major program of changing the physical facilities within our employment offices to ensure easier access. We established an affirmative action program. Part of the group which will get more equal opportunity are those who are handicapped. In a short period of time we will be announcing a special employment program geared specifically to those with handicaps. We are trying to target where it is needed.

It is really not possible to respond to the question the hon. member asks. Frankly, just to save a lot more time, I will tell him that we will not try to find out exactly how much. However, we will tell the hon. member how much we spend on employment programs, training and placements, what we do in terms of Outreach programs, all of which are designed to help different groups of people. We will not try to do a time value study as to what one of our employment counsellors in an office in Swift Current spends percentage-wise dealing with people with handicaps simply to satisfy the curious curiosity of the hon. member opposite.

Mr. Hawkes: Mr. Chairman, that reply speaks to something pretty troublesome. I think the information available in the world will tell us very clearly that there is a proportion of the population in Canada which has extreme difficulty in becoming employed. There is a lot of research evidence which indicates that resources specifically allocated to those who are strongly disadvantaged are in fact paying off for individuals and for society. Whether the minister knows it or not, he has been touching on the major philosophical difference between employment services run in the state of California and most Canadian provinces and those run by the Canada Employment Centre.

It seems logical that resources specifically designated in at least our larger communities to assist physically handicapped

people in securing employment, in the first instance going out and visiting employers to find potential jobs, are different from the one the minister outlined and one which should be considered over time.

Let me ask a similar type question. What kinds of special services are provided in Canada Employment Centres for those who cannot read either English or French?

Mr. Axworthy: Mr. Chairman, we have translators on call for those who have special language needs.

Mr. Hawkes: Can the minister tell me what kinds of special services exist for people who cannot read?

An hon. Member: You should know.

Some hon. Members: Hear, hear!

Mr. Axworthy: We are using the hon. member as a test case in this respect. Material is available in braille for those who are blind. Special services are provided in that area. For the illiterate, we have the basic skills-training programs, plus many of the LEAP projects which are available for the upgrading of skills. I remind the hon. member that education is under the responsibility of the provincial governments. The primary and secondary school systems are charged with the task of providing basic reading skills. It is a task they fulfil to the best of their abilities. We attempt to supplement them with special programs such as a "Choices" program and counselling services. It is a provincial responsibility supplemented only when we get special needs programs, such as the Outreach program, LEAP, special programs for native training and basic skills training. All those programs are for those with problems.

Mr. Hawkes: The minister moved to training programs that exist, some in co-operation with provincial governments and some of them alone. My question is directed toward the services provided by Canada Employment Centres, the placement services for people who cannot read or write.

Mr. Axworthy: As I tried to outline to the hon. member, we do not discriminate against those who cannot read or write. If someone comes into our office and wants to find a job, we have a counsellor who is prepared to sit down and make an assessment of that person's skills and abilities and the types of job that will suit that person. They are available on a local and regional level. We can plug them into a job bank. If they require retraining, we advise them where that can be obtained. If the basic handicap they face is illiteracy, we recommend programs available in their region which will help overcome their problem. Those are the kinds of services we specifically provide for those with a deficiency. I repeat that the service is provided to anyone who walks in the door.

● (1900)

Mr. Hawkes: Can the minister, in light of the last five or ten minutes, indicate why, in his opinion, one of the fastest growing occupational groupings in Canada today is private placement services and why there has been such an explosion of placement services run and funded by provincial governments? In light of his assertion that providing services to everyone should be something that this House supports and seconds, could the minister indicate why he thinks we have this phenomenon of rapid increases in private placement activities, and why we have this rapid increase in provincially-funded placement activities?

Mr. Axworthy: Mr. Chairman, I would suggest one basic reason is that the occupational structure of Canada has diversified. There is far more demand in occupations with specialized needs than there was ten or 15 years ago. It is essential in many cases to provide very highly specialized services for those highly specialized needs. Our programs tend to be broader in their base and we do not deny the value or the utility of other kinds of services. We still provide the basic placement services and, by the way, save private industry hundreds of millions of dollars by the provision of those services. Industries often ask what do we do for them? We provide them with their basic employment services right across Canada saving them an awful lot of money in doing that, and it is money well spent.

Mr. Kristiansen: Mr. Chairman, prior to launching into the subject of unemployment insurance and a myriad of questions arising therefrom, I should like to bring to the attention of the minister a few recent remarks by a former member of this House, the former chairman of the Conservative caucus. These are remarks concerning labour mobility, hiring preferences and the effect upon these, if any, of certain sections of the proposed constitutional resolution. These remarks which, in my considered opinion, constitute irresponsible, ill-considered and mischievous scare-mongering of the worst kind, attempted to suggest that key mobility and rights sections of the proposed constitutional resolution might have the effect of, one, outlawing the closed shop and union hiring; two, preventing mutual agreements providing for a minimum of 10 per cent local hiring access on major hydro projects, for example; and, three, and this one might really blow some minds, disallowing a company, Cominco in this case, from giving hiring preference to the qualified sons and daughters of employees.

I am sure the minister appreciates that working people and Canadians generally are already facing enough insecurities without having to suffer such partisan and self-serving drivel. I am not inexperienced in these areas and, in fact, have spent considerable time dealing with issues of hiring practices, local preferences and studying the history of "freedom of association" clauses in other jurisdictions. It is a non-issue as far as the United States court rulings on union shop rights are concerned.

Would the minister briefly comment on these three Conservative "red-herring" claims, and hopefully help put an end to the needless anxieties and false counsel being spread by members of the Conservative party?

Mr. Axworthy: Mr. Chairman, that is a welcome invitation. I think we have already had an opportunity to see some examples this afternoon without having to go to the former chairman of the Conservative caucus to find one. I would only

make one brief comment. At this time we have to be very careful of what we say. There has been a tendency for people to exaggerate, to take partisan stands and blow them into deep and abiding divisions.

Canada has always been a country where there have been regional differences, and in my own part of the world there has been a history of grievances. But I have deeply regretted the way in which those historical facts have tended to be massaged or blown into something which really is not there. It is an attempt to suggest that somehow the federal government is working against the interest of one region. That is a very dangerous game to play because it can, over a period of time, become a conventional wisdom and people tend to believe they are no longer served by the national government because they are told so often.

If there is any way in which we can ensure the continuation of this country, it is to ensure that people have a right to choose where they want to work and where they want to live. We have to make sure there is a proper balance between the peculiar and distinctive services a provincial government can provide and the broad-base national services that a federal government must supply. The history of this country has been a continuing debate on how we provide for that balance between the two levels of government.

To comment on the hon. member's statement, the best we can do as a House is to deplore that kind of comment, and be a little more diligent in trying to tell the truth, be a little more careful in how we seize upon partisan differences to try to exploit them and, at the same time, putting in motion these self-fulfilling prophecies.

I think a lot of the anger in western Canada could be diluted very quickly if there was a greater attempt to provide proper and accurate information on what is going on. One thing that frightens me is exactly that kind of statement. As I read them, in some cases put forward by some of our colleagues, or by members of some of the provincial houses, and certainly by some of those who lead what they call so-called separatist movements, I find they are engaging in serious distortion. No one will benefit from this if it continues. I appreciate the member drawing that to my attention, but I think it is something of which all members of this House should be sensitive. We have a great responsibility in this House to be very careful and very responsible in what we say, and not to engage in that kind of extremism.

Mr. Kristiansen: I thank the minister for that response. I think it is a reasonably accurate one.

As a rule, would the minister generally agree that social insurance programs in the main should provide the greatest benefits to those who, in his own words, "need help the most", and that the taxes and revenues raised to pay for these programs should generally be levied according to ability to pay? I think a simple yes or no would suffice.

Mr. Axworthy: In general, Mr. Chairman, I agree with that remark.

Mr. Kristiansen: I would gather, then, that the minister would agree that a program, a program which pays the greater benefits to those who have most income but who pay less, that such a program would be unfair. Would that be a correct assessment of the minister's judgment?

Mr. Axworthy: It would be more fair to me if the hon. member told me which programs he is referring to so I could be better able to respond to the specific program, and not deal with generalities.

Mr. Kristiansen: I will state it another way. I would gather the minister would also agree that a program where those recipients with lowest incomes pay the most for less benefits, that a program of that nature would be unjust. Would that be correct? I have put it in another way so that it can be as clear as possible, and I think we should establish the principles first.

• (1910)

Mr. Axworthy: Mr. Chairman, again working on the basis of existentialism I would prefer to have the circumstance and the case cited for me so that I would be able to respond more accurately to the hon. member rather than just proceeding on broad principles. I think we agree on the principles. We should now get down to case studies.

Mr. Kristiansen: Mr. Chairman, assuming by that reply that we do agree on the principles, I should like briefly to point out that under our unemployment insurance system, which is the social insurance plan to which I was referring in my comments—I am sure the minister suspected as much because the description was certainly accurate—for a person earning $6,000 a year, unemployment insurance will cost $18 more per year in 1981, but he is entitled to collect $8 per week less than he would have been entitled to collect in 1978. If he is unemployed for an average period, that is, 15 weeks average duration of unemployment, he will be paying $18 more for $120 less in benefits.

Second, the $12,000 earner, who is close to the average, in 1981 pays the same net amount for unemployment insurance protection as the $50,000 earner, yet he is entitled to collect $51 per week less.

I would just like to clarify the matter. The minister and his officials might be quizzing themselves as to my meaning, but I believe it was last June in discussion of Bill C-3 that I raised some of these topics. I recently brought some of the cost calculations up to date, including the actual cost, after taxes, of the premiums which people at various income levels pay for, relatively speaking, greater or lesser benefits. We find that in 1981 those with $8,000 earned income, for example, will make required unemployment insurance contributions of $144. Their net insurance contribution, therefore, will also be $144 because there will be no tax saving to them on the basis of deductions due to their income level. This is for a weekly entitlement of $92.

For a person with an earned income of $10,000 the required unemployment insurance contribution is $180. The $44 tax

saving due to deduction of the cost of the premium leaves a net unemployment insurance contribution of $136 to provide a weekly unemployment insurance entitlement of $115. They are paying less to get more.

Further up the ladder, a person with an earned income of approximately $20,000 has a required contribution of $295. The tax saving from deduction is $83, and for a net contribution of $212 the entitlement is $189. For exactly that same entitlement of $189, people earning $25,000 make a net contribution of $204 as opposed to $212, and persons with incomes of $50,000 make net contributions of $160, that is, $44 less, also for a benefit of $189.

It seems to me and to many others that we have a system which is totally upside down. Anyone who assumes himself to come under the classic definition at least of a small "l" liberal—maybe large "L" Liberals are not the same—a social reformer, a progressive person or what have you, would think that there is something extremely wrong with any social insurance program which turns all of the normal practices and concepts totally upside down. If there is a moment at the end of my remarks, I will ask the minister to attempt to deal with that situation.

I should like to mention one or two other issues briefly. One has to do with a practice that I mentioned last June 19, which used to exist in many industrial operations. I would like to hear the minister's comment on it. When there were lay-offs, arrangements were made within a given plant so that a senior person could choose to be laid off and allow a junior employee to continue working. To many people in the labour force and many in management that seemed to be a good idea for a multiplicity of reasons. One of those was an economic saving to the unemployment insurance program itself. It allowed young people who had recently entered the labour force, who needed work experience and who had to learn what it was like to earn a living to continue to work. God knows there seems to be enough around who could benefit from that kind of experience. It also allowed people with young families, low incomes, and small bank accounts to work and to gain increased experience and seniority in the labour force, and it allowed those who were older and perhaps trying to phase into the concept of retirement and into the practices of retirement to do so.

Why does it matter to the unemployment insurance program, to the government or to anyone, which of those two employees should be laid off and which should be working when, in all likelihood, the most experienced worker under the unemployment insurance program would probably have an easier time finding a job elsewhere on a temporary basis than a junior employee with little work experience? I will stop now and give the minister an opportunity to answer.

Mr. Axworthy: Mr. Chairman, I think the hon. member raises some very important points. They have given me some cause for concern primarily because over the years the Unemployment Insurance Act has gone through a wide and varying series of amendments sometimes totally out of joint with those which preceded them. The act at times took on the appearance of a Rube Goldberg machine. Some parts to which other parts were not connected were functioning. It was for that reason that when I took over this ministry I asked for a complete and total review not only of the basic structure of the Unemployment Insurance Act but also of some of the underlying principles. One of those which is most important in that review is the question of redistribution of income and to what degree the act deals with equity as part of its program.

I admit that the reduction of benefits ratio from 66 per cent to 60 per cent was unfair when combined with an increase in premiums. Those two combinations worked out of sync with each other. There were other reasons for doing it, of course. One was that over the years the public purse percentage of the cost of the Unemployment Insurance Act had increased from 20 per cent to 40 per cent, so increasingly we were carrying a larger and larger percentage of the amount.

In some defence I point out to the hon. member that while waiting for the recommendations of the unemployment insurance review, we have taken certain steps to broaden the coverage. Perhaps the most important was the extension in the act of minimum insurability, from a 20-hour week to a 15-hour week, which brought some 200,000 part-time workers, 70 per cent of whom were female, under coverage. That was a fairly major extension, and I think it could properly be seen as an attempt to build more equity into the program to make sure there was not the elimination or the erasing of large groups of workers who were part-time but, nonetheless, permanent workers. They were permanently in the work force but not working the full 20 hours. We tried to extend the act that way to provide more fairness in that respect.

We have also tried to eliminate some of the more obvious discriminatory aspects of the act such as those which involve fishermen's wives. Under the program we now in a sense give them a full range of benefits.

Going back to the fundamental principle raised by the hon. member, that is presently being examined. We hope to put forward a report shortly after Christmas, certainly in January or February, and I believe he will see, once that review is completed, that there is a real attempt to straighten the system out and to make sure the principles of equity are recognized through the entire administration of the act.

Mr. Kristiansen: Mr. Chairman, I certainly hope that review will result in something more productive than the changes we have seen since 1978 which have been, in the main, extremely regressive. I know some hon. members opposite have expressed that feeling rather eloquently on earlier occasions.

One final item has to do with income tax deductions with respect to unemployment insurance. Is it not possible for the government to consider holding back deductions for tax purposes from unemployment insurance cheques and allowing those to be paid at the end of the year, on whatever basis? When one is unemployed one is least able to pay taxes or any other premium, especially when benefits are reduced. This is true even of someone who enjoys a rather healthy annual income.

● (1920)

In this day and age people tend to live up to their income on a month to month basis, or very close to that. It becomes very difficult, and a great hardship on many families, especially with children when, at the time when their income is already being reduced by at least 40 per cent, if not by more in many cases, they find the extra bite taken out. No one objects to paying their fair share of taxes based on their annual income, but it is an unnecessary hardship, I suggest, that that tax be deducted at the time of the year when they can least afford it. I will certainly welcome any assurance that the government will seriously consider making that kind of reform.

Mr. Axworthy: Mr. Chairman, I am advised that the proposition put forward by the hon. member would not be legal under the Income Tax Act, and therefore that is one reason we do not do it. I suppose there is also the practical reason that people have to pay their tax some time. It is a question of whether it is easier to take it on a monthly basis or in a lump sum at the end. Personally I find it a little easier when I am nicked each month, it does not seem to hurt as much, but that is a personal preference.

Mr. Kristiansen: Not when you do not have a pay cheque!

[*Translation*]

Mr. Cyr: Mr. Chairman, I believe that I should first of all point out to the committee that there is only one representative of the official opposition present for a debate which is very important for all Canadians.

First, Mr. Chairman, I wish to congratulate the hon. minister and his officials for the opening in September of the new unemployment insurance office in Sainte-Anne-des-Monts, in the Gaspé Peninsula. This area of northern Gaspé had been waiting for this office for many years and the claimants will no longer have to travel 100 miles or more to meet an official. Now that I have paid a few compliments, I would like to talk about some of the problems which exist in the Gaspé constituency. We should try together to find solutions.

I would like the hon. minister to note that some of the unemployed filed benefit claims in September and October and have yet to receive any benefits. It seems that there are more delays in Gaspé, even though there are some in the other unemployment insurance offices of my constituency such as Sainte-Anne-des-Monts and Chandler. Can the minister ask the people in charge of those manpower centres to do their utmost so that the claimants can receive their benefits before Christmas?

Mr. Chairman, I would like to outline an abnormal situation at the Chandler arbitration board. This board is the only one in the Gaspé Peninsula. The next nearest is located in Rimouski in the lower St. Lawrence area. The claimants who appeal the decision of an official must travel 150 miles and those from the Magdalen Islands must take the plane to come to Chandler. In 1979-80, this board included one chairman and two representatives each of labour and management. Some of the hearings have had to be cancelled because management or labour were not represented. For one hearing scheduled on a Wednesday, one of the management representatives is on holidays and the other is available, so notices to appear are sent. On the day of the hearing, the single management representative is sick and the board is therefore unable to sit. The hearing is cancelled or else a member of the nearest arbitration board located in Rimouski is called.

So, besides paying the salary of this board member we must pay for a 250-mile round trip which comes to 500 miles, and postpone the nine o'clock morning session to three or four o'clock in the afternoon. Just think of these poor claimants who must travel 100 or 150 miles, pay for their extra meals and sometimes even for their hotel rooms. It is unacceptable that a claimant who appeals to the arbitration board should make a trip just to find out there is no meeting. To correct this situation, Mr. Chairman, I recommend the appointment of additional representatives, one for the employees, one for the employers, and also a chairman. So the acting chairman is already appointed and so is the employees' representative. The employers' division has yet to appoint a representative, male or female. I requested that a woman be appointed to that arbitration board and I do not believe, Mr. Chairman, that the minister would object to the appointment of a woman on this arbitration board because she would be the only one in eastern Quebec.

Last week the last person was not yet appointed. So tonight I ask the minister to take the necessary action so as to make this arbitration board works properly in 1981 and in the future, that it is a board made up of two chairmen, three employers' representatives and three employees' representatives. Mr. Chairman, I think I would not accept in 1981 that the Chandler arbitration board meetings be cancelled again because there are not enough board members. If that should happen again after this warning, I believe that the department would have to pay for the extra travel expenses of claimants appealing to the arbitration board.

Now, I would like to say something about the community development projects program in Canada. In a letter which the minister sent to me on November 10, he stated:

> On October 14, the Quebec government raised the following points with regard to the implementation of Canada community development projects in Quebec: the exclusion of specific organizations falling under the Intergovernmental Affairs Department Act, the exclusion of specific activities such as construction and those creating dependency and, finally, the consultation process.

Mr. Chairman, non-profit organizations in the Atlantic provinces are achieving very useful projects for the community, building houses and fishing shelters, and employers' associations in these provinces are not subject to construction regulations. In Quebec, construction work is subject to wages imposed by the labour department and the implementation

phase is carried out through the Quebec construction board bureau.

The pay schedule suggested by the Department of Employment and Immigration is the provincial minimum wage. For certains trades like carpenters and painters, communities cannot afford to pay construction bureau salaries. I therefore ask the minister whether he has entered into consultations with his Quebec counterpart to obtain building regulations exemptions for community development projects such as buildings and wharves, or as I said earlier, slips for fishermen's boats or community halls for Golden Age Clubs and farm-wives associations.

Certain local and regional initiatives that are very worthy cannot proceed in Quebec because of the salaries ordered by the construction bureau.

Another point I should like to make concerns the Unemployment Insurance Act. Under that act, the claimant must have made 20 contributions in the case of a first job to be entitled to benefits, or have worked 20 weeks if he returned to the work force and received no benefits during the last 52 weeks. I must say, Mr. Chairman, that in the Gaspé Peninsula and the maritimes, where the majority of jobs are of a seasonal nature, that 20-week entitlement period is too stringent. I would ask the minister whether he intends soon to introduce an amendment to the act, reducing the entitlement period from 20 weeks to 15. I will give the minister an opportunity to answer these few questions, and I will put another one later on.

[*English*]

Mr. Axworthy: Mr. Chairman, may I say in response to the hon. member's questions that, first of all, I understand well the problems faced in the Gaspé region with the board of trustees, because it is a region where it is difficult to provide a full range of services. The only difficulty up to now has been the relatively low workload. I can promise the hon. member that we are looking at it and we will attempt to provide some additional services to ensure that his constituents are properly looked after. By the way, I take some comfort in the comment of my colleague that in the beautiful area of Rimouski there is a woman commissioner and member already in place. We will follow her prime example.

● (1930)

On the question of changing the act itself respecting the re-entry phase, it is being examined as part of the review about which I spoke earlier. We hope to have the review ready for public discussion in the House within a few weeks after Christmas. At that time I know the hon. member will have a chance to look at our proposals to alter the manner in which re-entry weeks are allowed for members coming back into the work force.

Finally, on the question the member raised about the delay in payments, as he knows we suffered a serious slowdown as a result of the strike. We are attempting to catch up as well as we can. I will ask the regional director to make a report on the member's region and get it to him by the next week to see how we can catch up. I believe within another two or three weeks we should be almost fully caught up, but I will ask for a report to assure the member that that is the case.

[*Translation*]

Mr. Cyr: Mr. Chairman, I think I have another case to submit to the minister. In 1979, the Department of Employment and Immigration, in co-operation with the Secretary of State and the Quebec minister of communications authorized a project entitled "Resource groups for community media", more especially radio, and that project bears No. 001N-17-32. The program, according to a letter I received from the minister, was meant to be as follows. Its primary purpose was to increase employment opportunities for young unemployed. When I checked the names of the individuals who were hired, I realized that they are not young unemployed, but most of them are full-time station employees who were rehired under that program.

Mr. Chairman, I should like to suggest to the minister this evening that if he is to enter into new agreements with the Quebec government and community organizations in Quebec, he should formally instruct his officials to check and make sure that the standards of the program are complied with and that the personnel hired under that program are not full-time station or organization employees but young unemployed, as provided under the program.

[*English*]

Mr. Axworthy: Mr. Chairman, the hon. member's question is quite specific and detailed. I will have to look at it specifically, get an explanation and report back to him.

Mr. Schellenberger: Mr. Chairman, I came into the chamber just as the minister was answering some questions on the affirmative action programs in Alberta. Perhaps he will have to set me straight because I may not have heard everything, but I believe he said that in some way a bill before the Alberta government infringed upon native people taking advantage of some affirmative action programs.

As I understand the problem, it lies within the statutes of the province of Alberta, in the bill of rights. In the court cases which took place, the judges ruled that the statute of the province took precedence over the affirmative action programs in place. They quoted section 6 of the act which indicated that no employer or person acting on behalf of an employer shall refuse to employ or refuse to continue to employ any person or discriminate against any person with regard to employment or any term or condition of employment.

The province realized that there was a need for affirmative action particularly when it looked at the various large plants in the province, and the act that those plants were in areas where there were large unemployed groups of people such as native people on reserves, and the only way to do it was to pass another act in the legislature that affirmative action programs could take place in the cabinet signed the necessary docu-

ments. If I am wrong, I would like to know about it, because I would like to discuss it with the province. As I understand it, the province is willing to undertake affirmative action programs in those areas, but given the bill of rights it had to take the necessary procedure to overcome that provision in the act.

I have travelled through those projects and I understand, particularly in the Syncrude project, that there has been great success with those programs, that many native people have been employed. Hopefully that will take place in other plants if the two governments can get together regarding the construction of those plants. Am I correct in my assumptions, or can the minister add anything to them?

Mr. Axworthy: Mr. Chairman, essentially the member is correct that under the Alberta human rights act the only way in which there could be an exception and one could introduce an affirmative action program is by a specific order in council of the provincial cabinet. The native bands of the province have challenged the actual human rights act of Alberta by saying that it is unconstitutional. If the charter of rights we are discussing and debating presently is passed, it could very well be that that act would be unconstitutional. I am not a lawyer, so I will not judge it.

I also am concerned—and perhaps this is where the member missed some of the discussion—that the government of Alberta is even attempting to apply that standard against federal direct employment programs in which we have introduced the affirmative action principle. At this point the government of Alberta is not prepared to provide us with an exception on that. There is some ongoing discussion between our officials to overcome that problem.

Mr. Schellenberger: I was not aware that that was the case. I am sure some discussions will take place to see if in effect the province of Alberta is attempting to apply it. I would be very surprised if that was the case, particularly if it was to the benefit of certain groups in the province and did not lie in direct opposition to the statute in place. I would have to check on it before I could challenge the minister.

Another area I should like to discuss is one with which I am most familiar. I am referring to the native people of the country. I listened to the remarks which the minister made earlier in reply to another member, but one area which comes under his jurisdiction and which I should like to discuss with him for a moment is that of Indians who migrate to cities. They tend to lose the protection of the Department of Indian Affairs and Northern Development and end up constituting an increasing and disproportionate part of the caseloads of social agencies, including those dealing with health and welfare, and of correctional institutions. Most of the problem lies in their inability to obtain employment.

As I said earlier this week, recent surveys have indicated that unemployment for off-reserve Indian people is three to four times higher than that of non-Indians. The major reason for that—and this was cited by the department—was that Indian people tend to have a lack of training in those areas which are necessary for employment. There are certain physical disabilities and there is a need to attend to family responsibilities which particularly, in the case of women, is a problem. It means that they must live off social welfare rather than working. I suppose part of that lies in their inability to meet the skills which are necessary, and also the inability to get the daycare facilities, or to take advantage of daycare facilities if jobs are available.

● (1940)

As an example I use a case which exists in my own province where current migration trends indicate that by 1986 about 35 per cent of the registered Indian population of Alberta will be in the cities of Edmonton and Calgary. That will constitute an even greater problem, of which I am sure the minister is aware. He is most likely taking those statistics into consideration when he looks to the programs he will be announcing in the 1980s.

If we look more closely at those statistics we will see that Indian people migrating to the urban centres today have an unemployment rate of over 27 per cent compared with the national rate, which is in the order of 8 per cent. If we project that figure we will see that by the mid-1980s the Indian population will have a much higher proportion of unemployed people between the ages of 15 and 29 than similar groups nationally. That figure will rise even higher as time goes on. We now find that Indian participation in the labour force is only two-thirds that of the national population. Their unemployment rate is generally 35 per cent, and, seasonally, it is as high as 75 per cent. We must organize our programs to meet that challenge as it becomes more intensive in the 1980s.

Due to the increase in the working population over the next ten years the number of native workers who will be unemployed could be as high as 30,000 to 40,000 people in the cities, if we are to project those figures. They will not have a job based on the statistics we have today if they have no additional programs or training. The average income earned by native people is half that of the national average. Therefore the entire Indian population is supported by only 30 per cent of its population. As I said before, this indicates we have more serious social problems in that sector of our society than in most other sectors. Those problems will only increase unless we deal with them.

The minister stated, in answer to another member, that those people on the reserves are generally looked after by the Department of Indian Affairs and Northern Development through economic development funding. There is DREE and then, within that minister's department, there is LEAP, LIP and CMHC, which are attempting to deal with those problems. The minister categorized them for the hon. member.

The problem is that native people are becoming so efficient at filling out forms that the nearby towns are asking their advice to teach them to fill them out properly. The native people are becoming so good at it because they take advantage of these programs since there does not seem to be another alternative for them to follow. Because of these programs they move off the reserves to take the challenge of the cities. It often becomes quite hopeless in those areas.

With respect to the community service project in LEDA, is there any breakdown of the amounts and when these programs will be coming forward? Will they be extended to status native people? Is there a breakdown between the status and non-status Indians and Metis? What are the successes of these programs with respect to those groups? The challenges in the city centres are the same in many instances for those groups and I would be interested if the minister could give some indication of the success of that program and in what areas most of the native people are taking advantage of that program.

Mr. Axworthy: Mr. Chairman, I wish to thank the hon. member for his very thoughtful statement. He has very well summarized what many of us in western Canada know, regardless of our party or background, that is that if there is any one issue that we must address in the next few years it must be the economic and social situation of the native people.

In dealing with his specific question, in most of the programs we do not make a strong distinction between status and non-status Indians. In the area of community development projects we do, because we have allocated additional funding that would be applied to constituencies where there are reserves. So there is additional funding and we do take it into account there. In the areas of the community service programs, the LEDA programs and the Outreach programs, they are pretty much dependent upon the objectives and the purpose of the program. It has nothing to do with whether someone carries a card designating their status or whether they do not. To give you an example, in the hon. member's own province we spent close to $600,000 on Outreach programs. This is a service which is basically run by native people themselves to provide information and access on the reserves and in their communities to get information on job requirements and training opportunities.

The hon. member was good enough to give us the benefit of his thoughts, and I would like to return the compliment, if I might. Perhaps there has never been a better opportunity than now to address seriously the problem of native people in the west with respect to economic activity being created in the resource boom. If there has ever been a time when we can break through the enormous wall which has prevented native people in western Canada from obtaining an economic stake in the community, it is now.

One of the real tasks of federal and provincial governments, as well as of the private sector, all of us who are involved in these massive investments in pipelines, construction projects and new mines, is to recognize that if we do not move now we will never be able to do it. The time is now for us to make the effort. We must be careful to eliminate laws, regulations or practices which have prevented native people from entering the work force. As well, we must try to provide the incentives, training and support programs which would enable them to obtain the skills that are necessary. We tried to achieve this through the $10 million training program which we introduced last spring. We have also employed such programs as LEAP.

I also want to suggest to the hon. member that we are examining some of the options which are available to us under the western initiatives fund, a fund set up using the revenues from the resource base to be recycled back into western Canada. We should be looking at how we can use a substantial portion of those funds for the economic development of native people in the west in order to cut across the boundaries and apply the funds where they are needed. We want to create in their own communities the economic basis, the economic capacity and the economic services that would give them the ability to become self-sufficient in their own right. As chairman of the western cabinet committee which is looking at that prospect, I hope to consult with provincial governments and private groups in the west. I indicate to the hon. member that it is one of the options, one of the initiatives we are considering seriously, to break the back of that centuries-long problem which is a disgrace to all Canadians.

Mr. Schellenberger: I think people from the western provinces will realize it is important that those people who had difficulty in the past take an active part in any large resource development which does take place. We are somewhat hindered at the present time because of the policies between the federal government and the provincial governments. The argument of whether the provinces should use more of their resource wealth to develop those kinds of economic strategy, or take the money from the province and recycle it through the federal government, is something we will discuss for some time. That is not the point I want to make.

My other question is this. Does the minister have a special team which consults with the Department of Employment and Immigration and the Department of Indian Affairs? Is there at the present time an even broader team or intergovernmental group dealing with the question of native unemployment and with developing new strategies for off-reserve native people? In the downtown area of my city there are many native women who require special counselling before they can enter a training program or learn a skill of their particular interest. Is there this kind of intergovernmental group dealing with native unemployment in the future and with new strategies for those people in the cities?

● (1950)

Mr. Axworthy: Mr. Chairman, the secretariat of the social development committee has the responsibility of combining departments which are working in this field. Under that committee a special task force composed of deputy ministers has been organized to negotiate with western provinces on urban and native conditions. This task force is developing recommendations which will be presented through the secretariat to the cabinet committee on social development. So there is an attempt to combine and co-ordinate the various efforts to zero in on that particular situation.

I repeat, through some of our own programs there is a special division in the employment and immigration commis-

sion which deals with native employment issues. We have begun to put more emphasis on the aspect the hon. member has mentioned, that in the downtown areas of cities it is often the single parent native women who are the real problem. For example, we initiated a special Outreach program in Winnipeg to work with native women in the downtown area to relate them, for example, to the fashion industry and other employment opportunities. The project has been going for two months, and it is preparing its first report. As a result of that report, I hope that we will be able to expand this concept to other western cities.

Mr. Schellenberger: Mr. Chairman, the minister mentioned what is happening in his department. Is there also an interdepartmental group working on these problems, many of which lie in other departments? We are always seeking better co-ordination of the funds which are spent.

Mr. Axworthy: Mr. Chairman, perhaps I did not make it clear that the cabinet committee on social development, which is composed of ministers of the government whose departments relate to social development programs, is looking at that problem as a priority item. A secretariat is assigned to that cabinet committee and it is involved in a task force arrangement calling for a report to that cabinet committee, at which point the Minister of Indian Affairs and Northern Development, the Secretary of State, the minister for DREE and myself will get together to review the report and make recommendations back to the committee.

Mr. Schellenberger: Mr. Chairman, I thank the minister for that clarification. We were in government for such a short period that I am not aware of all the intricacies.

The Chairman: This will be the hon. member's last question.

Mr. Schellenberger: I would like to question in a little more detail the $10 million allotted for the training program. I realize that it is in its developing stages, but the minister might be able to enlighten us as to how the program is going.

The most recent estimate I have, up to mid-November shows that 1,255 native people have enrolled in institutional training and 225 have enrolled in industrial training. Are these figures what the minister expected? Is he satisfied with the number of applicants, and how the program is going to date? Were many, or any, of the applicants refused? How much of the $10 million is accounted for to date?

Mr. Axworthy: Mr. Chairman, the program started up over the summer months. We believe it is on target and I think the hon. member's figures are accurate in terms of the actual number of allocations. Our target throughout the program is 2,100 placements on the institutional side and 1,719 on the industrial side. We feel that with the projects now coming on stream we will be able to meet that target during the fiscal year. We are now at the stage where the largest number of projects are to be examined or approved during the next two or three months. It took the summer to make the program available, to get the information out and get the proposals back.

[*Translation*]

Mr. Tousignant: Mr. Chairman, it is with pleasure that I take this opportunity to give to the House my views on employment and immigration. First, I would like to mention the fact that this subject is of interest to me having been myself an employer for a good 15 years hiring personnel and acting as manager, mediator, pay clerk and doing all those other things good and bad that go with being the boss. Thanks to this experience I can state that we still have in Canada a potential and a labour force of exceptional quality provided we know how to use it with respect, care and intelligence.

When I speak of an intelligent use of this labour force, I mean the practical aspect of the working conditions, but I also mean the general framework of things in terms of employment policy and labour legislation. While I admit we must improve labour-management relations we must also take care of not giving in to over-regulation or what I would call an inextricable bureaucratic network of standards and regulations which in the end create more problems and headaches than improvements.

But first, Mr. Chairman, one word of warning: I am neither backward nor old fashioned. I do not want to turn back the clock. But allow me to make a few observations to prove what strikes me as meddling, pure and simple, on the part of governments, an interference that is unjustified and condemnable. I am alluding here to that servile and degrading obligation for a worker to get a permit in order to earn his living, as is the case in the building trade in Quebec. Under the pretext of cleaning up the trade and setting quotas, supposedly to improve it, what happens in fact? Exactly the opposite. Yes, the situation is improved for a minute percentage of the work force but it is a nuisance for all the other workers. To get a permit, a worker must have put in at least 250 hours of work in the previous year in the construction trade, and to put in those 250 hours in the field of construction in Quebec, one needs a permit. One cannot make head or tail of it; it is as difficult to explain, with all due respect, Mr. Chairman, as if I were to ask you why dogs do not have piles at this time of the year.

● (2000)

As I mentioned earlier, before becoming involved in politics I was an employer. People would be surprised, Mr. Chairman, if I told them how many times competent and well-intentioned applicants have come to my office to ask for a job knowing all too well in advance that they would have to face the injustices of the system. They knew they could not qualify but when you are hungry, when you are desperate, you will try anything. I could see them feeling uneasy, embarrassed, considering themselves quite guilty of having to ask for a job. Imagine the situation. A family man only asking for the possibility of

earning a living to support his wife and kids. It has become an illegal act to work, precisely in Quebec. The inconsistency, the irrational character and I would even say the abject complicity between provincial and federal laws literally deny people this right to work. It is forbidden to work, Mr. Chairman. It is no surprise then that we count so many unemployed. Lay-offs, yes these are called lay-offs, and we are now mass-producing unemployed people.

Let us now talk about improved control of workers by the construction bureau. In my riding of Témiscamingue, Mr. Chairman, whether in Rouyn, La Sarre, Ville-Marie or even Palmarolle, we have highly qualified men who are also hard workers. But do you know what happens? These people are sitting on the front porch while contractors who are doing construction works right across the street are forced to wait for the construction bureau to recommend to them workers who supposedly have their working permit.

So what happens? It is well known that summer is short in our area. The men who could work are sitting on their butt, machinery which could be put to work on earthwork and which costs hundreds of thousands of dollars remains idle, shining in the sun, and everybody is waiting for the good offices of the construction bureau. And then, when he receives the phone call from the construction bureau, the contractor rushes to call the recommended person, who supposedly holds a working permit. Do you know what happens? When he calls that person at home he is told he has been dead for two years. That is how things work. What a wonderful invention that construction bureau is, Mr. Chairman! I am sure that if Einstein were told, that would make him turn in his grave.

Some will say that came from Quebec. I agree, but I mention it simply in the hope that other provinces will not make the same mistake, and to show how one can be locked into a system thought out by thinkers, by those brainy birds who are paid $35,000 a year. They live way up there in the clouds. They certainly do not put themselves in the shoes, or should I say in the boots, of those whose everyday lives depend on the lucubrations of those gentlemen. Indeed, Mr. Chairman, between imagining a scheme in the comfort of well-heated offices and implementing it in the field there is, as the title of a movie says, "one bridge too far". That is why I say that rather than imposing all kinds of far-fetched procedures and restrictions upon workers, it would probably be preferable to give them a little bit of freedom of action. A person free to act is perhaps the best instrument to beat unemployment.

Mr. Chairman, as I said, work is forbidden in our area. Our legislation, although very fine in principle, cannot be implemented and is causing serious prejudice to the workers. As Julius Nyerere, the president of one African country whose name I forget said, "We, rulers, are often closer to those people who possess a second car than to those who need bread." It is easy for us to solve the problems of workers while sitting comfortably in our offices, getting a good salary, but let us trade place with this man who does not have $100 in his pocket, who has outstanding payments and who, with Christmas coming, is trying to get a job. He is looking for a job, he finds one but he is forbidden to work because he does not belong to the system. This is simply disgusting.

Of course, Mr. Chairman, I could have chosen to make an academic, tranquillizing speech, since it is much more pleasant and it disturbs people less, obviously, because thanks to rhetoric one can hide the truth and make us accept with a smile that we are walking on pavement when in fact we are tramping through slush. This exercise is frequently practised here in this Parliament. Labour legislation is far from perfect, Mr. Chairman. Those who succeed in finding temporary employment do not want to accept it because they will risk losing their unemployment insurance benefits and welfare payments. What happens because of this? People play cat and mouse with the law and do odd jobs on the side.

The Unemployment Insurance Act is outmoded in its present form. As everyone will admit, social conditions have changed a lot since the Unemployment Insurance Act was developed and passed in 1937. I do not have to tell the House that the morals, scruples and conscience of the public are now somewhat more flexible than in 1937. Some abuse the system and others suffer because of it. How can we solve the problem? I realize, Mr. Chairman, that there is no magic solution. First of all, I believe we should bring together in this Parliament those members who show a sincere desire to solve the problem, who have the ability to do so and who are knowledgeable about the issues. On both sides of the House, there are people who have been or still are involved in business and these are the people on whom we should call and whom we should bring together for two or three days. We would be surprised at the good ideas which could come of this.

Of course, if I had more time, I would tell the House what I personally think of this issue. Because of the little time at my disposal, I have to be satisfied with touching on the matter. For instance, if we tried to develop legislation, not only from a legal and bureaucratic point of view, but also the point of view of its application to real cases, this would give a more comprehensive view of the whole issue of the labour market and would give more access to employment by eliminating contradictions between some of our laws. Perhaps we should eliminate all social programs and replace them by a mailing of 24 postdated cheques once a year to all Canadians. Or still simpler funds could be credited to your account every month by a computer. When we know how many millions of dollars it costs every month to issue a series of cheques, it is just startling. Figures show clearly in black and white that it would not be more expensive and it would help us straighten out a situation by eliminating all unnecessary waiting, quarrels, humiliation for those who have to produce evidence and justify their applications. This simplification which would be fair to everybody would allow us to cut 60,000 jobs in the federal civil service.

This does not include provincial employees who would earn their basic wages and who could be much more productive in the private sector.

Thus, I would like to urge the minister to pursue his goals and try to improve the services provided to the unemployed by those offices in my riding. I am assured that the constraints, the delays suffered by the claimants are mostly due to the temporary physical organization and that as soon as the office will be relocated everything will be back in order. We know that employees are now divided into two offices in Rouyn, which tremendously complicates the operations. Those are the explanations I have been given. So I am prepared to give them a chance. But once the reasonable delay expires, if service is still inadequate they will see I can be very scathing.

They talk of temporary relocation, since the manpower centre will eventually be located in the new federal building to be started during winter or in the spring. As my old college buddy Jean de Lafontaine was wont to say, one must never count one's chickens before they are hatched. But take my word, this project which was promised in so many election campaigns will at long last see the day thanks to a Liberal government and a member of the right persuasion in the riding of Témiscamingue. The request for funds is now before Treasury Board, the last stage before tenders are called.

To conclude, I should like to congratulate the Minister of Employment and Immigration for the boundless concern and dedication he has demonstrated from the moment he was appointed. It is because the Government of Canada is made up of Canadians of similar stature that we trust in the future growth and wealth of our country. Since I am still entitled to a couple of minutes, I should like to finish on a pleasant yet true note. Last night, as I was taking part in an official opening in a parish called La Reine which is in my riding way out in northwestern Quebec, I met two great old gentlemen, Mr. Bernard and Mr. Goulet, very likely the two greatest Liberals ever in this country, who told me, "You know, kid, there are some people here who claim that we are 'coloured' Liberals." We can tell you it is not so. It is not a matter of colour, just a matter of common sense. Mr. Chairman, I trust that the present government will make sure that it remains a matter of common sense.

● (2010)

[*English*]

Mr. Taylor: Mr. Chairman, I believe in giving credit where credit is due. I wish to thank the minister for the co-operation he has shown in a large number of immigration cases and to the community program which is to take place this fall. I appreciate that co-operation. Also I want to pay a tribute to the project managers in Edmonton, particularly to Miss Turnley who has shown herself to be highly qualified. We got to know her better because she was in charge of the Bow River projects. The minister can certainly be proud of the work she did.

For a moment or so I would like to deal with the situation of the Indian and native people who are the greatest unused source of manpower in Canada. We sometimes forget the tremendous potential we have in these Indian and native people.

The Alberta government is taking giant strides in trying to help the Indian and Metis people to help themselves. In the great Canadian oil sands project at Fort McMurray, we established a type of college for training these people for specific jobs. At the Syncrude project they had special on the job-training programs for the Indian and Metis people. Most of them became excellent workmen.

As to the point the minister raised, and which the member for Wetaskiwin dealt with in regard to the bill of rights stopping some projects in Alberta, that is correct. The University of Calgary has taken a special interest in Indian and Metis people. Education has been taken to the reserves. Special training has been provided from Grade I up, if necessary. Indian people have been accepted into the University of Calgary without the usual qualifications and they have been given training. If my memory serves me correctly, more than 27 of them graduated with degrees. The University of Calgary now wants to establish a native faculty headed by a highly qualified native person. I have recommended this proposal to the Minister of Indian Affairs and Northern Development because I think it would attract native people from all across Canada. The university has already shown itself to be understanding and receptive to Indian people. Similarly, the Indian people know the university is helping them. It is wonderful to see Indian people mingling with all other Canadians on the campus. I would like to encourage the minister to assist wherever possible in establishing this faculty for Indians at the University of Calgary. In my opinion, this will be a giant step forward in getting our people off welfare and into a position where they can support themselves.

The University of Calgary found the bill of rights was hindering this program because the program was aimed at Indian people only. After a white woman had questioned why she was not allowed to take the course, she was permitted to take the course. But a court case followed and it was ruled the university could not discriminate in that way. Subsequently the Alberta government amended that section either in this session or the last and there is now no difficulty with it. These programs can now proceed at the University of Calgary and they are also being made available on the reserves for Indian people. There are special programs at the university where Indians can take a course, finish off their grade 10, 11 or 12 subjects, if necessary, and then go on with university training. This is a splendid thing. I think the people of Canada should know that the University of Calgary is doing this with the full support of the hon. David King and the hon. Jim Horsman, the ministers of education for Alberta.

Special courses for our Indian people have also been offered. When I was with the department of highways in Alberta we gave a course for heavy equipment operators. It was remarkable how many Indians qualified to operate those machines

and became most efficient in that vocation. Indian people just require some understanding and assistance. They can become our greatest source of manpower in Canada. We bring people in from other countries and train them. I have no objection to training people from Vietnam because they need training. But let us make the training available to our Indian people and if necessary to people who have not had an education and are white skinned. That, too, could help. If we make these programs available to the greatest number of people, we will achieve the greatest results. I recommend this to the minister. I want to go on to one or two other matters, dealing with employment first and then immigration. The minister will remember the mobility study on construction which came out of the 1978 first ministers' conference. I wonder if he could briefly outline the major points in it and tell us whether it is helping to solve the unemployment problem in Canada.

● (2020)

Is there anything in that document or in the Unemployment Insurance Commission regulations which discourage people moving from one province to another? If there is, it should be removed. In the constitution we talk about mobility. I do not think a better example of mobility can be found than in the province of Alberta today. The Alberta minister of labour informed me that on October 1, 1980, there were 53,000 more people working in Alberta than on October 1, 1979. A large percentage came from the Atlantic provinces, and a tremendous number from Quebec and Ontario, as well as from Manitoba, Saskatchewan and British Columbia. Relatively few came from the United States and other countries.

As far as we in Alberta are concerned, mobility is no problem. I would like to know from the minister whether there is anything in the mobility study which discourages the Unemployment Insurance Commission from encouraging people to move from one place to another.

The government can help reduce the unemployment problem, but I differ from my friends to the left who think the government should be able to do everything to solve that problem. The government will never do that. I do not know what it is like in Russia. Maybe under the government there everybody is working. However, that is not the type of administration most Canadians want.

We want people to be able to make a dollar and earn a living. Although we do not believe in exorbitant profit, we do believe in profit. One of the best ways to get the unemployed working is to have thousands of small shops which hire one, two, three or more people. It is amazing how a mass of small enterprises could help solve the unemployment problem.

Capital is leaving Canada today. Within the last two years, $6 billion has left. We are losing jobs in Canada. The budget encouraged people to move out because of the tax situation and the threat of nationalization. Some people call it Canadianization. I call it nationalization when the government takes over industry. I suggest this is what is giving the minister the greatest amount of difficulty in trying to solve the unemployment problem. People will not invest money if they think that a few years down the road the government will take over and stop them from making a profit. If the minister wants to solve the unemployment problem, he should deal with that aspect.

I wish to deal with one other matter in connection with employment before moving on to immigration. It concerns abuses of unemployment insurance. I would go a second, third or fourth mile to help anyone who wants to work. However, I will not spend my time on those who are lazy, trying to find ways and means of beating the people, not contributing their share and making an easy thing out of the Unemployment Insurance Act.

The act never intended that people should work only in the summer and collect unemployment insurance in the winter. It was intended for those who wanted to work and could not find a job. There are too many abuses today and we should not be supporting those abuses. It is not fair to those who are working, or to the country. I ask the minister what exactly is going to be done with regard to weeding out those who abuse unemployment insurance, making it difficult for others with genuine cases.

Mr. Axworthy: Mr. Chairman, I will attempt to answer the three major issues raised by the hon. member. Before doing so, I would comment on his opening remarks concerning the education of native people. One of the interesting themes to appear during the examination of these estimates has been the priority that we must give to that problem. I welcome the hon. member's comments about the University of Calgary. It is similar to some of the work being done in the University of Brandon in my province, of which the hon. member for Winnipeg North Centre is chancellor. They have the same kind of extension policy.

I agree totally this is one of the ways we can provide for a self-help concept. It is true that education is the best guarantee of proper employment in this country, regardless of what we hear. The more we can open up those opportunities, the better it will be. I compliment the University of Calgary through the hon. member for what they are doing.

On the question of mobility which has been discussed on several occasions in this committee, the hon. member for Bow River raised the issue of the study of mobility in the construction trades. We have looked at that study. The primary recommendation to my department was that we introduce a series of mobility grants to cover the cost of room and board in order to overcome economic disincentives. Someone might feel there is not enough incentive to pull up stakes and move without extra support or a subsidy.

That recommendation was also referred to me within the past two or three days by the executive board of the building and construction trades department. As I indicated in the House on Friday, this is an area we will be looking at. It is a very important recommendation. As the hon. member knows, we have a task force in the department looking at the whole issue of labour market practices, including mobility. That matter has been referred to them. I hope it will come out as part of their recommendations. When we come forward with

those recommendations, I hope the hon. member will consider supporting us, at least in that regard.

With regard to the unemployment insurance program, over the past year and a half the government has introduced a number of measures in an effort to tighten up the act through legislation. We specifically increased the number of weeks required for someone re-entering the work force. Reforms were undertaken in administrative procedures. A new record-of-employment program was started. We advertised urging employers to ensure that the forms are filled out so that we may have a more accurate record of someone's actual employment history. If someone tried to submit two or three applications, he would be detected much more easily.

We introduced computerization of unemployment registration which gives us a much greater capability to record the enormous numbers of registrations. Again, we have a better capability. A major study is being undertaken, I believe by Wood Gundy, on managerial practices in the Unemployment Insurance Commission. That is also a way of tightening up. This is balancing off the requirement to ensure fairness and equity of the program while preventing abuse. We hope to strike the right balance.

Mr. Taylor: I suggest to the minister that one of the best ways of getting this country working again is through free enterprise. With more people opening more shops or expanding their businesses, we can stop the flight of capital out of the country. The sooner we do that, the sooner we benefit this country.

There is no system like free enterprise. It gives a person an incentive to work. We have built up our standard of living under that system and we should not abandon it for any form of nationalization.

The next point I want to deal with is immigration. I have a few cases I want to deal with. One of the biggest aggravations I have found since entering federal politics is trying to get someone to answer the telephone in the Unemployment Insurance Commission. It rings and rings and rings. I thought I was the only one having that trouble. However, I have a letter here from a United Church minister who said this:

> I began phoning at 8.45 a.m. and let the phone ring for 25 times. Over a period of one hour, I phoned back five times letting it ring 25 times each time.

When I finally did get through, I asked the girl whether they had a central place which could receive calls when the line is busy and relay them when a line was free. She said the government would not give them anything like that. It is very annoying. I suggest that the minister modernize the telephone system there in order to avoid this frustration. There is nothing more frustrating than listening to a telephone ring and ring and ring waiting for someone to say "hello". Even if you are later turned down, you at least have had the satisfaction of talking to someone.

I next want to deal with section 19(1)(*a*) of the Immigration Act. I do not like the way some people are using this. I quote from section 19:

> (1) No person shall be granted admission if he is a member of any of the following classes:
>
> (*a*) persons who are suffering from any disease, disorder, disability or other health impairment as a result of the nature, severity or probable duration of which, in the opinion of a medical officer concurred in by at least one other medical officer,
>
> (i) they are or are likely to be a danger to public health or to public safety, or
>
> (ii) their admission would cause or might reasonably be expected to cause excessive demands on health or social services;

The act should be amended or enlarged to indicate that diseases which are not infectious or contagious should not be covered under that section. I know of a case where a Canadian medical doctor in England ruled that surgery on the bowel would prevent a person getting a visa to enter Canada. I talked to medical men in Canada and they cannot see how that would be considered infectious or contagious after two years or even, under the next clause, how it might cause unreasonable expense. In the new act people are given ten years in which to pay off such expense or to take out an insurance policy. That should be sufficient to look after such a situation. I ask the minister to check that item.

● (2030)

I come now to another question, Mr. Chairman. There is a lot of unemployment in Canada and it is not at all in the small villages and towns. In the Calgary office there is a man by the name of Kuizw who cannot seem to realize that though someone may be unemployed in Calgary there are no unemployed in a place like Vulcan. If someone in Calgary is available for work, this man will not issue the necessary certificate for someone to be brought in from China for a particular job. The applicants may specify that they need someone who can speak Chinese, someone to act as a nanny for their children or that they want someone to work in a restaurant, to learn the trade and to learn the English language under capable management. One immigration officer wrote to an applicant stating that the employment of the foreign worker would have an adverse effect on the employment and career opportunities for Canadians.

The Chairman: Order, please. I regret to interrupt the hon. member but his time has expired.

Mr. Taylor: I hope I would be given a chance to continue.

The Chairman: Does the minister wish to make a brief reply at this point? The hon. member's time has expired.

Mr. Axworthy: Mr. Chairman, if the hon. member wants to continue—

The Chairman: The hon. member may continue with the unanimous consent of the House. Is it agreed?

Some hon. Members: Agreed.

An hon. Member: No.

Mr. Flis: Mr. Chairman, as the member of Parliament for Parkdale-High Park, I have the honour of representing many

individuals whose heritage lies in other countries of the world and who still maintain close family ties with those countries. These individuals make up the ethnocultural mosaic of our country. I am proud to say that Parkdale-High Park has one of the largest multicultural mixes in Canada. In view of this, I am approached on a regular basis with requests for assistance in the immigration of friends and relatives to Canada. Often these individuals encounter difficulties and call on me for help in expediting their case.

Since June, 1979, when my constituency office opened in Toronto, I have become involved in 390 cases directly concerning immigration and involving such countries as the United States, England, Poland, the Philippines, India, the West Indies, Austria, China, Germany and the Soviet Union. As a result, I have worked closely with the Department of Employment and Immigration, and most recently together with the Minister of Employment and Immigration.

I applaud and appreciate the very difficult portfolio which the Minister of Employment and Immigration holds. If there are so many cases in only one constituency, one must only multiply that number by 282 members of Parliament to appreciate the immensity and responsibilities of the post.

I wish to compliment the minister on the humanitarian approach he has taken toward helping to resolve difficult immigration appeals, particularly in the case of family reunification from such areas as the east European countries and the Soviet Union.

Canada has come to be regarded as a compassionate country, and it is through programs and regulations included in the Immigration Act, as well as the decisiveness of our Minister of Employment and Immigration that we will continue to maintain the enviable position we hold in the world. By listening to and understanding the pleas of these many individuals throughout the world, as well as to the groups representing them here in Canada, I feel we can accomplish our goal. This concern was recently shown in my own riding, when the hon. minister visited Toronto to meet and discuss many factors concerning immigration with representatives from the Canadian Polish Congress.

I have had the opportunity many times to ask questions of the minister, through correspondence or in committee. I receive numerous complaints and inquiries from constituents and have often found the need for official clarification or explanation on points of law concerning the Immigration Act. I must thank the minister for the replies I have received to these many questions and for the positive suggestions and actions he has put forth.

● (2040)

One example of this is a letter I sent to the minister in July of this year requesting information on whether the self-exiled designated class regulation which was due to expire on January 1, 1981, would be extended to allow many east European refugees to resettle in Canada. This regulation gives individuals who are unable to return to their homelands or those who have escaped political and personal harassment the opportunity to resettle in Canada, on special humanitarian grounds, in cases where they would not be eligible for immigration under normal circumstances. The minister replied to my letter positively by extending the regulation until January 1, 1983, thus maintaining the opportunity for these unfortunate people to take advantage of this special program.

I also received extensive information from the minister which provided statistical data on such topics as the number of refugees from Asia and eastern Europe seeking resettlement in Canada, the number of individuals given permission to remain in Canada under special minister's permits, the numbers of individuals deported from Canada for various reasons over the last five years and the number of immigrants destined to the Toronto area who would be enrolling children in the school system.

I was able to pass this information on to interested departments at the Toronto Board of Education for their use. I would like to take this opportunity to congratulate the Toronto Board of Education on its excellent programs for new Canadian children. The Toronto Board of Education has provided reception classes for students who have just arrived in Canada, English classes, translation and interpretation services in practically every language of the world, heritage language classes and other programs which I do not have time to mention here. However, in Toronto multiculturalism is a reality.

In addition, I have obtained from the minister information on major funding available for services which provide immigration counselling and assistance on a private basis in Toronto. Again I thank the minister for providing me with such useful information.

There is substantial interest among members of the public concerning immigration, particularly among the people I mentioned who have families who remain in other parts of the world. This was demonstrated in my own riding when I held an immigration seminar at which top officials from the local office of the Department of Employment and Immigration were present to meet the public and to answer many questions. Over 200 people took time from their own schedules to attend this meeting. This just illustrates how much concern and interest exist within our community in the area of immigration.

There are, however, several questions which continue to be asked and about which I would appreciate receiving clarification from the minister. These problems occur frequently in the cases presented to me, and I am seeking ways to resolve some of them.

Does the minister have any plans to reduce the number of illegal immigrants in Canada—the number of immigrants who are living underground and of whom we know nothing of their whereabouts? Many of these individuals are afraid to send their children to school because of the fear that they will be recognized. However, many of them have remained in Canada for many years and have settled well. I would appreciate knowing whether special consideration will be given to these individuals when deciding whether they should be allowed to remain in Canada.

Does the minister have any plans to curb so-called immigration consultant sharks, as I call them, who charge as much as $5,000 promising someone permanent residence status in Canada and frequently disappointing that person when all is done or, I should say, not done.

Why is Canada not living up to the spirit of basket 3 of the Helsinki Final Act concerning human contacts? The act, which Canada signed, reads, and I quote:

—contacts and regular meetings on the basis of family ties, in order to promote the further development of contacts on the basis of family ties, the participating states favourably consider application for travel with the purpose of allowing persons to enter or leave their territory temporarily, and on a regular basis if desired, in order to visit members of their families.

In connection with this, when a family wishes to visit relatives in Canada for a period of three months I would like to ask the minister why the officials in our foreign posts insist on granting a visa for only one month or a shorter period of time. Is this not contravening the spirit of the Helsinki Final Act of which Canada is a signatory? The processing of seeking extensions of these visas wastes valuable time for the immigration officials, the member of Parliament involved and the sponsoring families.

I would appreciate an update on the minister's negotiations with the United States concerning the infamous "Buffalo shuffle" by which individuals wishing to apply for permanent residence in Canada through a Canadian post in the United States are unable to do so due to the fact that Canada will not guarantee their readmission to Canada and the United States government will not admit them unless they have such a guarantee.

My next question is with respect to the serious political and economic situation in Poland. Should a war break out in Poland—and we hope not—would visitors who are here from Poland be granted asylum in Canada? Would the minister allow such Polish citizens trapped in Canada to apply quickly for permanent residence from within Canada? In the same circumstances would the government attempt to process quickly any outstanding applications from Poland and allow an increased flow of immigration from that country?

I would appreciate an update on the minister's negotiations with the provinces. Which provinces have requested more immigration, and which provinces have requested less?

I would appreciate information on family reunification cases, from the Ukraine specifically. Many of the Ukrainian-Canadian groups in Toronto have approached me many times to state that very few cases are resolved from the Ukraine, and I would like specific statistics to deal with this question.

The 4(H) regulation of the act concerning immigration of members of the family class is another area of concern to many of my constituents. The regulations state that an individual alone in Canada who wishes to sponsor a relative but who has another relative who is also sponsorable cannot sponsor the relative wishing to be sponsored. For example, a person in Canada wishing to sponsor a younger brother cannot do so because an elderly grandfather is still living, despite the fact that the grandfather does not wish to be sponsored and has no wish to come to Canada. It would appear that this legislation, while on the one hand attempting to help in a compassionate way permanent residents in Canada who are alone, at the same time creates and promotes an artificial hardship. I would appreciate learning from the minister whether he has any plans to amend this legislation. If he does not, I suggest that the relevant paragraph in information booklets printed by the Department of Employment and Immigration be reworded to avoid confusion. Much of the wording as it now stands leads people astray, as in the case I have just cited. The family class sponsorship section of the booklet reads, and I quote:

Any relative, regardless of age or marital status, can be sponsored.

In reality this is not true. Would the minister consider amending legislation to allow co-sponsorship in cases where one individual in a family is not able to sponsor a relative alone but perhaps a brother and a sister are willing to do so?

The minister's answers to the above questions will be of great interest and assistance to all hon. members of this House, to my dear constituents of Parkdale-High Park and to all Canadians.

Mr. Axworthy: Mr. Chairman, I thank the hon. member for his kind words. As Minister of Employment and Immigration I am not used to such compliments in such frequency. When they do come, I am particularly appreciative because of that infrequency. I compliment the hon. member in return by saying it is through the efforts of hon. members like himself who take such a strong and thoughtful interest in immigration that we are able to perform our functions.

I said in the House on Friday that the administration of the immigration law is very much made of human judgments. It cannot be bureaucratized. It cannot be regularized. It is something which requires an individual to make choices. Sometimes they are tough choices, and I want to thank the hon. member for the assistance he has provided me in many cases by bringing information and wisdom to many of the more difficult judgments we have had to make.

The hon. member has asked a number of very specific questions. I hope I will have time to respond fully to them. If I cannot give complete answers, I will make sure they are given to the hon. member in written form.

His first question dealt with illegal immigrants. This matter should really be looked at on a case-by-case basis. We obviously do not want to encourage large-scale illegal entry to Canada because it is unfair for those who apply legally and go through proper procedures. That is why we put some effort into enforcement.

At the same time, if an individual or family has been here for a long period of time, has settled into a community and demonstrated worth, I give the hon. member and other members the assurance that we would be prepared to consider such cases on their merits and to apply the standards of compassion and recognition to contribution to this country. We cannot make a blanket statement on that, for obvious reasons, but we

are certainly prepared to look at individual cases as they come forward.

The question of immigration consultants has bothered me a great deal and I have referred it to the special task force on immigration regulations which I established two months ago. The task force has prepared a discussion paper outlining the legal regulatory questions related to immigration consultants who do sometimes prey upon immigrants. What I intend to do is release that discussion paper to provincial governments, immigration groups and ethnic groups for their comments and then bring about whatever changes are necessary to tighten up the system. I hope this discussion paper will be ready immediately after Christmas. I will ensure that the hon. member receives one, as will all members of Parliament.

On the question of visitors' visas I am concerned about the assertion of the hon. member that some people in his constituency have complained that they have been denied visitors' visas for the time period they requested. The general principle is that applications are considered carefully in our offices overseas, and whether visits be requested for three months or six months, if they are legitimate the applications should be considered in accordance with that time frame. I can only say to the hon. member for Parkdale-High Park, and perhaps to other hon. members opposite, that if there has been a tightening in certain immigration posts abroad, they should let me know and we will immediately telex and ask them about specific cases. I make the same offer to the hon. member for Mississauga.

● (2050)

As to the Buffalo shuffle, I do not like to use that word in the confines of the House, Mr. Chairman. It almost sounds like a new dance we are originating, and in fact it is almost a new dance. It really does mean there is a reciprocity between the United States and ourselves for people who may be in this country and do not want the total inconvenience of going back to a country far away to apply to come here. We are working out arrangements with the U.S. authorities. We have been negotiating an agreement with the U.S. authorities since July, I believe, and I can report to the House that the agreement is almost finalized and there will be reciprocity between the two governments in terms of exchanging those privileges. I want to indicate that that is not a general privilege; it is one that will be fairly well administered in terms of control in cases which really warrant it. In most instances we feel that people who want to land here, should follow the rules and go back to their place of origin, but where there are special circumstances we are prepared to make those arrangements with the U.S. authorities, and they are able to do likewise.

On the question of special measures for Poland, this is an area in which I feel a little reluctant to intervene because External Affairs is not my responsibility, nor necessarily my strong point. Perhaps I lack the diplomatic skills which are required for that post. However, I would say we would obviously be ready to respond to any immediate emergency, just as we responded two weeks ago to the severe problems in Italy when they experienced the earthquake. If there were a major problem—our past record shows how we responded to the problems in Czechoslovakia or Hungary—we would obviously be prepared to consider such arrangements. But, as the saying goes, let us not cross the bridge until we come to it, and I suppose it works in this case. I would only say that we are watching the situation in Poland very carefully, along with other organizations and countries, and we hope nothing serious will happen. If there were a major invasion or some other international crisis, we would obviously make our immigration services respond in a flexible and open manner.

As far as consultation with provinces is concerned, we are required by law, as the hon. member knows, to consult with each of the provinces before we establish immigration levels each year. We undertook a very extensive consultation the previous summer with them and most of the provinces reported to us that they were prepared to accept the existing immigration levels. In some cases, provinces indicated that they were prepared to take more immigrants, particularly the provinces of Saskatchewan and Alberta. In no case did we receive a request that the numbers be fewer. It was upon the basis of that consultation that we arrived at the proposal for continuing immigration levels at about the same level as last year but changing the composition of that level, as the hon. member knows, to provide for more people coming in under the family class and under the independent class.

With regard to the question related to regulation 4H, this is a matter which we will refer to the task force I mentioned. It has been charged with the examination of a large variety of regulatory decisions and procedures under the Immigration Act. I will refer the hon. member's request to them and ask for a report. In fact, I suggest to him, as I did to another hon. member earlier, that perhaps he would like to meet the members of the task force and explain his case more fully so they will have a better understanding of his point of view and can incorporate it into their findings.

With regard to the Helsinki agreement on the visiting of families, I go back to my point with regard to the visitors' visas. We will attempt to provide for the proper length of time as that provided in exchange. I know of the hon. member's great concern with difficulties in the Ukraine. We have to admit that there has been a serious falling off in the numbers coming in from the Ukraine. It is not owing to our action but rather to the fact that the Soviet Union is limiting the number of people they allow to leave, which is contrary to the Helsinki agreement. I had a meeting with the new ambassador, Ambassador Pearson, before he went to Moscow and I asked him to take up that matter with the Soviet authorities as soon as he arrives; I expect a report from him on the discussions he will hold.

Finally, on the issue of co-sponsorships, I think that the hon. member has raised a very important point. I will take it under consideration. I think it would require changes in the act which I am not all that anxious to make right away since we have enough problems. But it is a very useful suggestion and

we will look at it. I thank the hon. member for his questions and comments.

Mr. Forrestall: Mr. Chairman, my intervention will be relatively brief. I might say at the outset that it continues to be a disappointment—although I am pleased to see the Minister of State for Mines in the chamber at present—that the Minister of Employment and Immigration is left to his own devices this evening, as was the Minister of Transport last week. Of course, the exercise we are going through is a brand new one for most members in this chamber. For some of us it is a welcome return to what democracy is all about, a welcome return to what we lost some time ago when the House gave up any control over the spending by the executive. It takes us back to a point when there was real control by the House over the executive. What we may have right now is a bit of a sham, but it is pleasant to remember. In that context, I wish that other treasury bench members had exhibited sufficient concern, as does the Minister of State for Mines, the only other minister present in the House, for employment and approaches to employment in this country to have been here to personally monitor the debate.

I look up to the galleries and, apart from the minister's officials, I see none of the young whiz kids, the bright executive assistants. I do not see any of them. There is only one lone representative of the Canadian Press, a couple of constables and a handful of government supporters who are obviously sincere. They are here to support the minister. A number of our people are here because they are interested in employment and immigration problems. For example, I wish the Minister of Industry, Trade and Commerce were here and I wish the Minister of Labour were here. Or is this the night when he and the Minister of Energy, Mines and Resources get their walking papers and are given other responsibilities? Perhaps the minister might comment on that. Will there be a change, or can he bring an end to these rumours that have persisted over radio and other electronic press media in the last two or three hours? I wish these ministers were here because many of the questions which the Minister of Employment and Immigration has been answering last week and today have to do with the creation of job opportunities. Of course, that is not his responsibility. I should like to ask him about an Atlantic industrial strategy. What are we going to do in that respect? For example, is the minister aware of the extraordinary high unemployment levels among the blacks in Atlantic Canada? If the hon. member for Winnipeg North Centre would move away from the minister's officials so that they might listen to me for a minute, or, instead, speak to the minister, who is not particularly concerned either, I would be grateful. I wish the minister would speak about a strategy for the Atlantic provinces where, as he must be aware, we are suffering from chronic—not unemployment, but underemployment. I am not sure that we can learn from the minister and I am not sure he is the proper man to ask, but I wish we could learn about an Atlantic strategy with respect to ridding us of this underemployment and unemployment difficulty which we continue to have. I wish the Minister of National Health and Welfare and the minister responsible for social matters were here so that I might ask them questions, but I will put my question to the Minister of Employment and Immigration because I am sure he is capable of answering it.

● (2100)

I am concerned about the drain on the national fund and also the reasons for it. What consideration has the government given in recent years to diverting moneys from the unemployment insurance fund into the area of identification and correction of learning disabilities? Concerned professional people have indicated that in this area the strain on the fund is enormous and that even a token transfer of funds to identification and correction at a very early age could save taxpayers enormous amounts of money. I have listened to the minister wax philosophically. Could he perhaps address himself to that question for a moment or two, and then I will have one or two others for him?

Mr. Axworthy: Mr. Chairman, before answering the hon. member specifically, I should like to relate my own nostalgic memory about this exercise of estimates when I was a member of the provincial House. We went through this exercise on an annual basis and some 90 hours were devoted to the examination of the estimates of different ministerial departments. Of course, the only difference is that this time I am on the other side. If one had to make a choice in this exercise, I suppose one would find at certain times that it is more fun being in opposition than in government.

An hon. Member: Not as a long-term project.

Mr. Axworthy: That is right. However, it has certain short-term gains.

There is already an opportunity under the unemployment insurance fund to transfer money directly into training programs. It is our expectation that this year close to $200 million from the fund will be reallocated into training recipients rather than simply putting them on the dole or whatever one would want to call it. Since 1977 we have had the right to transfer funds, and the $200 million is being reallocated in a fairly successful way. We intend to look at it even further as part of the task force review which is presently under way. We will consider how to better allocate our resources into job training and employment funds on a longer-term basis. That is one reason we introduced the LEDA program—to see how we could use the funds for investment directly in communities. Perhaps the hon. member for Bow River will be interested in this because he asked how we could get small business back into business again. Through a concept like LEDA, we hope we can go into smaller communities like the ones which exist in the maritimes, for example, and provide start-up grants for small businesses to create longer-term jobs. It would be a way of establishing an economic development program as opposed to simply a job-creation program. This is one of the things we are trying out.

Mr. Forrestall: Mr. Chairman, my question did not have anything to do with that at all. I will put it very directly. How much money has been diverted in the last three years to the identification and correction of learning disabilities in children?

Mr. Axworthy: I would have to get the precise amount which might have been allocated for that particular purpose. We do not have that information available now. I will find it for the hon. member.

M. Forrestall: I appreciate the minister's response. While he is at it, perhaps he would ask his officials for an opinion as to the dollars saved. If he does not mind, I would invite the minister to respond to that question in the form of a letter which, with his permission, I intend to distribute among the people in this country who are concerned about the identification and correction of learning disabilities and the dollar savings which can be achieved through the early and adequate addressing of this major problem, not only in Canada but in the entire world.

During the Clark administration, the then minister of immigration, Mr. Atkey, responded to requests from farm communities in central and eastern Canada respecting migrant farm labourers at the time of harvesting and what not. In response to repeated demands, the government of the day removed the existing quota and allowed migrant workers to come into the country. It seemed to work out fairly well. These workers came principally from the Caribbean and Mexico to meet the demands of our rural communities. While they were here, of course, they were required to make contributions to the Canada Pension Plan and other contributory funds. When they returned to their own countries, they were able to make application for the return of some of those contributions, because under normal circumstances there was no way they could put in the required number of years to qualify, and indeed they were not eligible to draw Canada Pension benefits because they were not Canadians. It would seem only natural that their contributions should be returned to them. The difficulty is twofold—first, because of the removal of the quota the numbers have increased considerably; second, the processing of applications is so slow and lengthy that very few migrant workers bother to seek the return of their contributions. As I understand it, according to the liaison officer for the Windward Islands, the process is lengthy and complex, and indeed, money is charged for the processing of these applications. I know this subject matter is under discussion at certain levels within the minister's department. Has the minister reached any conclusion with respect to it? If we are encouraging people to come into our country to perform menial, hard, back-breaking labour in our vineyards and harvesting other crops for our benefit, perhaps we should have the courtesy not to take money from them, particularly when they can never hope realistically to gain any advantage from their contributions. What is the minister's attitude with respect to this? Does he not believe that perhaps it is time to take a second look at this area, in the interests of continuing to attract migrant labour which we very desperately need on an annual basis? Should we not stop collecting contributions unless they continue to show up year in and year out, in which event there might be another status to consider?

Mr. Axworthy: I must confess to the hon. member that this is the first I have heard of that problem. A month or so ago I met with the ambassadors of the Caribbean countries to discuss a whole range of issues related to foreign agricultural workers coming into the country. They did not raise that issue with me. Perhaps it is a matter which falls more under the Department of National Revenue since it involves the collection of funds. Certainly I will take it under advisement. I will raise it with the Minister of Finance or the Minister of National Revenue. I intend to meet with the Caribbean ambassadors every three or four months. I will raise it with them at the next meeting to see if it is a major problem, and I will attempt to get back to the member on this issue.

Mr. Forrestall: Mr. Chairman, I am somewhat appalled. I am not sure what question to ask the minister next. I would like to say to him very personally, as a long-time advocate of paying greater attention to the Caribbean and those island nations, that I welcome the minister's indication that he meets with them every three or four months and intends to continue doing that.

• (2110)

I would like to move to another area. I apologize to him if he has dealt with it already; if he has, he can refer me to his response. If he has not dealt with it I would like him to elaborate on it. As a very proud parent of four adopted children and one of my own, I would like to ask the minister why it is we continue to militate against parents—not mothers, but parents of either sex—who may have adopted a child. When a baby comes into your home it does not matter, whether it is four or five days old or whether it has been brought there in the normal process or not. It is still loved and requires attention. I am talking about maternity benefits. This is a matter which has been on the order paper, standing in my name, on and off for about 15 years. I wonder if the minister could say a word or two about it.

Mr. Axworthy: Mr. Chairman, the matter of the relationship between adoptive parents and benefits under the Unemployment Insurance Act has been brought to my attention several times. I can tell the hon. member I became somewhat curious as to the evolution of the act and how it came to single out maternity benefits. It really had to do with the changes in the act over time so that the inclusion of maternity benefits was seen as a stoppage of work for hospitalization reasons, for health reasons, really for physical disability. It has since evolved to a much broader concept, one which I personally endorse, which is the idea of parental care. There should be a provision in the act recognizing parental care as a qualification for benefit. As part of the review of the Unemployment Insurance Act I have asked the commissioners to look specifically at the question of how the Unemployment Insurance Act

relates to adoption. It will be part of the report we shall be releasing for discussion in the future.

Mr. Forrestall: Mr. Chairman, do I have time for a brief question or two? I would like to return to my opening observations with respect to the programs the minister and his colleagues have in mind for the longer term. Can the minister tell us what is the long-term strategy for correcting underemployment and unemployment in Atlantic Canada, apart from the programs we heard mentioned ad nauseam on Friday and today?

Mr. Axworthy: Mr. Chairman, I thought the member would end his remarks with an easy question. It would be less than forthcoming of me to say that at this point that work is being done in the government on the idea of a national industrial strategy which would have its own regional breakdowns. The Minister of Industry, Trade and Commerce is the lead minister in developing that program. What we are attempting to do through our own work in the labour market is to determine what the employment-unemployment situation might be over a period of time. There have been some reasonably positive signs as trends are measured, that is, in the last year or two, that the unemployment rate in the maritimes has begun to fall. There is an increase in economic growth in certain parts of that region. There is obviously a great expectation that with new discoveries in the offshore areas in oil and gas and the prosperity of the fishing industry there will be an increased demand for workers.

Right now we are trying to develop training programs in the Atlantic provinces which are suitable for those new job requirements and the new supply requirements which we see forthcoming in the next four or five years. We have had some very serious discussions with manpower and labour ministers in the maritime provinces with respect to that. We shall be negotiating with the provincial ministers during the coming year as we renegotiate the occupational training legislation to ensure that as far as our own department is concerned we shall be in a position to work with them to put in place the right kinds of programs to meet those new demands. There is a real prospect for substantial changes in the maritimes in terms of increased employment growth. It could be one of the faster employment growth areas in the country.

Mr. Forrestall: I see my time is running out but I would like to ask the minister with respect to retraining whether there is a retraining program in Atlantic Canada in the petrochemical industry. The minister has a puzzled look on his face. I would like to suggest to him that his colleague, the Minister of Energy, Mines and Ressources, has told Canadians in Atlantic Canada on two separate occasions, that we have a snowball's chance in hell of getting a petrochemical industry in the Strait of Canso—it is going to Gros Cacouna. The minister of energy ducks these questions in the House, as does the minister responsible for regional economic development. He will deny that this was said and that was said. But members of the press have overheard the comments and they are not, in my view, fabricators or distortionists with respect to the truth. My question is: what is going to replace this last opportunity to use our provincial resources, for any practical purposes? I am talking about our ability to derive economic benefit from those resources by way of job opportunities and the possibility of developing a viable petrochemical industry for the offshore market, for the Third World—South America, Africa and Asia. We have lost that opportunity in Atlantic Canada, watching it slip through our fingers because of the overhwelming pressure of the Minister of Energy, Mines and Resources, who has the guts to go ahead and do what he believes in doing, regardless of the effect it has on Atlantic Canada. But what is going to replace it? I let the minister demonstrate to me why I should have faith in the free due process. Let him tell me that he is training people to work in the petrochemical industry and then I will believe that the National Energy Board has the freedom to make a decision with respect to the location of the LNG terminal, the regasification terminal. Tell me that and I will believe it. But the minister cannot do that. What will we do? Are we to be hewers of wood for the rest of our lives? Ministers over there talk about great opportunities but it takes seven or eight years to put a pipeline in place and get oil and gas through it. Do they know what we are? We are watchers of a pipeline carrying our resources to Quebec and to central Canada. Do something that demonstrates concern about us. We hear about these ad hoc programs. They just drive us further into isolation.

The Assistant Deputy Chairman: Order, please. I am sorry to interrupt the hon. member but unless he wishes to seek the unanimous consent of the committee I must interrupt him to tell him his time has expired.

Miss Jewett: I would like to ask the minister who is responsible for the status of women a few questions which I do not believe have been touched on yet today. One of my grave concerns, as the minister knows—and I hope it is one he shares—is the protection of the equal rights of women in the law, as well as before the law, in the government's constitutional proposals. Perhaps I should clarify that by saying that this lack of the protection of the equal rights of women in the constitutional proposals has been brought out very vividly by the National Action Committee on the Status of Women and by his own Advisory Council on the Status of Women. Tomorrow morning it will be brought out again. I do not know whether the minister has yet had time to see the brief submitted by the National Association of Women and the Law. It was also one of the main points in the brief given by the commissioner of the Canadian Human Rights Commission. Was the minister simply relying on what the Minister of Justice and the government's legal experts were saying about section 15 and section 1? Did he at any time this summer when the drafts were proposed take a look, as the minister responsible for the status of women, at the actual wording to see if it would in fact provide women and men equal rights within the law? Did he ask the advisory council for their opinion? As the minister knows they were preparing many papers for a conference which, unfortunately, could not be held in the first week of September, including a brilliant paper

to which I have referred before by Professor Beverley Baines on women and the law and the constitution.

• (2120)

I was quite amazed when I asked one of the vice-presidents of the Advisory Council on the Status of Women, Madam Lucie Pépin, whether she, the president, or any members of the council had been asked by the minister if they were satisfied with the protection of the equality of women, and she said that they had not been consulted at all. This struck me as extraordinary considering that the Baines paper came out in August and the council was preparing for this conference and preparing a lot of papers with some very sharp criticisms of the government proposals as being totally inadequate, particularly with regard to the before-the-law clause, but on many other clauses as well.

I wonder why the minister did not consult with the advisory council. Perhaps it is more important now to know whether he has since read with some care their briefs and the briefs of others including the one I just mentioned by the National Association of Women and the Law? If the minister does see the strength of their arguments, will he pursue them with his colleagues in cabinet? In fact, it would be excellent if the minister himself would pursue the necessary amendments to the constitutional proposals because, as the human rights commissioner has said, they are gravely flawed, before the committee. Might he perhaps do that?

Mr. Axworthy: Mr. Chairman, the resolution containing the charter of rights is presently being considered by a committee of this House. As I said earlier today, as a member of this House I look forward with interest to its deliberations and recommendations. The reason for the committee is, as the hon. member suggests, to receive representations from a wide variety of groups and organizations and to use its best judgment to extract what they think is proper, effective, useful and helpful from those representations. Obviously, it will not accept all of them because in many cases the recommendations are contradictory.

Miss Jewett: No, they are all the same.

Mr. Knowles: The women are united.

Mr. Axworthy: One reason why this committee of Parliament was established is to bring the judgment of our peers to bear upon that issue. The inclusion of the non-discriminatory rights in the charter was a major step forward for women in this country on the ground that it entrenches their rights. This has never occurred before and the history of our court cases and our jurisprudence shows that we have suffered from the lack of a clear, fundamental law which establishes basic rights against which other rights passed by statutes of this Parliament or by legislative assemblies would have to be judged.

The difficulty encountered in past court cases in which conflicting statutes are involved—for example, the Unemployment Insurance Act versus the Canadian Bill of Rights—is that the courts have clearly stated—and I would cite for the member's interest the judgment of Chief Justice Bora Laskin in *Curr versus The Queen*—that where there are two statutes passed by the same House the courts cannot judge which is of more merit, simply because they have both been passed by the same House with the same authority and the same mandate. In many of the cases which have worked against women's rights, it has been on these grounds. It was not because of a superior law or a fundamental law. The hon. member is disputing with the Chief Justice of the Supreme Court.

Miss Jewett: That is not a case concerning women. You have the wrong case.

Mr. Axworthy: I presume the hon. member can pit her knowledge against that of the chief justice, and that is her business.

Miss Jewett: You have the wrong case, Lloyd.

Mr. Axworthy: Mr. Chairman, I do not have the wrong case. I have looked at this matter very carefully.

Miss Jewett: No, you haven't.

Mr. Axworthy: I know the hon. member is a fount of most wisdom in this country, but I think she recognizes that there are legitimate differences on the viewpoint and its interpretation.

Miss Jewett: Just facts.

Mr. Axworthy: Regardless, Mr. Chairman—

Mr. Knowles: Can't you two professors get along better than this?

Mr. Axworthy: Mr. Chairman, I am not attempting to argue, I am attempting to explain, and I thought that the hon. member wanted an explanation. That was one of the major problems in our courts of law. There was not a fundamental law which gave clear signals to the courts upon which they could make decisions. It is on those grounds that many of the cases were decided against the expansion of rights. The entrenchment of a charter takes a major step forward in providing that clear and abiding signal. That was not something that was analysed in the Baines paper, and while it was a brilliant paper in some respects, it ignored some facts in law.

In the second case, I would point out to the hon. member that the entrenchment of rights in the constitution would have the immediate effect of requiring the legislative assemblies and Parliament to go back and re-evaluate the various laws which are available to determine in what ways they contradict or run against the charter. So, without going to court at all, there is an immediate cleansing of the act, a certain catharsis of the law in terms of eliminating discriminatory clauses. This was discussed in cabinet and this is why the three-year time lag was imposed, so that this Parliament and the legislatures could review the laws in their statute books to determine what would have to be changed in accordance with the requirements to

ensure equal rights for people, regardless of their background, age, sex or whatever.

The hon. member would have to admit that this is a major step forward. Even the wording of the act can be changed to strengthen it and it is certainly the intention of members of this government and this caucus to support such cases. That is the reason the committee was established and why it was mandated by this Parliament to use its judgment to see how the resolution and the charter could be improved upon.

The government, the Prime Minister, the Minister of Justice and I have all indicated this to organizations with which we have met. I have met with the advisory council and the national action committee, and perhaps more women's groups than the hon. member over the last two months, to discuss this matter and I indicated, that we are prepared to look at any proposed changes which would improve upon the law. But we do want to see the committee's considerations because I, for one, would not want to impose my judgment on that committee. It has a mandate from this Parliament which I respect, and I assume that it will follow through, listen to briefs put before it, then act and use its judgment accordingly. It is very important that we recognize and respect the due procedures of this House.

It would be wrong for the hon. member to try to create false confrontation where there is none because we have already indicated our interest in improving upon the charter and our interest in looking with favour upon the recommendations of the committee.

Miss Jewett: Mr. Chairman, the reason I was so conciliatory is because I am so concerned about this matter that I want the minister to give it serious attention. That is why I have been trying to talk about it in a non-confrontational way. The fact is, the minister has not read the briefs very carefully or, if he has, he has not understood them.

● (2130)

They are not contradictory. I am speaking now of the Human Rights Commission brief, the NAC brief and his own advisory council brief as well as the National Association of Women and the Law brief. All hone in on the same point so it is wrong to say that they are contradictory. They all point out very carefully that the matter is complex and that entrenchment of the same words will not do any good at all. The most recent brief points out that an examination of the two leading sex inequality cases, Lavell and Bliss, reveals that the decisions did not turn on a difference between a statutory and a constitutional standard for equality. It says that they are not at all confident that the Supreme Court will begin to interpret this clause, which is worded exactly the same as it is in the Canadian Bill of Rights, in a broader way simply because it is entrenched and that in their view these words are likely to receive exactly the same interpretation after entrenchment as before. That is the view of all of the constitutional experts who have helped these groups to prepare briefs. There is no contradiction whatsoever.

The Curr case that the minister mentioned is irrelevant. The Baines paper did discuss it very briefly because it is not relevant to the equality of women.

As to the three-year time period, Mr. Chairman, they have all said the same. The only part of the constitutional document that says this clause does not have to be enforced for three years will prevent a good deal of the inequality that now exists from being adjudicated. This is a very serious question. I am glad the minister has talked to these groups but I am sorry that he did not consult them ahead of time, particularly the advisory council. I think they would have been helpful in drawing up the constitutional proposals in a more reasonable fashion in the first place.

I am sorry that the minister has not taken up the cause more vigorously than he has to date. I would have thought that one way to do that would be to use his influence with the Minister of Justice and his department to ensure that the changes unanimously agreed upon will be made. I hope he will reconsider his rather laissez-faire attitude on a matter that I am sure concerns him as much as it does all the women for whom, in a way, he speaks as the minister responsible for women.

I have a few other questions that I should like to address to the minister, Mr. Chairman. As he knows, I have been very interested in the Outreach program particularly the Outreach program for women. I am having difficulty finding out what is happening with the program. I cannot even find out the total number of Outreach programs in existence or how many are designated as women's Outreach project. I cannot find out what the total budget is and what part of it is designated for women's Outreach projects. I am speaking now of the projects for the current fiscal year. I cannot find out what percentage increase will be forthcoming to ensure they keep pace with inflation. I have not yet heard what plans the minister has for the next fiscal year nor have any of the regional directors heard. Will they be cut back or will he be adding to them? Is he concerned or is he impressed with what they have done? I think he must be impressed.

There is a project in my constituency called "Aware" and at a meeting this summer in Vancouver which a board member attended the minister encouraged them to submit a proposal to him to expand Aware services from New Westminster to Port Coquitlam, Coquitlam, Maple Ridge and Surrey.

The minister made the request in June. In July, Aware sent a draft proposal outlining the suggested expansion. At the end of August they received a letter from the minister acknowledging the draft and stating that he would be in touch. The next word they got was to the effect that there was no money available. I wrote to the minister about this on October 16 and only today received a reply dated December 5 from the minister, stating that unfortunately the British Columbia and Yukon region and all other regional funds for the fiscal year 1980-81 are fully committed to existing projects. Yet they had got the impression that they had done so well that funds would be made available; that it would not be a matter of taking them out of the program for some other region. I wonder if the minister could answer these general questions about the

women's Outreach programs and in particular why the Aware project in New Westminster was encouraged to develop and then, several months later, told that no funds were available?

Mr. Axworthy: On the matter of the Outreach programs, Mr. Chairman, the first step was to re-establish the financing commitment to the $9.7 million level so that we really put back about $1.3 million into the program.

Second, I asked the department to freeze applications for that money. At that point, close to 50 per cent or 60 per cent were going to native Outreach programs and I wanted to change the percentage to give more emphasis to women's projects. At the present time there are 19 projects dealing with the employment concerns of women across Canada, and about five or six more are under consideration. This was simply to catch up to the very low level of the previous year. We have encouraged the women counsellors in the regional offices to develop new projects and several are coming on stream. To the extent that they are valuable contributions and break new ground, we will consider them. The funding is pretty well exhausted this year because much of the total allocation has already been made but I believe some are left which are being allocated primarily to women's projects.

As for the specific Aware program she mentioned, I will check on the details and respond to the hon. member in writing.

The Chairman: The hon. member for New Westminster-Coquitlam has one minute left.

Miss Jewett: As I mentioned, Mr. Chairman, the minister's letter about the specific project in my constituency reached me only today so I would appreciate hearing from him about it.

May I return to a comment the minister made about the affirmative action program? There was a good deal of discussion earlier today about affirmative action in the public sector so I shall not go over that ground again.

The minister made a passing comment about encouraging affirmative action programs in the private sector. Someone said the government had $7 billion in contracts but I understand that the government has purchased $11 billion from private companies. If there were affirmative action programs in all those companies you would really get some fast action. I gather that the government is still operating on the voluntary system whereby companies may or may not start an affirmative action program. Several months ago the minister said this did not seem to be working very well. I think he said that in committee. He said he would seriously consider making it mandatory. He mentioned that it seems to be stronger in the United States. It certainly does.

The Chairman: I regret to interrupt the hon. member but she has already exceeded her time. She may continue with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

• (2140)

[*Translation*]

Mr. Dion: Mr. Chairman, I am very happy to have this opportunity of speaking to a subject that concerns me greatly, as it does also my colleagues, and that is the job-creation policies of our government. On June 2, the Minister of Employment and Immigration announced his program to stimulate employment in the 1980s. At that time he announced a whole series of programs that would affect directly the unemployed Canadians and lay greater emphasis on those groups most severely affected by unemployment, namely, women, the native peoples and the young.

Mr. Chairman, the riding of Portneuf, which I represent here in the House, also feels the effects of the economic recession that is being experienced not only in Canada but also next door in the United States. The riding of Portneuf comprises 43 municipalities that are wholly rural, semi-rural and urban. Its economy is based mainly on agriculture which represents 40 per cent of its income. Farming is particularly successful in the north and northwest parts of Portneuf. In the south, economic development depends mostly on small and medium businesses, and that despite the fact that this is where are located two main industries in Portneuf, namely, Domtar at Donnacona and Ciment Québec at Saint-Basile.

In the area comprising the municipalities of Val-Bélair, Neufchatel, Shannon and Saint-Augustin, the main industries are the military base at Valcartier, Valcartier Industries, the National Defence Research Centre and the industrial park of Saint-Augustin which regroups the small and medium businesses located in the vicinity of Quebec City.

That indeed shows, Mr. Chairman, how vast the Portneuf riding is and how diversified its development has been. We therefore welcome the policies announced by the minister, and I myself am particularly interested in them. I want to thank and congratulate the minister for extending the youth employment programs and also for announcing and implementing the community development programs, which, obviously, have had a wide success in my area.

There is, however, one thing in my opinion, and in the opinion of all my colleagues no doubt, that should be improved upon and that is that the funds provided for these programs are insufficient and should be increased. In Portneuf, we have been allocated a total of $627,000 for these programs but, and I ask the minister to take note, we have received applications for over $3.5 million.

Since the inception of these programs, in the seventies, Portneuf has received some $7 million in federal grants and these have been put to good use. These federal government programs are very popular in my area. Also, in urban and semi-urban ridings which have 40-odd municipalities, like

Portneuf, there are many non-profit organizations concerned with the development of their community, such as chambers of commerce, caisses populaires, social clubs, sports associations and all sorts of non-profit corporations. These groups always submit many well conceived projects, in accordance with the criteria set out in the program and satisfying a true need since they create jobs.

When they are financed, such projects bring about extraordinary results. I can name some which would never have happened without this program. I can mention the Marmite Falls in Rivière-à-Pierre, the Saint-Raymond ski resort, the Saint-Raymond Chamber of Commerce Information Centre, the Vieux Moulin Marcoux of Pont-Rouge, the nature centre in Saint-Basile and 90 per cent of all cross-country and nature trails of all municipalities in the Portneuf constituency.

Mr. Chairman, like all hon. members, I deplore the fact that the government of Quebec has refused to allow municipalities to sponsor projects. As the former mayor of a municipality such as Ville Saint-Raymond, which has developed enormously and introduced many projects in this area, I must say I am very disappointed at the attitude of the Quebec government and I hope the minister will exert all the pressures required so that municipalities can benefit from these programs even if this would mean deleting water and sewer systems, parks and so on from these programs. I believe that all the development that a municipality can enjoy would be very welcome within such programs.

On this same topic, I would like to call the attention of the hon. minister and all members of this House to another program which I believe will be ideal in developing a true policy of permanent employment development in constituencies such as mine. I sincerely believe that the Local Economic Development Assistance program, or LEDA, will become the most valuable of all programs introduced by the minister.

The purpose of the LEDA program is to help communities with rather slow growth and high unemployment. It will play an active role in creating permanent employment. This program, which will offer funds for analysis and development, will also provide limited financial assistance to businesses in the community and will be very useful in my constituency. In other words, LEDA is quite welcome in Portneuf. As a matter of fact, Mr. Chairman, an organization of my constituency has already filed an application for this agency which could be located in the southern part of the Portneuf constituency and would regroup about 15 municipalities. The organization which applied is very excited about that program, and I remain convinced that the hon. Minister of Employment and Immigration, in conjunction with the Department of Regional Economic Expansion, will consider favourably the application of the Chamber of Commerce of Donnacona-Cap-Santé which is very hopeful it will be accepted in order to have such an agency in their community. I am told that here we have at last a program which exactly meets the needs of the area. And to that I would add, Mr. Chairman, that I am very excited about that agency we could create there and which would be a great success, I am sure.

I must admit, Mr. Chairman, that I ask myself a few questions about the number of projects which will be accepted. People in the department informed me that once again, the applications will outnumber by far the projects which will be given the go ahead. Furthermore, I was told that the projects which are liable to be approved are those coming from areas with the highest unemployment rate. I would like to see the minister make an assesment or an in-depth study on all the applications he will receive, with the co-operation of his colleague, the Minister of Regional Economic Expansion and, if necessary, to increase that budget envelope since that program will be by far the most effective in helping the small and medium-sized businesses in our areas. We should invest in the LEDA program since it should be emphasized to create permanent employment in our areas. The creation of such an agency meets also the expectations of business leaders who constantly face the administrative burden of all the job creation programs offered by both the federal and provincial governments. I think such an agency would be a necessary tool for the economic recovery of our area.

Finally, Mr. Chairman, I would like to put two questions to the Minister of Employment and Immigration. First, considering the number of applications received for community development projects, I would like to know whether his department will increase the funds earmarked for that program. Second, considering the high unemployment rate in Quebec, I would ask the minister whether it is possible that all LEDA projects suggested by the organizations be approved. He could answer my questions afterwards, but in concluding I would like to congratulate the Minister of Employment and Immigration, his parliamentary secretary, the member for Louis-Hébert as well as all department staff who in my opinion are doing effective work.

[*English*]

Mr. Axworthy: Mr. Chairman, I thank the hon. member for his kind remarks. I will make sure the parliamentary secretary hears of this. I know he likes to hear remarks like that. I will make my first job the transmission of the hon. member's comments to him. I would like to be able to say that we had more money to put into these projects. I agree with the hon. member. They provide a very important service.

Community development projects in terms of applications in relation to funds available are running four to one. Hon. members will recognize the tough job it is to make decisions on what must be cut out. I am attempting to persuade my colleagues in government that perhaps additional support will be necessary. If I can make a small unpaid political announcement, I am sure that any further representations by members on both sides to that extent would be of great help in making

my case. Therefore, I very much appreciate the remarks of the hon. member.

On the LEDA program, I agree fully. It is one of the most important things we are trying out. If it works, it has the opportunity to create long-term jobs where there are not jobs now. That is the real trick to it and that it what we are trying. We want to move away from short-term annual job creation to something which will allow communities that have not had much hope to be able to do it on their own. They can use government to assist them in their own job creations, working with small businessmen and non-profit organizations in their own areas. That is the basic formula behind the LEDA program.

At this point all we are able to do is to try 15 or so projects across Canada. That is all the money available under this year's estimates. I can state the initial success in take up. We have already received approximately 40 applications for these projects, and more will be coming in. Again it will be seen that this is a very tough job.

The criteria are not exactly as it was stated by the officials. In fact, decisions will be made—I hesitate to say this because there will be some pressure—by the Minister of Regional Economic Expansion and myself. We will personally review each application to try to get a mixture of projects across Canada so that we have a variety of circumstances that we can judge. We will try to determine whether something can work in a small community as opposed to a downtown area of a city.

We will try to determine where the programs work most effectively. We want to try different kinds of cases and approaches to see how we can get a basis or formula for a more extensive program in the years ahead, if it works. If it proves to be successful, we will go forward with additional requests for more money. In the meantime, I hope the hon. member will continue to make speeches as he just did encouraging my colleagues to support us in adding further fuel to the fire.

Mr. Friesen: Mr. Chairman, I would like to talk to the minister about the immigration offices at Douglas and Pacific Highway. I have already given him notice. I hope he got the note so that he will have the file ready and be able to talk about it.

I hope the minister is aware that that office, which is a border crossing point on the Pacific coast, is the busiest west of Toronto. I hope, too, he is aware that the traffic at Douglas has increased many, many times over the past five to ten years. I suspect he is aware that the man-hours allocated to those offices have not increased at all in spite of the incredible increase in traffic. In other words, though the traffic has increased five or ten times in the past ten years with people coming across the border, the customs officers, who are the first line of defence at the border point, have not had their man-hours increased. I doubt whether the staffing of the immigration office at Douglas has been increased in the past five to ten years.

I begin by asking the minister some statistical questions. First, how many entrants per year have there been in the past five years at Douglas or Pacific Highway, or a combination of the two if he would like to combine those two offices? How many applications for sponsorships, permanent residence, whatever the classification may be, are being processed per year at Douglas? Is the minister aware that at Douglas there is now a three-month waiting period for an interview at that point? Will the minister answer those questions for me?

Mr. Axworthy: Mr. Chairman, I would very much like to give an immediate response to the hon. member. I will ask my officials to check on the conditions at the Douglas port of entry which he raised and report to him as soon as we can. At the present time we just do not have the specific figures that he requested on the table. We will get them for him as soon as possible.

Mr. Friesen: If the minister does not have the exact figures, is he aware that the increase in volume is phenomenal at that border point? Will he concede that point? He nods his head and admits that he does.

I come to the second point I would like to make. I hope the minister is aware that in 1977 the immigration officers at all border points were classified as PM-1s. At that time, officers at Dorval and Toronto were reclassified as PM-2s. Their salaries were increased retroactively to October, 1976, over one year. I concede to the minister that traffic increased at Toronto and Dorval. The minister has already agreed it increased at Pacific Highway and Douglas and Vancouver international airport. I ask a simple question. If the officers at Dorval and Toronto warranted a pay increase retroactive for over a year, why was not the same done for those doing the same kind of work at Douglas and Vancouver international airport?

Mr. Axworthy: Mr. Chairman, I am very much aware of that condition. The last time I was in the British Columbia region, I spoke with the director general of the region about that problem. All I can say to the hon. member is that we are looking at it. We hope to be able to rectify it within a short time. It is now going through the machinery. We will try to correct it, but we first have to do an assessment of the volumes and make the calculations based upon the actual numbers and present that to Treasury Board.

Mr. Friesen: That really is not good enough. I do not know if the minister is aware that a month or six weeks ago an officer was shot at Douglas. They have regularly to deal with dangerous people at that point. The danger level there is just as high and possibly more than at airports. They face those issues—problems and volume. As I have already indicated, they are three months behind in interviews at Douglas.

The minister talks about putting this through the machinery. It is my understanding that a task force was appointed in July, 1980, to look into this and to review the duties of PM-1s. Their survey is to be completed in April, 1982. I wish to ask the minister whether it will be April, 1982 before the task force will have its report for him.

• (2200)

Mr. Axworthy: Mr. Chairman, the actual survey of the volumes going through the ports of entry on the west coast has now been completed. Those numbers are now being analysed and based upon that analysis we will make recommendations to the Treasury Board. There are a number of steps that have to be taken. I am sure the hon. member knows, as well as I do, the variety of steps through the Public Service Commission which must be properly and carefully followed so as not to make any mistakes. The first round of analysis has been done and we will be making those submissions.

Mr. Friesen: I would simply like to ask the minister why was it so much easier to go through the machinery for those immigration officers in Malton and at Dorval without having to wait so long? If you are going to promote on the basis of workload and responsibility, would it not have been right and fair to examine all of the offices across Canada and give all of the PM-1s a promotion to PM-2 based on the kind of workload they are faced with? Why was there a discrepancy in the first place?

Mr. Axworthy: Mr. Chairman, the survey analyses of volumes at the ports of entry are done on a two-year cycle. The last survey done two years ago clearly demonstrated a substantial difference in the Malton and Dorval airports compared to those on the west coast and other ports of entry. The second cycle of survey analysis has been completed on a national basis. It is our expectation it will show the volume has substantially increased at the west coast ports of entry and based upon that analysis we will then make recommendations to Treasury Board to change the classification and the salary rankings of the officers working there. That is the reason there was a distinction. The other two posts were administered based upon the analysis done two years ago.

Mr. Friesen: If this is now based on volume, can I have the assurance the issue will be settled long before April, 1982?

Mr. Axworthy: Yes.

Mr. Friesen: It will be. When the minister stands up to answer, could he give me an indication of the target date when this is going to be settled and whether this is going to take care of all of the immigration officers at Douglas-Pacific, at the Vancouver international airport, at the various other immigration offices, the offices of the professional people downtown, as well as the new immigration office which is going to be in Surrey? In other words, is it going to be across-the-board to all the officers who are deserving?

Mr. Axworthy: Mr. Chairman, it would be my hope to have that re-evaluation of all the ports of entry completed and the submissions made within a matter of three or four months and the results will be known then. I will make sure the member gets the results for the Douglas port of entry at that time.

Mr. Friesen: I take it, then, if you have the results in three or four months, that the new salary schedules could be operative within the next six or eight months, certainly before the end of 1981, and that would have been passed by Treasury Board at that time.

I should like to move to another question which apparently came up some hours ago when the minister, in answer to a question of another hon. member, referred to the Buffalo shuffle. My understanding of what he is saying is that somebody who is here on a visitor's visa, let us say relatives of Canadian citizens, can go down to Buffalo and be deemed to be residents in the United States, process their papers and come to Canada by that direction. Is that true or am I misunderstanding?

Mr. Axworthy: Mr. Chairman, it is not a blanket exception. We would still expect the large proportion of those who apply to do so from their country of origin. Only in cases considered to be of national interest or where there is a very strict requirement would we work on an individual basis. It may be that because of illness or let us say, reasons of compassion, such an arrangement would be made. It would be monitored very carefully. The decision would be made at the national headquarters and there would not be blanket coverage. The normal procedures would still apply. That is the basis upon which we negotiated with the Americans.

Frankly, there was a tendency in the last two or three years to abuse that reciprocity agreement. That is why the Americans and ourselves ceased to use it for a period of time. I met with the American officials in Washington last spring to discuss the matter with them and with the assistant secretary of state responsible for visas. We thought there could be proper arrangements which would be very carefully controlled. My officials negotiated that kind of agreement and it is just being finalized. The actual terms of the agreement will be available to members of the House.

Mr. Friesen: Mr. Chairman, I want the minister to know I am not trying to promote that kind of a scheme. I believe in the policy under which intending immigrants apply from their own countries wherever possible. If that scheme is to be the policy of the department then surely it is not only Buffalo but also Seattle, for example, Fargo and all of these other cities. It is going to be a principle across northern United States.

Mr. Axworthy: A U.S.-Canadian agreement.

Mr. Friesen: A U.S.-Canadian agreement. Okay. I have another series of questions which are of great concern to me. As the minister knows, I have a lot of immigrants coming to my constituency. He may be curious to know that between the May and February elections the voters' list in my riding increased by 6,000 so there is a fair movement into my constituency. I spend a lot of time intervening on behalf of those who have applied for sponsorships under the various categories of the act. I am very concerned about the great disparity in the processing of applications. I have, at present, 20 active cases on file in my office and 14 of these have had serious problems in processing; not simply routine, but serious problems. Immigrants come to me wondering if there are

scams taking place in the foreign offices. I would like to ask what kind of security arrangements are in place in immigration offices around the world? For example, when we worked on this act in 1976, I was on the committee which studied this particular legislation and I badgered the health officials from the department asking them for a provision which would allow for a second opinion in terms of health. It is all too easy for an applicant to become the victim of one person's judgment in another country. Immigrants have come to me suspecting the medical officer is "on the take." Can the minister give the House an indication of what security arrangements there are in immigration offices around the world to make sure that applicants are not victims of any kind of scam?

Mr. Axworthy: Mr. Chairman, I tried to explain when we had the discussion on Friday; it is necessary to look at the changes in the act introduced in 1976 to understand why, in many respects, we are facing long delays. I think members of Parliament in their wisdom decided to put the major priority in our immigration law upon family reunification and set certain clear guidelines for what that reunification would involve, particularly in the opportunity to bring in relatives under the age of 21 as long as they were accompanied by a parent.

● (2210)

Those circumstances brought about an enormous requirement for the evaluation and checking of documentation. I think the hon. member would recognize that in countries where there are serious economic conditions of poverty, deprivation and suffering many people are anxious to get out. This is not the fault of the countries; it is just that there are serious problems. In these circumstances there is a tendency to use the immigration route as one very handy way of escaping from those tough conditions. The ability to test and evaluate documents becomes quite critical, because the act is quite clear that if you are under 21 you are allowed to come in, and if you are over 21 you are not. What this has really meant is that our officers abroad must spend an inordinate amount of time determining whether documents of proof of age are accurate, legitimate, proper and genuine. As a result, the system is slowed down in order that our officers may be assured that they are administering the act in a proper and legitimate way. Often this means going back and checking school records and voters list, looking at birth certificates and sometimes having to travel to small villages to try to determine sources, because that is the way the act reads.

At the same time there has been a substantial change in the composition of immigration. Close to 50 per cent of those coming into this country are now coming in the family class category, which again creates an increasing need for the checks I just mentioned. If there is any explanation for the long delays which are being encountered, it really is in some very real measure those major changes which were taking place under the act.

What I have done in the meantime, as I explained to the House before, is establish a task force to look at regulations, procedures and processing under the act. That task force is presently examining all aspects and is focussing on this issue of whether it is possible to speed up application processing.

As far as security is concerned, there are security officers available at posts, but I do not think that is the problem. I think this is part of the rumour mill. People become frustrated and try to explain their frustration by looking for a victim or a scapegoat. In large part the system is overloaded at this point; applications in some countries number 200,000.

Hon. members can imagine the difficulty. The system simply bogs down with those large numbers. In the meantime, in defence of officials of various governments, including this one, the previous one and ones previous to that, we have been following a policy of restraint, which means that we have been quite careful about applying new person-years to the immigration service. The numbers have not gone up as much as is necessary. I have asked for some additional person-years this year. I hope to be able to get them, but at the same time our offices in many cases are understaffed compared with the workload they face simply because of the continuing restraint policy. Sometimes we are hammered by hon. members opposite. We are told there are too many public officials. At the same time hon. members opposite want good service for their constituents. In this case good service requires additional personnel to make sure processing takes place in a more expeditious fashion.

Mr. Friesen: Mr. Chairman, I have heard explanations like that given by the minister many times, and I can understand the problem, particularly in Third World countries where there may be a paucity of records. However, the minister can also understand that if 50 per cent of immigrants come under the family class category and if there is some one who is 18 years old when he applies, it is easy for one official to victimize that person when he nears the 21-year-old bracket.

Of all of the applicants coming to me, people wanting me to help them bring relatives to Canada, the single most difficult constituent I have to help is a constituent who has relatives in the United Kingdom. I would like to ask the minister why it is so difficult for people in the United Kingdom to qualify to come into Canada.

Mr. Axworthy: Mr. Chairman, I will ask my officials to get the exact number, but I can tell the hon. member that with the exception of the large number of Vietnamese refugees we have taken this year the largest source of immigration to Canada is still the United Kingdom. It has traditionally been that way, and it continues to be that way. My official has the number. I can give it directly to the hon. member just by way of example. The totals for the first six months of 1980 were as follows: 10,272 from Europe; 4,410 from the Middle East; 38,000 from Asia—that includes the large number of refugees who were coming in—and 8,625 from Great Britain. That is one country compared with all the European countries. The number of immigrants from the United States was 4,144; and 6,000 came from the Americas, that is, the entire Latin America-Caribbean region. The hon. member can see that Great Britain is

the origin of by far the largest number of immigrants when compared with others.

Mr. Masters: Mr. Chairman, I would like to thank the minister for his sensitive assistance in the many special immigration cases which have occurred in my riding and which have required ministerial understanding. I say the same thing to the officials with whom I have come into contact. Because of the nature of the community and because it is an international port, Thunder Bay is a place where there are many immigration situations which require special study and understanding. This has always been received.

Tonight I would like to speak as a parent and a long-time observer of the Canadian scene. I would like to speak about one of the most challenging problems facing our nation today, the upgrading of our labour force. However, before looking at the present situation and what may lie ahead for Canadians, I believe it would be useful to have a historical perspective of training.

Technical and vocational education in Canada today is the product of evolution. Our early settlers learned by watching and practising, and during the nineteenth century such practical instruction became formalized as it was embodied in the school curriculum.

Federal government involvement in the field of education began with the proclamation of the Agricultural Aid Act in 1912 followed by the Agricultural Instruction Act in 1913. There have been various federal acts and agreements made under their authority since then except for the period 1929 through to 1937.

The federal government has played an increasingly important role in this field, particularly since the passing of the Technical Education Act of 1919 which clearly defined the responsibilities of the provinces and the federal government and stipulated that the federal government would share up to 50 per cent of the provincial expenditures for technical education. The federal involvement was justified on the basis of the need of an industrial nation for an adequate supply of skilled workers, provision of equality of education opportunity and the high cost to local and provincial authorities of providing adequate training programs and facilities.

It is interesting to note that in 1919 the federal government's contribution to technical education was $700,000 compared with its contribution of $800 million to adult occupational training in 1980-81.

The Adult Occupational Training Act of 1967 marked a significant new departure for Canada. It clearly separated the occupational training of adults from the education of the young. The then newly-established department of manpower and immigration was given responsibility for implementing the provisions of the act through the Canada Manpower Training Program. This act allowed the federal government to purchase training services from the provinces and private schools on behalf of its adult workers and to enter into contracts with employers. A striking feature of the act was its linking of occupational training for adults with the needs and opportunities of the labour market. The federal and provincial governments co-operate to determine training needs and develop training plans. Budget and guidelines are set nationally but focus on local needs and conditions.

In 1972 the act was amended significantly to increase its flexibility. The program was made available to more adults, some of the restrictions on the provision of industrial training were lifted and certain sections which were no longer relevant were repealed.

While it is very easy to sit back and criticize the training carried out under the act, the fact of the matter is that there are hundreds of thousands of Canadians who have benefited from the program. Without it many of them would not have had the opportunity to learn skills or to improve their skills.

● (2220)

As in any program, there is always room for improvement. At the present time, two task forces are studying it, and their recommendations may have a great influence on the future direction of training in Canada. They are the parliamentary task force on critical skills for the eighties, headed by the hon. member for Notre-Dame-de-Grâce (Mr. Allmand), and a high level task force reporting to the chairman of Employment and Immigration Canada, which will work to develop a comprehensive employment strategy for the eighties. As a result of these studies, there will, no doubt, be proposals made to increase the effectiveness of the training program.

For many years I have had an interest in the way in which young Canadians are prepared for their careers. That interest has increased since I became a member of Parliament and have had the opportunity to discuss with other hon. members the relationship between education and employment across the country.

It is my opinion, and I am sure that many other hon. members will agree, that we have not always been doing a good job of preparing students for the labour market. Not only have we failed in many instances to give students the technical skills that the jobs of the future will require, we have also failed to provide them with an elementary understanding of the world of work and the ways in which working life is different from the lives they have so far known—family life and school life. We have not told students about the jobs of the future and we have not found ways to give them the hands-on experience that will reveal their strengths and weaknesses, their likes and dislikes, and what in general they can expect of work.

Too many students are making decisions about their education and the career they hope to pursue without adequate information and without much thought. Too many students are graduating without any thought to the labour market and the places in that market where they may find a niche. I have heard estimates that one-third of our graduating students cannot say what occupations they would like to follow. I suspect that there is another third of our graduating students who, although they can say what jobs they would like, have only the most elementary knowledge of the world of work.

A lot could be said on this subject about the needs of students and the problems which so far have hindered our attempts to prepare them for the working world. There is a big job to be done and those who tackle it—employers, educators, governments and students—deserve every support and encouragement.

The experts tell us that the next decade will be marked by considerable industrial and labour market adjustment, and shifts away from traditional approaches to training will be inevitable. New initiatives and innovative methods, responding quickly to local and regional needs, will have to dominate future training systems. Obviously, everything cannot happen at once. But where we can, we must move quickly to bring about meaningful changes to existing situations.

Now I would like to speak about another subject, if I may, Mr. Chairman. When Parliament opened in April, the priorities and directions of the new administration were stated in the Speech from the Throne. You will recall that the throne speech acknowledged that Canada, like other countries throughout the world, faces difficult economic times. Canadians recognize that the state cannot possibly meet every demand or satisfy every group. But the throne speech laid down a very important principle as a touchstone for this government's policies. We are committed to helping first those who need help most.

The intention is to build upon Canada's comprehensive social security system which was put into place during the 1960s and 1970s. Over that period, the federal government's social policy was aimed at providing Canadians with virtually cradle-to-grave security against extreme deprivation caused by age, illness or loss of employment. Many of the programs that were introduced or improved had broad terms of eligibility and were therefore very expensive. Indeed, these programs accounted for a very large part of the increase in the government share of gross national expenditure between 1966 and 1976, when that share rose from 30.9 per cent to 40.2 per cent. We have now reached a period when we must target scarce resources on special needs groups.

Last June, the Minister of Employment and Immigration introduced a $137 million package of employment measures and made a major step by targetting—that is, by reaching out directly to those who traditionally receive little or no benefit from the economic growth of the country. The new job-creation programs and training initiatives introduced by the minister focus on the needs of natives, women, young people and other groups facing special difficulties in finding and retaining jobs. In addition, extra jobs are being provided in areas of high unemployment. In short, a fundamental pillar of our employment policy is to bring these disadvantaged people into the community of employment opportunities.

That term "disadvantaged" means people who, because of artificial social barriers, ranging from administrative hangups to downright discrimination, are prevented from realizing their full potential in the labour market. This group includes women, who make up 51 per cent of the population and 39 per cent of the labour force. It includes native people whose numbers are growing quickly in relation to the total work force. It includes the handicapped who face not only the challenge of overcoming their disability, but must also contend with the invisible barriers of prejudice and ignorance that bar their entry into the labour force.

Our commitment is to break the back of the problem—to bring these people back into the economic mainstream. Obviously, the new employment measures are not the entire solution to the problems faced by people with special needs, but they are a beginning—and a good beginning. They build on already established programs offered by the Canada Employment and Immigration Commission to help these people achieve their full potential.

For example, under the Canada manpower industrial training program, 85 per cent of salary can be paid for special needs clients, and as a means of stimulating the employment of women in jobs traditionally reserved for men we subsidize 75 per cent of the cost of job training for women in some of these lines of work.

The local employment assistance program, LEAP, is a particularly important program. Its principal advantage is that it allows for the creation of ongoing businesses which will provide jobs for the chronically unemployed or for the establishment of projects which will develop job skills for the chronically unemployed to help them integrate into the regular labour market.

LEAP projects have already created many jobs for disabled Canadians. Perhaps the most interesting program for helping people with special needs to find and keep jobs is Outreach. Outreach projects serve people who are not able to make effective use of the regular services offered by Canada employment centres. By way of illustration, in 1979-80 an estimated 9,500 physically and mentally disabled persons across Canada received specialized services through the program.

This government has also made some progress in asserting the principle of affirmative action in the public service and in job-creation programs by resetting the dials to encourage the hiring of a greater proportion of people who experience particular difficulties in finding suitable employment. We are also looking at the possibility of making the adoption of affirmative action principles a condition for large contractors who want to do business with the Government of Canada. These are the kinds of actions which make for more efficient use of human resources. The idea is to enable these people to make an important contribution they are not allowed to make today.

It is clear that the federal government must give leadership and introduce vigorous programs to ensure that individuals with special employment problems are not frustrated in their yearning to participate fully in the economic life of Canada. Much remains to be done, but we already have taken many important steps toward our goal of ensuring that all Canadians enjoy rising levels of income.

Before I conclude my remarks, I would like to refer to the statement made by the Minister of Employment and Immigration when he announced his new employment measures in the

House of Commons on June 2. He indicated at that time that he proposed to bring in another program offering incentives so that persons with severe employment problems might be employed in the private sector. I would like to take this opportunity to ask the minister when the government intends to announce the new program.

Mr. Axworthy: Mr. Chairman, I would like to thank the hon. member for his very fine words. He illustrates a point which has been made several times in the discussion of these estimates. There must be a very strong and very forceful sense of leadership from the national government to meet our employment training programs. We must develop a national employment strategy which covers the country from one end to the other and ensures equal access and opportunity for all Canadians. I feel this point must be underlined time and time again in demonstrating the direction in which we must go in the next four or five years. We cannot afford to let our programs become fragmented or our approaches divided simply along provincial and regional lines. There must be a national approach to programs. Therefore, it is very important to support the programs put forward in the budget and the national energy program which would give us the resources to meet those demands.

● (2230)

As far as the question concerning an additional program to provide incentives for the private sector to hire disadvantaged workers is concerned, we have been working on that program for three or four months, culminating in the examination we have made of the industrial adjustment programs which must be brought in to respond to the issues of declining industries and declining communities. We have taken some time because we wanted to ensure that we consulted adequately with the different groups involved.

In this case I want to pay particular tribute to the work of the parliamentary committee on the disabled which is chaired by the hon. member for Don Valley East. I have now had two or three meetings with that committee which is comprised of members from both sides of the House. They have provided me with very valuable information concerning the employment problems experienced by those who are handicapped in Canada. Not only have they provided me with their experience, they have some very forceful and specific recommendations. We really wanted to wait until we had the ability to gather the information and ideas developed by that task force.

I met with them approximately ten days ago. We will be incorporating much of the findings and proposals of that parliamentary task force into our own work. Now that we have those findings, we will be able to present to cabinet submissions for an employment program dealing with the needs of the disadvantaged. If we are lucky and able to get proper scheduling on the cabinet timetable, I hope to be able to make some announcement of those programs either just before Christmas or certainly within two or three weeks after. We wanted to wait to make sure we had the full information.

The program has not yet been fully decided by cabinet, so I cannot outline the details. But it will follow the basic principle of providing incentives to private employers to hire those with work disadvantages. We hope it will provide us with a certain approach which could be used in the development of a more broad-based employment strategy in the years ahead.

Mr. Blenkarn: Mr. Chairman, I should like to convey to the minister that his immigration office in Mississauga is first class and that Jack McMillan, the key officer in charge, has the sensitivity and ability to do good work for Canada and has been doing so. The minister knows that I have a great number of immigration problems in my growing city, and I should like to ask him a number of questions with respect to them.

My first problem is the feeling of people that their member of Parliament can somehow work miracles for them, that the Immigration Act is not a question of one's status but who one knows and what strings one can pull. Unfortunately this spring the minister was involved in the case of Giuseppe Calamusa. I am not questioning the minister's honesty in this. I am looking at the compassionate grounds on which he managed to work things out for Mr. Calamusa and his family.

The minister will appreciate that the rest of us are members of Parliament and unfortunately not ministers of immigration. Therefore, we cannot do the wonderful things that were done for this particular person. Also he will appreciate that as members of Parliament we have people with immigration problems that are perhaps much more serious and at least as deserving, certainly in the eyes of the applicant, as those of Mr. Calamusa. When the minister bent over backwards and managed to exercise his discretion in favour of a family which, on any reasonable interpretation of the act, should have had their deportation confirmed, he leaves us as members faced with the position that the law is one way for some and not for others in the eyes of people with immigration problems.

I was wondering if the minister could tell us—and I hope he does not use all my time—what he can do to provide some sense of rule and regulation in this act so that we can firmly tell constituents that if they fall within the terms of the purview of the minister something can be done, and if not, they cannot expect any miracles to happen on their behalf just because they happen to know someone. I bring this seriously to the minister's attention because it is a problem faced by members on both sides of the House.

Mr. Axworthy: Mr. Chairman, I find it a little unusual that the hon. member would raise one case because I see around me seven, eight or nine members of the House who in the last month or so have brought cases to me for adjudication, where they wanted some settlement based upon reasons of compassion or whatever. I could not give the exact number, but a fair number have been adjudicated thusly. So, it would be wrong to say that there has been only one miracle; there are no miracles, but judgments are applied.

The hon. member himself has made representations on behalf of some of his constituents. We have looked at them

carefully and in some cases have said that if there are reasons and grounds for compassion, we would issue ministerial permits. In order to provide the member with some indication of what is involved, in 1979 before I became minister, close to 16,000 ministerial permits were given. I am pleased to report that the number this year will be substantially less. I do not want to make a direct correlation, but I suggest that perhaps we are not quite as loose with ministerial permits as the department was under my predecessor who was a member of the Conservative government. But I will not make that comparison; I will not say that that is why there were so many permits.

The particular case the member cited was not in itself unique. A number of similar cases are being judged all the time. It is just that that one had a highly emotive quality and I would suggest some political quality to it as well, caused by some of his friends and colleagues. As I have said before, I do not pretend to be infallible. Sometime we will make mistakes in judgment. If I err, I try to err with some degree of compassion, and I think I have tried to treat some members and their cases in that way.

I, too, have become concerned about the area of discretion. One of the first questions I asked when I became minister was whether there was any jurisprudence upon ministerial discretion, whether there was any precedent which I could use. Nothing had been codified, no one had sat down and said, "Here is the precedent which might be used to guide your decision". That is one of the reasons I set up the special task force—to develop some advice and recommendation on the area and orbit of ministerial discretion which we might use, that I would use to guide my actions.

Mr. Blenkarn: I thank the minister for that answer.

● (2240)

The second problem I face concerns the number of people who come from, or who have relatives in, pretty disorganized parts of the world. I refer to Guyana, Indonesia, Ireland and Iran. I remind the minister of a letter I received from him on December 1 with respect to Iran. The minister said in his letter that he did not think the Armenian people in Iran were being prejudiced against or were really true refugees. He went on to say:

> In the new Iranian constitution, for example, Armenians along with other religious minorities have been guaranteed certain fundamental rights by the government of Iran.

The minister knows that those same fundamental rights are granted to people in Indonesia. They were certainly granted to people in Vietnam. They are certainly granted in Guyana and I am sure they are granted in Soviet Russia. Is the fact that written constitutions in countries like Iran guarantee religious minorities fundamental rights sufficient to make them non-refugees because of the nature of their constitutions?

Mr. Axworthy: Mr. Chairman, I would like to answer the hon. member by pointing out that under our Immigration Act the definition of a refugee is taken from the United Nations Commission of Refugees, which says that in order to be a refugee one must be under threat of political persecution. We interpret that definition as broadly as we can. Anyone who feels directly threatened or in some danger within the regime of his or her own country can go to any one of our offices and apply for refugee status. They would have their application considered on those grounds, or on their merits. There may be cases of Armenians in Iran but our evidence thus far has not demonstrated they are a class or group that is being persecuted generally. I am certainly prepared to accept further evidence from the hon. member. They certainly have the right to make application as refugees. The difficulty presently in Iran is that we do not have an embassy, for reasons of which the hon. member is fully aware. This makes it far more difficult and I apologize for that. If there is something the hon. member would like to bring to my attention which would shed more light on this, I would be glad to consider it.

Mr. Blenkarn: I have also written to the minister in connection with our offices in other parts of the world. I find that our offices in New Delhi and Port of Spain are particularly difficult. The minister is aware of a number of cases I have had in which spouses of Canadian citizens have had to wait for more than a year and a half for their spouse to be able to enter Canada under the family class. That strikes me as unconscionable and ridiculous. I was wondering what the minister can do with respect to spousal applications for family or reunification in the offices of New Delhi and Port of Spain. The delays are interminable. It is not sufficient to say that there is not the staff there. Surely to goodness different classes of family applications can be considered in a better priority. Surely when a man is separated from his wife by the artificiality of an immigration law he should not have to wait nine months to a year and a half to finally get someone to look at the medical histories and approve that application. Will the minister tell me what he can do about that?

Mr. Axworthy: Mr. Chairman, while the act has not set any priorities between the class of relatives, it would be brought under the family class. As a matter of policy we try to give priority to spouses. There are often real delays, particularly in the two offices the member mentioned, New Delhi and Port of Spain. As I told the hon. member for Surrey-White Rock there are some reasons to explain this. There is the enormous backlog in applications. We must do very serious checking in those areas just to clarify documents. But we do have this task force which is looking at these procedures and trying to streamline them to see if there are ways of providing for some shading to give preference to those who have spouses. I expect to have that report very soon.

Mr. Blenkarn: The member for Surrey-White Rock brought up the problem with respect to immigration from the United Kingdom. As the minister knows, the type of family application there is essentially assisted-relative applications as opposed to family class applications. We have a number of situations where people could very easily adapt in Canada but are nevertheless refused entry. I could give the minister chapter and verse on a number of applications but I do not think it

would be fair at this point to mention their names in this House. Young people with technical skills, mechanics, electrical technicians and so on have been told in our U.K. offices that there is no job for them here. Clearly their families and family businesses here could put them to work right away. It strikes me as improper that these people should be kept out of Canada when they would fit into the country very well. They have an education standard at least as high as the average Canadian. They have families with businesses here where they could be immediately employed. Is there no difference in criteria for applicants from the United Kingdom, a nation of people who can easily adapt to Canada, or from Ireland, where there is a great deal of religious tension, a country whose people could easily adapt to Canadian life? For years our traditional flow of immigrants has come from these countries. At one time people were entitled, as an absolute right, to come to this country if they were British. Is there any reason why these people should not be given preference over people coming from other countries where their customs and language are not ours?

Mr. Axworthy: The immigration law does not recognize a special preference to any one country. The law is written by Parliament to apply certain standards, either for family, compassionate, humanitarian or economic reasons. The difficulty we often experience is that those who are coming from the United Kingdom often times make applications for cousins or more distant relatives. I know that is why the hon. member receives complaints. In those cases they must apply under the assisted-relative class. They must show some harmony with the labour market requirements and they must show job authorizations. We cannot and will not impose any special category to say that country of origin is important. The same standard must apply equally to everybody. I can understand the frustration in those cases and why some people do not understand it. But that is the way the law was written. I think it represented the wish of Parliament and of Canadians that we do not have a discriminatory immigration policy but one which is simply based upon criteria of what is required in our own labour markets, what is required to unify families and what is required to make judgments on humanitarian grounds. Those are the only criteria we can use.

Mr. Blenkarn: With respect to the task force the minister spoke of, will he add to it the obligation that they look at whether we should not also impose the criterion that the person have the ability to fit into our socioeconomic system in Canada? Should they not look at whether the applicant's cultural background and so on is similar to our culture, and that his language is similar to ours? Will the minister have the task force examine those as further criteria in determining the suitability of immigrants?

Mr. Axworthy: That really is not the mandate of the task force. I have instructed them to look at questions of regulations and procedures within the process of the act. If there were to be major amendments to the act—and that would require a major amendment—it would be something which should go through Parliament and be considered by parliamentarians, not necessarily by outside consultants who are simply working to streamline the procedures.

● (2250)

I do not think this is the initiative which should be taken. The present Immigration Act has been in operation for a little less than two years and there is still much to learn about it. There may be a time when changes will be required, but I do not think that we should get into judging suitability. Obviously there is some judgment made by our officers abroad with regard to individual applications. There are in the act certain provisions which prevent undesirables, for example, people who have bad records, from coming into the country, and further restrictions on medical grounds. But if we start trying to determine who fits our country, we get into a very dicey area and one which I am sure we would not want to impose upon the officials abroad. I am most comfortable, as a Liberal, with the way the act is currently constructed.

Mr. Blenkarn: From time to time people in my riding who are clearly illegal immigrants into Canada come to see me. I also know that a person can get off the airplane at Toronto international airport and, if they look right, they will probably have no difficulty with the minister's staff, particularly if it appears they are coming here for a holiday and have lots of money to pay their hotel bills and so on.

When I go to Australia I am required, even as a member of Parliament and of this House, to get a visa. Why do we not have a visa system, aside from our obvious interaction with the United States. If I go to Mexico, or many other countries, I need a visa, but people who come from a great number of places around the world do not need visas when they come to Canada. Would that system not assist the minister in controlling illegal immigration? I say this to the minister because I happen to know a number of people in my constituency who are illegal immigrants. Some of them run businesses and own property, and I would not be surprised if they vote in federal elections.

Mr. Axworthy: Mr. Chairman, I am tempted to ask what party they vote for, but I already know the answer. There are presently some 80 countries from which we require visas. Any addition to that number is a matter of government policy and must be considered by cabinet each time. If the hon. member has information to suggest that some country is beginning to flood us with illegal immigrants, then we would have to take a look at imposing visa regulations. For example, we recently put visa regulations on Haiti in order to stem the flow of a large number of illegal immigrants from that country into Canada. We take a case by case approach and we are certainly prepared to receive any information which the hon. member might have.

Mr. Blenkarn: Is there any way the minister can speed up some of the answers to queries I have made of his office? The minister's staff is pretty good sometimes, but a number of situations have arisen where I have had to make a number of

representations and phone calls to the minister's office. I looked at one letter tonight with respect to Anna Seawack, a young lady who came here from Poland. The family who brought her over wanted their child to learn Polish and Anna Seawack, a first cousin, was chosen. These people wanted to be very legal about the matter so they went to the employment office where they were told that a work permit was required because she was working as a babysitter or domestic.

The minister's office said that Anna Seawack would have to go to Detroit and do a Detroit shuffle rather than a Buffalo shuffle. Anna Seawack was a bank clerk in Poland so she could not possibly do anything like babysitting in Canada and certainly could not teach Polish to a young child because after all she was a bank clerk and—

The Assistant Deputy Chairman: Would the hon. member like to finish his point because his allotted time has expired.

Mr. Blenkarn: Would the minister tell me why we must go through this red tape?

Mr. Hawkes: On a point of order, Mr. Chairman, I wonder if I might have the unanimous consent of the committee to split the next round of the official opposition between the hon. member for Waterloo and the hon. member for Parry Sound-Muskoka?

The Assistant Deputy Chairman: The hon. member suggests that on the next occasion when a Conservative member would speak, two members would speak for ten minutes each instead. Obviously, there would be no difference in the total time consumed. Is there agreement?

Some hon. Members: Agreed.

Mr. Parent: Mr. Chairman, I have a few points with regard to the refugee problem which I want to put on the record. I preface my remarks by saying that we in the Niagara Peninsula are very well served by the immigration officers there. I centre out the director in charge of Niagara Falls, Mr. Don Bandy, and one of his field workers, Mr. Carl Nauman, with whom we have been working for a number of years.

That being said, I take great exception to the former speaker's remarks in the sense that he would have a very preferred list of people who could come into this country. This is not the way in which the country was built or the way in which it came together. The criteria in place now for the admission of immigrants to the country is fair. It can be improved on in some ways but, by and large, it allows the greatest number of people the greatest chance to come to Canada and take part in our great country.

Last summer I visited Hong Kong. While there, I visited the refugee camps. In so doing, I obtained a first-hand view of the conditions in those camps. I had a chance to speak with the officers who were in place, and they informed me that the conditions from which these people came in Vietnam were virtually too abhorrent to describe and beyond anything we could imagine. As for the conditions in the camps for the people who were scheduled to come to Canada, the camps were well run, clean and the people were well taken care of.

One might wonder why I bring this matter up. It is because I want to make a comparison between the conditions from which these people have come and the conditions of the surrounding area. These refugees have difficulty learning our language and adapting to our way of life, but if we were only to admit people who were exactly like ourselves, it would take away a great deal from the flavour and fibre which makes this country strong. It is for that reason that I encourage the minister to admit the number of refugees scheduled to come to Canada from Vietnam and southeast Asia.

By sharing what we have, Canada can show other countries that it is willing to open its doors and its heart to people who are less fortunate. There are those who would say that these men and women will take jobs from Canadians. The minister must consider that many of these people are willing to perform menial tasks which are not currently accepted by many of the workers in the country. I am not criticizing the general worker in Canada. I am saying that these people will do virtually any job because it is a chance for freedom. For us it is a chance to better ourselves and have the better things in life, but for them it is a case of life and death—no more or no less. It is for that reasons that these people who have taken a place in our society are welcomed citizens because they will help build this country in the years to come.

• (2300)

Some years ago a study was made of immigrants on the welfare and unemployment roles. It was found, in 1977, that .07 per cent of immigrants admitted to the country in the five years previous were on welfare—and not for the average length of time. In that respect they have taken their place as worth-while citizens.

I wonder if the minister could address himself specifically to the area of refugees who have come to this country or those it is proposed to admit. Maybe he could tell us if they have adapted and if they are contributing to the well-being of all people in the country.

Mr. Axworthy: Mr. Chairman, I should like to begin by recounting to members of the House an experience I had today when I met the Chong family representing the sixty thousandth refugees brought to Canada under the special program. They are two brothers and their wives and each family has three children. They were on their way to Goderich, Ontario. The sponsoring family, from the Roman Catholic Church in that area, thought they would bring them here to symbolize the quite amazing partnership that has taken place in this country in the last two years.

I should like to pay tribute in part, to my predecessors, Mr. Atkey and the hon. member for Sarnia who in this portfolio were very much responsible for putting the program together. I certainly would not want to take the credit for it because it was through them that the special refugee program was initiated. We are now simply able to complete it.

This was one of those moments that one remembers. As politicians we take a lot of harassment and abuse but this was one of the moments that makes public life worth while when one realizes that through some action of oneself and one's colleagues, something very important has been done for another human being. The kind of appreciation and gratitude expressed by the Chong family at being in Canada and also by the sponsoring family for the opportunity to share in the experience of helping these families to come and settle here, is something that I shall never forget. Members of this house who have had similar experiences in their ridings will realize how very important and remarkable the refugee movement has been in the last two years.

But the problem is not over, Mr. Chairman. Now that 60,000 people have arrived we are not stopping there; another 16,000 refugees will arrive in the years to come because the problems of refugees in the world are so immense. A very great effort has to be made by Canadians to make sure that they are settled in this country with care and sensitivity. These people have different languages, different customs and will require special consideration, training in languages, and must be found jobs and places to live.

It is for those reasons that the immigration paper presented to Parliament last October stated that the emphasis of this government in the next year or two will be on the establishment of major resettlement programs. We have been working quite closely with the voluntary sector and we give direct grants to community organizations under the immigration settlements assistance program so that they can provide counselling and orientation to help people settle in the community. The program will be extended and we plan to have immigration offices available across Canada to help in this resettlement program. We are also working with the provinces to make sure that schooling and other services are provided. As a government, we intend to concentrate on our responsibility to make sure that people settle into the country.

I am a little fearful that we might simply bring people over, that the headlines would appear, and then they would be forgotten. We cannot forget, Mr. Chairman. We must work very hard at this. We will be able to rely upon that same degree of volunteerism and private participation, I hope, that enabled us to bring people over and to help them settle with a degree of grace, dignity and self-support.

I would urge those members who know of sponsoring families in their constituencies to use their good offices to ensure that this commitment and contribution continues. In some cases, we are into the much more difficult phase of ensuring that these people have a chance to become good Canadians.

Some hon. Members: Hear, hear!

Mr. Darling: Mr. Chairman, I have listened with interest to the many questions from all sides of the House and am pleased to put a few myself. I should like to thank the minister for the co-operation I have received from his departmental officials. I do not always agree with their decisions, perhaps, but I appreciate their efforts.

There are two questions that I should like to put to the minister. Under the manpower training program, funds are provided for tuition in various vocations, trades and services and an allowance is made for people taking training. On the weekend it was brought to my attention that a particular service in which I have a peculiar interest, as I was a real estate broker for many years, is not covered. Real estate salesmen are not eligible under this program and I promised to try to find out why this is.

Anyone who wants to take this particular course in Parry Sound-Muskoka, some 100 miles north of Toronto, must go to Toronto and spend $300 or $400 for it as well as incur accommodation expenses. Five-week courses are to be offered by the community colleges early in the coming year. I wonder why these courses are not included in the program.

When I received my sales licence, I read the book through and then wrote an examination and that is about all there was to it. It is a lot more complicated now. The process of becoming a real estate broker is long and drawn out and I can only say thank the Lord I do not have to write the examination now. I should like the minister's comments on this.

I have listened to the questions posed to the minister on immigration—who gets in and who does not. A great many people contact me on this question. I wrote to the minister two or three days ago about the problem of a young Chinese girl from Hong Kong, a student who passed her examinations with outstanding results. She was given a work permit and is presently working in a Christian Horizon home in my village of Burks Falls where she is a counsellor. She certainly works more than 40 hours a week and certainly is not paid the highest wages. I believe she earns $9600 per year. Her work permit has expired and she will now have to return to Hong Kong. She is in the best of health but maybe that is against her! She is paying her way and doing a great job. It seems unfortunate that ministerial discretion cannot be exercised in this case. It has been mentioned that there is a possibility of a "shuffle off to Buffalo". I am delighted to hear that a plan is being suggested for a reciprocal arrangement whereby it would not be necessary for people to return to their native land, especially those from so far off. In this particular case, I wonder if the minister cannot take a second look.

I am well aware, as the minister has said himself, that as far as decisions are concerned, he is all powerful. He can certainly make a ministerial decision but letters from his officials convey the impression—"that is it; that is all there is to it; according to the rules this is not a hardship case". And so forth.

Other members mentioned earlier that a great many applications from the British Isles do not seem to be approved. Several people have contacted me. I know the application is not here formally but this is a case about which we wrote to the department seven or eight months ago which was turned down. It concerned a retired RAF officer who is economically independent and young enough not to want to remain idle

when he comes here. I believe he has accounting experience. I just wonder why an application such as this one could not be considered.

● (2310)

I was pleased to learn the figures with regard to people coming from Europe and the United Kingdom. Three or four people in my riding have come over on visitor's permits. They bought property and have invested substantial amounts of money. I believe I have mentioned one specific instance personally to the minister. One family invested one quarter of a million dollars and another invested close to a half a million dollars. This money is being used for the tourist industry, to attract European tourists to this country. In one case an appeal was to be launched to bring over Dutch people; the other case concerned German people. Even on a quota basis, with the balance of payments the way they are now, I would hope the minister would look at the matter from a dollars and cents point of view. That kind of money coming into Canada should certainly count for a good many pluses on the point system, or whatever it is.

I want to commend to the minister the Orillia immigration office. That is the office with which I deal in my riding. We have had exceptional co-operation from its manager, Mr. Charles Brooks. I am very sorry to hear that he is reaching retirement age. However, I presume he will be replaced shortly by someone who will carry on his good work. My constituency office and myself are delighted with the co-operation we receive from him.

Under the winter works program, or whatever it is called now, many of the ridings have had their budgets reduced to $100,000, plus a little extra for the native people. But due to the serious employment situation with which we will be faced I hope some extra money will be found to take people off the unemployment rolls and provide work under this worth-while project. I know that my time has run out, but could the minister comment on some of those questions I have presented to him?

Mr. Axworthy: Mr. Chairman, I will attempt to answer briefly. If the hon. member wants more extensive answers, we could supply them by letter.

On the question of the admission of real estate agents under the training program, in each province where there are agreements we have what is called a manpower needs committee. Under that scheme, provincial officials sit down with federal representatives to discuss what kinds of training programs have the highest priority. Training programs must be run through their own institutions. The grading is simply done under what is called the greatest need because we have scarce resources. Real estate programs are just not considered to be as high a priority as those for machinists, pipefitters, etc.

Mr. Baker (Nepean-Carleton): Is that provincial or federal?

Mr. Axworthy: It is a joint committee. We have officials from both levels of government. But I do understand that the real estate industry itself has its own program which it administers. On the immigration cases, I would be prepared to consider the ones which the hon. member has raised. I know the particular case of the Dutch family because the hon. member has spoken to me about that. This family had been told before coming to Canada that landed immigrant status could not be granted, althouth I believe I pointed out in the letter that they may become eligible under the entrepreneurial class. Again, this is something we could discuss with officials of the province of Ontario; the province has to certify that it is a legitimate investment in the business. However, I will be glad to follow that up with the hon. member.

In the other case, if the hon. member would like to refer the matter to me, I will be glad to take a look at it.

Mr. McLean: Mr. Chairman, I would like to thank my colleagues and other members of the House for allowing me some time before the close of this period.

I would like to turn to the question of the budget's effect on programs for women. It is evident that there will be increases in social affairs spending in the next three years. These are projected at 10.6 per cent, 6.3 per cent and 6.9 per cent. By contrast, total government spending for those same years was expected to be 12.8 per cent, 10.5 per cent and 10.1 per cent. Clearly, the funding for the envelope in which the minister's portfolios fall is not going to be held at levels sufficient even to keep pace with the inflation rates. As we are looking at estimates, what is the minister going to do to make sure that the level of funding is raising to a priority level in over-all government spending, particularly because of its prominent place in the throne speech and the minister's own commitments to women's programs.

Mr. Axworthy: Mr. Chairman, I am glad the hon. member asked me that question because I think I shall be able to provide some answers which he will find welcome. While some restraints have been imposed on the social affairs committee, we have been quite successful in increasing substantially the funding for different women's activities under federal government jurisdiction. For example, the office of the co-ordinator of the status of women has had its budget doubled this year to provide for 12 new positions to allow for a greater degree of activity and co-ordination. The Canadian Advisory Council on the Status of Women, which also comes directly under my responsibility, has had its budget for 1980-1981 increased to close to $600,000 which again, represents almost a doubling of its budget in this budget year.

In the case of women's programs under the Secretary of State, whose department provides substantial support for research and operating grants for women's groups across the country, in August of this year the cabinet committee agreed to an increase of $500,000. This again provides a substantial increase, almost a doubling of the amount. In the women's bureau of the Department of Labour, again there has been a substantial increase in funding. It has had an increase of close to $300,000. In each of these cases of bureaus or operations directly affecting women's programs, we have been able to

affect substantial increases in the amount of personnel and the amount of money at their disposal.

Mr. McLean: Mr. Chairman, I thank the minister for those comments. It would appear, though, there would be major cutbacks in other areas in the light of the over-all balance unless there is a secret fund somewhere else.

More and more low-income mothers are going to work. Subsidized care is less available, and day care is costly, especially to people who can least afford it. The number of women in the labour force with children under the age of six now exceeds half a million. This puts enormous pressure on day care facilities. Non-commercial day care centres are 95 per cent subsidized. In 1978-1979 non-commercial day care increased by only 4.8 per cent while commercial and the more expensive day care increased by 28.3 per cent. I do not need to quote the comment made on behalf of the Canadian Council on Social Development on the need for a national day care policy. The minister is encouraging women to re-enter the work force through retraining and affirmative action programs. What is his position on a national day care policy and what has he done to see that this increasing need is getting the attention of the Minister of National Health and Welfare? How many of those available dollars he told us about are going directly to this area of need?

● (2320)

Mr. Axworthy: Along with the hon. member, I feel there is an essential requirement to improve child care services in this country. The difficulty we face as a federal government is that the determination of day care policy is very much a provincial responsibility and jurisdiction. They are responsible for the design, implementation and management of day care programs within each of their provincial regions. Our involvement with day care is to share the funding under the CAP program where we provide 50 per cent of the cost at the present time.

As most organizations have pointed out, in many instances the decision on day care must not only concern increased resources, but increased availability. The Minister of National Heath and Welfare made several comments about the need to do a basic review of the Canada Assistance Plan with a view to getting more guidelines or responsibilities attached to it regarding the allocation of these programs.

I do not have to remind the hon. member that there has been some discussion between the provinces and ourselves about the notion of block funding and we have lost control of much of the money we have given because we have not been able to set those guidelines in motion. With the review of the CAP, the Minister of National Health and Welfare intends to take a hard look as to how that can be more directly allocated toward child care programs. In the meantime, I would tell the hon. member that when we introduced the community services employment program this summer, we put a high priority on the employment of people in child care services across Canada.

One of the priority items for social services or community service groups across Canada is some degree of additional assistance from the federal government by application through the community service program. This is given a very high priority. I do not have the latest figures, but I think close to 30 per cent goes into child care under our direct employment programs.

Mr. McLean: I would like to press the minister a little on this. Is he prepared to use his office to press for the calling of a national conference on day care? I would also like to ask the minister about farm women. It will be known to him that the government recently announced that farmers will be able to claim wages paid to their spouses for farm work. One group excluded from the provisions is the category of spouses. They will not be able to claim unemployment insurance in the event that their jobs as farm wives are lost. What steps does the minister plan to take to remedy this oversight? Has he discussed this with the Minister of Agriculture?

Mr. Axworthy: Mr. Chairman, I will give a very short answer. I remind the hon. member that a very interesting conference was held in this city last week by farm women at which a number of these proposals were made. That is probably where the question came from, I would guess. This is a very important issue. If I could return the compliment, I would say that improvements for farm women will be contained in the Minister of Finance's amendments to the Income Tax Act. I hope the hon. member will use his good offices with his House leader to make sure that bill receives very speedy passage through the House so that the measure can go into effect as soon as possible.

Mr. McLean: In the moment or so left, I wonder if the minister could make reference to the Canadian Human Rights Act and the matter of equal pay for work of equal value. What action has the minister taken to persuade Treasury Board to live up to the government's stated commitment to justice and opportunity in the work place? There have been reports of resistance. Can the minister comment on that.

Mr. Axworthy: It seems so long ago, Mr. Chairman, but we had a fairly extensive discussion on that this afternoon. I refer the hon. member to *Hansard*. If it is not there, I will be glad to provide answers to him. Time does not allow a full exposition of a very important subject.

Mr. Deans: Mr. Chairman, I have two or three matters I want to raise with the minister. I will do that as quickly as I can. I hope he can respond to them. I have a fairly simple question. Why is it that under the Unemployment Insurance Act real estate salesmen or brokers who are licensed must turn in their licences before becoming eligible for unemployment insurance? At this time of great difficulty in the real estate business, it is unfortunate and unfair for a licensed salesman or broker to be required, even though he is not working within the industry but may be looking forward to going back when there is an upturn, to relinquish his licence. It is his.

My second question has to do with the construction industry. Can the minister enlighten us as to what became of the recommendations contained in the report by the task force on

mobility in the construction industry? The minister well knows that mobility within the construction industry is a necessary prerequisite for maintaining a viable industrial sector.

People have to be encouraged to go to those areas where construction is taking place. A number of basic concerns were expressed in the report. I will run through them quickly. On the basis of presentations made to the task force by representatives of labour, management and government, it concluded the following major factors affect the movement of construction workers: room, board and travel allowance, the Canada Employment and Immigration Commission mobility program, taxation and equities, industry practices, the Quebec construction industry labour relations act, a lack of information and the demand for and supply of labour, reciprocity and portability of health, welfare and pension plans, licensing and certification of trades and apprenticeship training.

I appreciate that the minister and the federal government do not have jurisdiction over all these areas. However, the minister and the government do have jurisdiction over certain of them or at least a shared responsibility. I am interested in knowing what, if anything, the minister intends to do to respond in a positive way to the many worth-while recommendations contained in this extremely well written, well thought out document which was presented more than two years ago to this government and the provincial governments.

This task force was set up as a result of a decision made by the first ministers in 1978. Its participants are representative of the various sectors within the construction industry. They have recommended such things as room, board and travel allowances in order to encourage people who must out of necessity be away from home, to allow them to live reasonably well while away and still maintain their family and their home where they live.

It also spoke about apprenticeship training and the need for some uniformity across the country. It is suggested the federal government might consider in one way or another influencing the provinces, where it clearly falls within provincial jurisdiction, to develop uniformity across the country in apprenticeship training and, therefore, high mobility.

There is so much more in the report. I cannot go through it all in the few minutes allowed to me. I would very much like the minister to devote a moment or two to that subject.

● (2330)

When doing so, he might consider another problem which directly relates to the construction industry and which is also part of the unemployment insurance scheme. In order to qualify for an insurable week under the unemployment insurance program, a person must have 20 hours of work with one employer. It is not inconceivable, in fact it is quite frequently the case, that people in construction do not get 20 consecutive, or for that matter 20 hours with one employer during a one-week period. Because they do not, they could move from one employer in the morning to another in the afternoon, but they might not have those 20 hours with one employer. Therefore, though they have completed 40 hours of work in a week, it is not considered to be an insurable week under the act. This strikes me as being unfair.

Will the minister consider whether or not there might be justification to base the payment and the determination of payment on individual industry sectors within the construction industry? From time to time there is work in one trade but there is no work in another. Yet, when calculations are made they are made on the basis of the industry as a whole and this can, and does, work a hardship on some workers.

I should like to turn from that to a marginally related matter. On a number of occasions I have raised the problems presently confronting people within the auto industry who are not able to find employment but who are anticipating returning to the auto industry if, as and when it recovers. After checking it through, I find that although the minister did respond some months ago to the problems of Windsor, with its 20,000 auto workers and related industry employees unemployed, he did so by reducing the numbers of weeks a person must have worked in order to requalify. As I understand it, unfortunately the calculation is based on StatsCan evidence and when StatsCan evidence is gathered it is on the basis of a questionnaire. The people who were unemployed and who were working with the local manpower and unemployment offices in the Windsor area were informed when they discussed their dilemma with those local offices, that they need not go through the motions of looking for work in Windsor at that point simply because there was no work available. It made no sense to come in with trumped up lists of places they had been when everyone knew there were no jobs anyway. They were told not to go through that process. When StatsCan asked them if they were actively looking for work, they said no. That, as I understand it, reflected on the decisions of the Unemployment Insurance Commission and, therefore, the reduced number of weeks that had to be met for compliance was eliminated and they went back to the normal waiting period. I would like the minister to consider this and to indicate whether it is, in fact, an accurate reflection of what happened and, if it is, to find a new method of calculating. The infirm Minister of Industry, Trade and Commerce told me the other night—I am sorry he has broken his knee; I will go no further—that the difficulty is that the area within which Windsor workers are considered for unemployment insurance benefits includes Sarnia and other communities. Although conditions have improved in some of the outlying parts of that particular geographical area, they have certainly not yet improved substantially in Windsor. Can the minister tell us whether or not he is considering making an adjustment to what we might call the catchment area, I suppose, for unemployment insurance calculations as they apply to auto workers and other people who are now unemployed as a result of the downturn in the auto industry in the Windsor area in particular? There should be an effort to try to guarantee that when the industry makes its recovery, as we all hope it will, there will then be in that area skilled and trained people within that industry still available for work and that the people will not have been disentitled as a result of bureaucratic mix-up, or as a result of an unfair

boundary arrangement which really does not reflect reality, or disentitled because they were given information by the offices of the UIC and Manpower which, when relayed to Statistics Canada, turned out to their disadvatange.

● (2335)

Finally, I want to turn to a matter which was raised by my colleague, the hon. member for New Westminster-Coquitlam, earlier this afternoon or this evening. The minister will recall that the hon. member was discussing affirmative action, which I think is of concern to a great number of people all across the country. I think we have come to the conclusion in a general way that if women are to achieve their rightful reward in the workplace they will achieve it only if there is an affirmative action program which is mandated.

It is becoming increasingly clear to most of us that although it might well be desirable, voluntary affirmative action is somewhat impractical. Compare our level of success with that of the United States. The minister surely knows that in the United States the laws have teeth and citizens can sue unfair employers under the affirmative action law. In addition to that, all large companies with federal contracts are monitored by government officials. They look to make sure that there is parity in the work force and parity in the workplace and that women are given a reasonable opportunity on the basis of their numbers, something they not only deserve but to which they are entitled. What they have asked, quite simply, is that if 45 per cent or 47 per cent of a town's workers are female, why is it that a local company might have only 20 per cent or less of its total staff composed of female workers with perhaps none of them in management? That is not uncommon. I am sure the minister knows that in the past few years the city of Chicago, the U.S. department of energy and even *The New York Times* have been successfully sued. They have had to pay many millions of dollars for not having lived up to the affirmative action program and the letter of the law.

That money has been paid to women who have suffered from job discrimination. I do not suggest for a moment that there are not people who comply willingly with what is accepted by most of us as a fair and rightful position, but I do suggest that far too many do not. I heard it said today that the federal government does some $11 billion worth of business through contracts purchased from private companies in the private sector, and I think it would be useful if the government were to implement as a matter of law that the rights of women are not to be discriminated against, and put into practice an affirmative action program with respect to those companies and, in all fairness, an affirmative action program within the various ministries. I mean one which works. Otherwise, I do not think we should enter into contracts with those companies. It would not take long. Within a short period of time they would be happy to comply and would in fact comply.

I have one final point to make. It is somewhat related although considerably different in many aspects. Some day we will have to look at new ways to get people who are handicapped into the workplace. I think we start from the wrong premise. Somehow we look at a person who is handicapped and try to think of what job he or she could do. I think we will have to try to get people to start at the other end and assume that unless it is proved otherwise, handicapped persons can, in fact, undertake any job at any place of work, and insist that they be given an opportunity. I think it is only fair and I think we must undertake that if there is to be any kind of equality in this country worth speaking about.

● (2340)

With those few remarks, I invite the minister to comment on what I asked; if there is a moment left, I may wrap up, but I doubt there will be a moment left.

Mr. Axworthy: Mr. Chairman, I understand that three minutes are left, so if I take two to answer, the hon. member will have one to sum up.

He asked me a number of very detailed and important questions. I will again treat them briefly, and if he is not satisfied, I will attempt to obtain the answers for him in a written form.

With regard to the question of real estate agents, let me tell him that under the Unemployment Insurance Act you are eligible for benefits only when you show that you can no longer perform the job to which you have been assigned. The only proof we have of a real estate agent being eligible is to take away his licence. Otherwise he or she could still go out and sell real estate, which means he or she would still be in the market. I think the hon. member would agree that we would not want that kind of double functioning, of being able to sell at the same time as being able to receive benefits. That is the reason there must be some proof of the fact that you are now eligible for benefits, that you can no longer work in your chosen profession.

On the mobility proposal in the construction industry, let me say that just two nights ago I met together with my colleague, the Minister of Labour, with the executive board of the construction trades. They made many of the same proposals. The one which attracted my interest most directly concerned mobility grants for workers. I told them at the time, and I repeated it in the committee, that this is a matter I intend to take up with the Minister of Finance. I think it is a very important recommendation and I see no reason why we could not introduce at an appropriate time when we find the money necessary. It makes good sense and I know I have the support of many of my colleagues.

On the question of the minimum insurability, I would remind the hon. member, just to clarify the record, that he said it would be 20 hours. As of January 1 of the coming year, 15 hours per work week of employment will be required. We are examining the issue of whether there should be one or more employers and we realize there is an inconsistency. I have referred this matter to the unemployment insurance review. As I have said before, they will be putting forward their discussion paper some time in the new year, and one of the items which will be examined is how we can have a degree

of equity extending to those who have a mobile profession, such as people in the construction trade.

On the matter of the Windsor area, I must confess that it has given me some trouble. We advised the workers there that because of the obvious condition of lay-offs they would not have to show up. I am not sure it was sufficient to change the actual statistics because we did work through a three months moving average. StatsCan uses that kind of equation. I think a much more important factor was the fact that there were other cities and town within the statistical region which have very low unemployment rates, and this brought the average substantially down. It goes back to an issue which many of my colleagues here have raised with me, particularly those from Quebec and New Brunswick. I guess I have spent more agonizing hours as minister trying to organize those economic regions than I have spent on many other issues. Again this is an issue we are addressing in the unemployment insurance review. I for one hope we will find an answer to it so I can get some rest on that particular matter.

Finally, with regard to affirmative action, I want to point out to the hon. member that the question of mandatory or compulsory affirmative action is being examined by the government. We recognize that the voluntary approach which has been used so far has resulted in only 18 agreements in the past three years, and I personally do not consider that good enough. However, I do not think we were able to go to the private sector until we did something in the public service. We have now introduced a program in the public service and we can legitimately say, "We have started our reform; now you should take a look at yours". I made several speeches to business groups—not to overwhelming applause, I suggest, but at least they were interested in hearing that we will be moving in that direction.

I do think we should not necessarily move in the same way as the Americans are moving. I think we can improve upon their affirmative action program and I would like to do so in consultation with the employers and the trade unions. I think it would be a much more effective program if they came on our side in that program rather than having government enforce it upon them. So we are holding a number of discussions with them. It is something which I intend to present to cabinet within the next month or two for their consideration, but it would need a fairly long period of consultation to make sure that there was consensus on the approach, style and method of that affirmative action principle.

● (2345)

Mr. Hawkes: Mr. Chairman, I rise on a point of order. I ask the minister to clarify whether he meant mobility grants when he was talking about the construction industry people or whether he meant tax relief for those who get reasonable expenses from employers.

An hon. Member: That is not a point of order.

Mr. Dawson: Mr. Chairman, I rise on a real point of order. After 14-3/4 hours, I was wondering if we could have the permission of the opposition that the next 15 minutes will be shared by the hon. member for Restigouche and the hon. member for Spadina.

The Assistant Deputy Chairman: Earlier the hon. member for Calgary West requested the unanimous consent of the House to divide that party's time into two sections and the same request is now being made.

Mr. Knowles: Agreed.

The Assistant Deputy Chairman: If that is agreed, I will recognize the hon. member for Restigouche followed by the hon. member for Spadina for seven minutes each.

Mr. Harquail: Mr. Chairman, I appreciate the opportunity to join in a positive way with the previous speakers of today to second the motion and all the good things said about what is being done by the department, the minister, and as has been demonstrated today, by his parliamentary secretary.

When I talk about positive action, I am talking about all the good programs such as the community development program, young Canada works, LEAP, the Outreach program for the handicapped, LEDA in co-operation with DREE and various other projects. I might say I have the impression it might be an improvement to combine unemployment insurance with manpower once again. I want to take a minute to say something about that this evening so that the minister could have the department look at the manpower within the department in terms of the attitude of employees toward Canadian citizens who are required to go into these offices, whether they are soliciting help in locating positions or new employment, whether they are being placed through Manpower in new jobs, or whether they are applying for unemployment insurance coverage. Certainly this has been of some concern to me in the past. I do not want to generalize, but I am speaking specifically about the attitude of staff in some areas. It is important when we talk about a national government delivering these programs to Canadians to try to instill in the employees a sense of pride not only in their work but in the country, so that they can help with the whole question of unity and leave a good impression with those Canadians who go into these offices.

While I am listening as an elected member to requests from my constituents, all too often they comment on the attitudes of Manpower and unemployment insurance employees. I would suggest that some regional officers should get a little closer to members of Parliament. They should come out and meet members of Parliament in their constituency offices to find out exactly what are the comments of the elected representatives as to what they find and really feel about the manner in which these programs are being implemented.

Also on the subject of programs, I was somewhat distressed about the titles that are being used. I do not think Canadians need to be more confused about programs. I have noticed that throughout the bureaucracy we are using the word "community" all too often. For example, there is the community services contribution program, the Canada community services projects program, and now the community development program.

It is difficult enough for the average taxpayer on the street to understand the various ramifications of the three levels of government—municipal, provincial and federal—without our contributing to this confusion by using similar titles in CMHC, Manpower and some of the other ongoing programs. It contributes to the confusion and makes everyone's job a little more difficult. This might be something to take into consideration when we are thinking of titles for these programs; we should try to avoid similarities. As I say, Canada Works, for example, would have been just fine to carry on under the title that everyone was becoming familiar with, and then we introduced it as community development. As I said, I want to put these brief remarks on record in order to join in with other members in congratulating the minister on his handling of a difficult task. It has been a long day and I will be sharing the time with the member for Spadina. I would like to leave a few minutes so that we could get a response from the minister. I was discussing with him the other day the question of the balance of service in given areas. In my own constituency I have an area where they are complaining that they do not have adequate service in some of the villages and outlying areas. They do not feel they are being adequately served by one or two days service per week. They would like to have someone located right in their community. I think that is a fair request. I wonder if I could get your reaction to what I have said, sir.

● (2350)

Mr. Axworthy: Mr. Chairman, I know we have only a few minutes left but I want to tell the hon. member for Restigouche that I agree with his principle that we should try to decentralize the services more directly. We have tried to do that through some of the new programs, as he knows. We have tried to do it through the community development program and by setting the priorities within each of the provinces and regions so that the work projects would reflect the interests of those areas. We have worked that out at the local advisory board level in the constituencies as well as at the regional level. As I have said several times today, we are revamping and reorganizing the department and the programs. That is one of the principles which is included in the idea of greater autonomy and decentralization, for making judgments at the local level.

Mr. Stollery: Mr. Chairman, I, too, will make my remarks very briefly. I know the minister would like to have a couple of minutes to wind up.

First of all, I would like to respond to the point which was brought up about the applications from Britain. Some hon. members may not be aware that Canada is a very difficult country to get into. We have a non-discriminatory immigration policy. This means it affects people from Britain just like it affects people from Portugal, China, South America and everywhere else. Because the policy is non-discriminatory it affects people from the United Kingdom and the United States just as it affects people from all around the world. We have a restricted immigration policy and I am personally happy that it applies reasonably equitably to everyone from whatever area of the world they happen to come from. I think the minister and the department are to be complimented for taking this non-discriminating approach to our immigration policy.

I do a considerable amount of immigration work because of the constituency I represent. I would like to bring to the minister's attention one or two problems which have arisen recently in my constituency. The first is with respect to people who have been accepted for landing under the order in council procedures, usually spouses of landed immigrants or Canadian citizens. This difficulty has continued, but it started when the Conservative party was in government. It is the question of immigrants accepted for landing not receiving a work permit, which they should receive. In this case a person has been accepted by the system. He or she is a spouse, and has married a Canadian citizen for one reason or another. We are keeping them for up to nine months or a year in a kind of limbo where they are told that if they can get a job then they can have a work permit. But they go to employers and the employers say that if they do not have a work permit they cannot be given a job. I think this is something which should be looked into. I am convinced it is because the message has not gotten around that this kind of red tape is something we do not bother with.

My second question is with respect to Hong Kong where we have a real problem with local staff just processing all of the paperwork. I wish to compliment the tremendous work done by the immigration officers in these places. These immigration officers handle the applications of thousands of refugees plus all the normal immigration cases. They must also handle the immigration cases from the People's Republic of China, which pose a special problem.

● (2355)

They cannot do any more. What is needed is local staff to help the paper work. It is very important that we get this backlog cleared up. So the two points are with regard to (1) People being accepted through an order in council but not receiving their work permits and having to see members of parliament unnecessarily or hang around the immigration department and, (2) the employment of local staff, particularly in light of the pressure under which these men and women have worked with the Indo-Chinese immigration movement plus the normal immigration flow.

The third question is of a political nature, and I am still not clear if a process has evolved. It is the question of family businesses about which we all hear about from time to time, the particular difficulty faced by people who cannot meet the occupational demand requirements but who are required to help in a family business. I am sure members of Parliament on both sides of this House have faced this problem. I will not take any more time. I have dealt with a number of immigration cases under four or five ministers of employment and immigration and I can compliment the current Minister of Employment and Immigration on the immigration department. Under difficult circumstances, I think he has handled the department very well in this last little while.

Mr. Axworthy: Mr. Chairman, I will answer the hon. member for Spadina as well as I can. I think I have about three minutes left in my voice so I will eke out the last words. His question of landing permits sounds like a "Catch 22" problem which sometimes arises. I would ask the hon. member to speak to me privately, to outline the details. There should be no reason for such a delay. If there is a reason, we will find it out and if it is some quirk in the procedures, then the task force can straighten it out.

On the question of additional staff for our offices overseas, the hon. member knows that there has been an integration of the foreign service, External Affairs and Trade and Commerce. But the decisions on local staff lie with my colleague, the Secretary of State for External Affairs, and I would certainly be glad to carry the hon. member's representations to him.

On the question of family businesses, a directive was issued in September, modifying the requirements of family business applications. Where there are positions of trust, then the normal regulations should be waived. These directives have gone out to all the offices and posts and should be in effect. It may take a while for the momentum and the routine to change, but all our immigration offices should not have this directive which should provide for a greater ease of movement in that particular class. I will gladly send a copy of those directives to the hon. member.

In the two minutes that are left I will simply say that after the 15 hours of estimates I feel the same as I did the first time I entered a marathon race. Once I got into it, I realized I would not win but that I had to finish!

Some hon. Members: Hear, hear!

Mr. Axworthy: Mr. Chairman, I am about finished.

I would like to thank the officials from my staff and from the department who have stood by me all this time. We in this House are sometimes guilty of making disparaging remarks about the Public Service of Canada. For sheer effort and assistance the officials of the department and my staff are owed my gratitude. They have been a great help to me during this time.

I would also like to thank members of the committee on both sides. This has been a good experience—not one that I should like to repeat soon, of course. Their questions and comments have been very helpful to me in the operation of this department and I am sure that I will be the one to benefit most from this experience. I hope we have been able to supply the answers that will enable members to better understand the workings of what I consider to be a very important department of government, one that deals with people. I would never say that we always make the right judgments but we try to make good judgments. That is the standard I use.

Some hon. Members: Hear, hear!

Progress reported.

The Acting Speaker (Mr. Blaker): It being midnight, this House stands adjourned until two o'clock today.

At 12.02 a.m. the House adjourned without question put pursuant to Standing Order 2(1).

HOUSE OF COMMONS

Tuesday, December 9, 1980

The House met at 2 p.m.

• (1405)

ROUTINE PROCEEDINGS

[*English*]

TRANSPORT

CROWSNEST PASS RATES—CALL FOR EXPLANATION OF FUTURE POLICY—MOTION UNDER S.O. 43

Mr. Gordon Towers (Red Deer): Madam Speaker, I rise under the provisions of Standing Order 43 in view of the tug-of-war that is taking place between the Minister of Agriculture (Mr. Whelan) and the Minister of Transport (Mr. Pepin) over the Crowsnest freight rates. In Calgary, two weeks ago, the Minister of Transport said, "A task force on the Crow rates would be desirable"; one week later, also in Calgary, the Minister of Agriculture said, "There won't be any more studies done on the problems of the rail system and Crow rates". I therefore move, seconded by the hon. member for Medicine Hat (Mr. Hargrave):

That this House call upon the government to get its act together, have its ministers communicate and forget their rivalries, and provide western producers with a single policy and a definitive explanation of its future intentions vis-à-vis the Crow rates.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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ENVIRONMENTAL AFFAIRS

DECISION RESPECTING INDUSTRIAL WASTE SITE AT SOUTH CAYUGA, ONT.—MOTION UNDER S.O. 43

Mr. Bud Bradley (Haldimand-Norfolk): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. In view of the fact that the province of Ontario has decided to place an industrial waste site in South Cayuga, without a realistic environmental study, without an environmental hearing and contradictory to the MacLaren report, which did not choose South Cayuga as one of the 17 original sites, I move, seconded by the hon. member for Wellington-Dufferin-Simcoe (Mr. Beatty):

That this House direct the government to investigate this decision and report to the House on the propriety and safety of this action.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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EXTERNAL AFFAIRS

POLAND—CALL FOR ASSISTANCE TO REBUILD ECONOMY—MOTION UNDER S.O. 43

Miss Pauline Jewett (New Westminster-Coquitlam): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. Whereas political stability in Poland and in eastern Europe in general could be undermined by any further economic hardships for the Polish people, and whereas the Government of Canada should take a constructive lead in encouraging stability, prosperity and peace, I move, seconded by the hon. member for Oshawa (Mr. Broadbent):

That this House urge the government to help stabilize and rebuild the Polish economy; that Canada join with other nations, such as West Germany and Australia, which are willing to provide much needed food commodity credits and other economic assistance to the Polish people and government; and that the Prime Minister contact leaders of other governments to seek and co-ordinate multilateral economic assistance.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

NEWS MEDIA COVERAGE OF FOREIGN TOURS—MOTION UNDER S.O. 43

Mr. Lorne Greenaway (Cariboo-Chilcotin): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. Whereas the executive of the parliamentary press gallery has proposed a motion to its membership opposing attempts by the Prime Minister to place limits on news media members travelling with him on future foreign tours and reaffirming a "no limits" policy on news coverage of the Prime Minister while he is travelling on state business, I move, seconded by the hon. member for Peace River (Mr. Cooper):

S.O. 43

That the Prime Minister cease his attempts to use this means to select the journalists covering him and demonstrate his respect for the principle of freedom of the press by returning to past policy regarding news media coverage of foreign tours.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1410)

REGIONAL ECONOMIC EXPANSION

MANUFACTURERS' INVESTMENT TAX CREDIT PROGRAM—DESIGNATION OF NEW BRUNSWICK—MOTION UNDER S.O. 43

Mr. Bob Corbett (Fundy-Royal): Madam Speaker, one of the provisions of the budget was a 50 per cent manufacturers' investment tax credit for designated areas. In response to a civil request to the minister responsible for DREE by my colleague from York-Sunbury (Mr. Howie) for the data base used to select these designated areas, the minister indignantly stated he was shocked that that inference was used, indicating that anything but the most scientific and fair methods were used to determine these areas.

In view of this, in view of the fact that families in Queens county and several other areas in New Brunswick represented by Conservative members have average incomes, which is one of the criteria, well below most areas included in the program, all represented by Liberals, and in view of the fact that $12,285,000 of the $12,692,000, or 96.8 per cent, of the community development project moneys in New Brunswick went to constituencies held by Liberals, I move, seconded by the hon. member for York-Sunbury:

That the minister include the entire province of New Brunswick as a designated area in the 50 per cent manufacturers' investment tax credit program.

Madam Speaker: Presentation of this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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CULTURAL AFFAIRS

DEATH OF JOHN LENNON—CONDOLENCES TO WIDOW, FAMILY AND FRIENDS—MOTION UNDER S.O. 43

Mr. Simon de Jong (Regina East): Madam Speaker, under Standing Order 43 I rise on a matter of pressing necessity. Last night, at the age of 40, John Lennon was shot to death. John Lennon, through his songs as a member of the Beatles, and on his solo albums, did much to shape the thinking of young people during the sixties and early seventies. His vision of love, peace and human harmony was a major influence in shaping the consciousness, the hopes and dreams of a generation. His musical contributions helped change, unalterably, popular music and our culture. John Lennon is dead; but his work is reflected in the hearts and minds of millions of men and women, in Canada and the world over.

I therefore move, Madam Speaker, seconded by the hon. member for Don Valley West (Mr. Bosley) and supported by the hon. member for Laurier (Mr. Berger):

That this House pay tribute to the outstanding cultural contribution of John Lennon and express its condolences to his wife Yoko Ono and his family and friends.

Some hon. Members: Hear, hear!

Madam Speaker: Presentation of such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Madam Speaker: There is unanimous consent?

Some hon. Members: No.

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FINANCE

INQUIRY INTO FISCAL AND MONETARY POLICY—MOTION UNDER S.O. 43

Mr. Don Blenkarn (Mississauga South): Madam Speaker, I rise under the provisions of Standing Order 43. We have rising unemployment; we have a dollar that sinks lower in value every day; we have business forced to borrow money at rates in excess of 17 and 18 per cent; we have the spectre of an 11.5 per cent inflation rate next year. It is a condition labelled as "stagflation". I therefore move, seconded by the hon. member for Fraser Valley West (Mr. Wenman):

That this House do immediately constitute a special seven-member task force committee to inquire into the fiscal and monetary policy conducted by this government and the Bank of Canada and for this purpose review the evidence taken before the Standing Committee on Finance, Trade and Economic Affairs in its inquiry into interest rate policy in the Thirty-first Parliament and call such witnesses as the committee deems necessary in order that Canadians can be assured that Parliament, if not this government, is prepared to deal with "stagflation".

Madam Speaker: Presentation of such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

AGRICULTURE

EFFECT OF ECONOMIC POLICY—MOTION UNDER S.O. 43

Mr. G. M. Gurbin (Bruce-Grey): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. In view of the importance of agriculture to our national economy, with interest rate increases and farm operating costs rising faster than the consumer price index, so that net farm income will grow only slightly in 1981, in spite of consumers facing at least a 15 per cent increase in food prices next year; in view of major fuel oil, diesel, gasoline and probably fertilizer costs yet to be added in the coming year; in view of the questionable impact of the Minister of Agriculture on the deliberations of the Minister of Finance, I move, seconded by the hon. member for Oxford (Mr. Halliday):

That the Minister of Finance be examined for fiscal fitness by those interested and capable in agricultural economics and bring forward an assessment of present government policies in the context of Canadian and world economies to determine the effects on our agricultural community and to submit recommendations.

Madam Speaker: Presentation of such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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[*Translation*]

AIRPORTS

REQUEST GOVERNMENT RECEIVE REPRESENTATION FROM ROUYN-NORANDA—MOTION UNDER S.O. 43

Mr. Henri Tousignant (Témiscamingue): Madam Speaker, under the provisions of Standing Order 43, I ask for the unanimous consent of the House to move a motion dealing with an important matter of pressing and urgent necessity.

In view of the fact that a delegation representing businessmen from my constituency and the mayors of Rouyn-Noranda came to Ottawa to meet with Department of Transport officials concerning the installation of equipment which is absolutely essential for the Rouyn airport, I move, seconded by the hon. member for Abitibi (Mr. Gingras):

That this delegation receive the whole attention of the Department of Transport, which attention it should have got a long time ago.

Madam Speaker: Presentation of such a motion under the provisions of Standing Order 43 requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

• (1415)

ORAL QUESTION PERIOD

[*English*]

LABOUR CONDITIONS

UNEMPLOYMENT—STIMULATION OF CONSTRUCTION INDUSTRY

Hon. Sinclair Stevens (York-Peel): Madam Speaker, my question is for the Minister of Finance. He must have noted that employment in the Canadian construction industry is down by 50,000 Canadian workers, half of those workers being from Ontario alone and 30 per cent from Quebec. If the minister has noted that, will he tell us whether any study is being given to some type of new approach to stimulate the construction industry in this country, bearing in mind the minister gave such short shrift to the mortgage interest and property tax program of the Clark government which would have ensured that those 50,000 Canadians would not be out of work today as they are?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I have noticed the variation in employment in the goods-producing industry, which includes construction. Having noted that, I have also noted that the over-all, seasonally adjusted unemployment rate in Canada decreased over the past month, that decrease in unemployment having been registered in almost all regions of the country.

Mr. Stevens: Madam Speaker, surely that reply is only reflective of the callous attitude of this government—

Some hon. Members: Hear, hear!

Mr. Stevens: —which hands us seasonally adjusted figures but ignores the fact there are more Canadians out of work today than there were previously.

My question is again directed to the Minister of Finance. Has he noticed that the Canadian Manufacturers' Association has stated that the decision to deem marginal manufacturing liable to federal sales tax has created a great groundswell of concern among their members, a groundswell that has not been experienced for a long time and has contributed to the unemployment with which we are now living in the manufacturing sector? If the minister is aware of CMA's comment that by simply redefining manufacturing to include marginal manufacturing he is triggering more unemployment in this country, will the minister correct the mistake he made in his budget?

Mr. MacEachen: Madam Speaker, I should point out to the hon. member that the unemployment rate for November, 1980, is precisely the same unemployment rate which existed a year ago when the hon. member's seatmate brought in a budget which, if it had been accepted by the House of Commons, would have had very serious and deep effects on the unemployment situation in Canada. I want to tell the hon.

member today that I am following quite a different fiscal policy from that which he supported a year ago.

An hon. Member: What a disaster.

Mr. Stevens: Madam Speaker, this Minister of Finance does not have to tell anyone in Canada that he is following a different fiscal pattern.

Mr. Nowlan: It is irresponsible.

Mr. Stevens: With the falling dollar, the rising interest rates, the rising unemployment—in numbers, not statistics—the rising inflation, that fact is obvious to all Canadians.

Will the minister answer my question? CMA has indicated that by changing the definition of manufacturing to include marginal manufacturing with respect to the implementation of sales tax, he is driving more and more manufacturing into foreign lands and creating more and more unemployment in this country. If the minister is aware of this, will he tell the House that he is going to correct the mistake that now exists in his budget?

Mr. MacEachen: Madam Speaker, there was absolutely no mistake made in the budget in moving to this change. The idea was to provide for greater equity within the tax system and to provide equality of treatment for Canadian producers in comparison with imported goods. I would think that that objective would appeal to the hon. member.

* * *

● (1420)

THE ECONOMY

FORECASTS RESPECTING INFLATION—EFFECT ON UNEMPLOYMENT

Hon. John C. Crosbie (St. John's West): Madam Speaker, the only equal treatment in the budget is that everybody is getting shafted equally.

Some hon. Members: Hear, hear!

Mr. Crosbie: My question is addressed to the Minister of Finance. I remind the minister that there were 787,000 people unemployed in November. The minister has forecast this will average 1,026,000 people during 1981. He also forecasts that food costs will go up 12 per cent in 1981 while the latest forecast of the Canadian Imperial Bank of Commerce is that food prices will go up 15 per cent. The minister's solution is to suggest that Canadians accept a lower standard of living. The Prime Minister's solution is that Canadians should change their priorities and spend more on food and less on other things.

My question is this. Will the minister reconsider those solutions, which are unpalatable, and now bring in a budget? We have not yet had one. We just had a cop-out attached to a smash and grab raid on the energy industry. Will he bring in a budget and policies which will help Canadians overcome unemployment and help them overcome inflation?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I would point out to the hon. member in case the facts have escaped him that the seasonally adjusted unemployment rate is down from 7.6 per cent to 7.3 per cent. This decrease in the seasonally adjusted unemployment rate is due entirely to an improvement in the employment situation. Over the past year, the number of new jobs has increased by more than 200,000. The unemployment rate today in Canada is less than that existing in the United States. These are some of the facts the hon. member conveniently forgets. I wonder whether he could think up some new questions which have not been asked 20 times in the past two weeks.

Mr. Crosbie: Madam Speaker, the only thing that can be said of the minister is that he has the guts to answer and the Prime Minister has not. However, his answers are still not satisfactory. Let me point out to the Minister of Finance that the reason the adjusted figures are down is because the labour force totals are down in Newfoundland and Ontario as workers there have given up looking for jobs, knowing there are none to be found. If the minister looks at the Economic Council of Canada report on Newfoundland, he will see the phenomenon described in ample terms. The minister has forecast unemployment for over one million Canadians next year. He has forecast increases in the cost of living of 10.2 per cent and in food prices of 12 per cent. These have since been revised upwards.

In a speech in Halifax on September 9 the minister said and I quote:

> Let me assure you that it was to create jobs, improve living standards and promote greater equity that I took the position of Minister of Finance.

If the minister took the position for that reason, how is it that jobs are being lost and that over a million will be unemployed next year? He is now telling the Canadian people to lower their standard of living. His only concept of equity is that Canadians cease spending on other things and spend more on food. Will he explain why he is still minister if that is his reason for being minister?

Mr. MacEachen: Madam Speaker, may I just correct an error which crept into the hon. member's rather excited, frenzied and repetitive question, a question by the way that he picked up from the hon. member for Broadview which was asked and answered about two months ago. Let me tell the hon. member he is wrong in talking about the labour force. We have scored this improvement in employment in Canada despite virtually no change in the labour force in the country. The hon. member ought to get his facts straight before he poses questions.

Mr. Crosbie: You get yours straight.

LABOUR CONDITIONS

FORECAST UNEMPLOYMENT—ADVICE TO UNEMPLOYED WORKERS

Mr. Edward Broadbent (Oshawa): Madam Speaker, the minister says he keeps hearing the same questions. Regrettably we on this side keep hearing the same answers and they are totally inadequate. I would like to hear what the Prime Minister has to say on this question. I point out to the minister that Statistics Canada reports, and I quote:

There is no significant change in labour market conditions compared to the previous month.

● (1425)

Statistics Canada recognizes the real numbers of more than one million unemployed and the minister should acknowledge that. On the weekend the Prime Minister gave advice to Canadians who could not afford the high cost of food by telling them to change their priorities. Would the Prime Minister tell the people of Canada, since it is estimated that one out of four in the labour force is going to be out of their job some time next year, what advice he would give to those people who will be unemployed?

Right Hon. P. E. Trudeau (Prime Minister): I will take notice of the question, Madam Speaker.

Mr. Broadbent: I am sure the unemployed in Canada will take great consolation from the Prime Minister's indifference as revealed in that answer. The Minister of Finance, in spite of his boasting, has forecast an increase in unemployment going upwards of some 150,000 next year. Since factories are operating at the lowest level in two decades, bankruptcies are up and housing starts are down, will the government recognize at long last the serious problems in the Canadian economy, show some concern and bring in some programs which will create jobs instead of higher levels of unemployment?

Mr. Trudeau: Madam Speaker, if the hon. member would refer to the budget he would realize its main impact is to create jobs—

Mr. Crosbie: Which budget? How many years?

Mr. Trudeau: —through the $15 billion it plans to raise through the energy package over the next three years. For that reason we wish to have the support of this House in passing these budgetary measures as soon as possible.

Mr. Crosbie: You said that yesterday.

Mr. Broadbent: If the Prime Minister will re-read the budget with care he will note an unemployment increase forecast of more than 1 per cent, which means an increase of 150,000 unemployed. Since the Prime Minister has expressed recent concern about the problems of the Third World, which are indeed real, does he not think there is just more than a little hypocrisy in that expressed concern when he ignores the real human problems here in Canada?

Mr. Trudeau: Madam Speaker, do I understand from the Leader of the NDP that I should stop being concerned about the poor in the Third World?

An hon. Member: What about here?

Mr. Trudeau: Then what is his suggestion, Madam Speaker? The difference between his party and ours is that we can deal with both subjects. We do not have a one-track mind like the NDP.

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ROYAL CANADIAN MOUNTED POLICE

CHARGES RESPECTING EXPORTATION OF NUCLEAR COMPONENTS

Hon. Allan Lawrence (Durham-Northumberland): Madam Speaker, my question is directed to the Solicitor General. It relates to the allegations made in this House and elsewhere last week regarding the export of some critical and crucial nuclear components to a banned country, namely, Pakistan, by three Canadian citizens. I understand more serious charges have now been laid against these three Canadian citizens.

Why, when the police investigation ended two and a half months ago, after the media raised the question and after the question was raised in this House, have the more serious charges only now been laid?

Hon. Bob Kaplan (Solicitor General): Madam Speaker, the hon. member will understand it would not be proper for me to comment on charges which have been laid and on a case which is now under way.

Mr. Lawrence: Obviously I am not asking the Solicitor General to comment on the merits or the demerits of any prosecution now taking place. I am not talking about that. I am talking about the serious allegations that pressure from the Department of Industry, Trade and Commerce and the Department of External Affairs, through the Solicitor General, caused the minor charges to be laid in the first place. That has nothing to do with the case. This concerns improper pressure on the police of this country.

Did the Department of External Affairs and the Department of Industry, Trade and Commerce withdraw their pressure on the minister so that these charges have now been laid, or did the RCMP lay these charges in contravention of any direct instructions from the Solicitor General?

Mr. Kaplan: Madam Speaker, no pressures were put on the RCMP working on this particular case. The laying of charges is a police decision made on the basis of whether adequate evidence in available to sustain charges.

• (1430)

EXTERNAL AFFAIRS

PRESS COVERAGE OF PROPOSED FOREIGN TOUR OF PRIME MINISTER

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, my question is for the Prime Minister. After his fiasco of a trip to Saudi Arabia where he humped through that country and after jetting to Europe for discussions there, the Prime Minister is now planning another junket to Latin America and Africa. He is using a Boeing 707 government jet refitted in what is termed a "comfortable configuration". He is limiting accommodation for the press and continuing the policy of restricting access to, and coverage of, himself on a trip which is made at public expense. What criteria, aside from favouritism, is the Prime Minister using in designating seats on this plane with respect to press coverage of his next trip?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, as to the use of the 707 and its comfortable configuration, my understanding is that it is exactly the same plane and the same configuration the hon. member's leader used when he flew to the Commonwealth meeting in Africa last year, so I see nothing exceptional about this. It is the plane which has been used by myself and was used by the Right Hon. Leader of the Opposition when he was prime minister.

As far as the press is concerned, my understanding is that the press can send who it wants to whatever events it wishes; but if members of the press want to come on this plane, their numbers will be limited and it will be up to them to choose who they want to send. The reason for this is that some of the countries we are going to—and went to on the last trip—have indicated that they would appreciate it if we did not come with 40 or 50 press people. We are trying to meet that courtesy but, of course, the press is always free to cover every one of my events which takes place publicly in any of the countries I am in.

Mr. Hnatyshyn: Madam Speaker, I think the question here is that of access to the Prime Minister on a trip paid for by the taxpayers of Canada. We have the substitution of "mousketeers" in this country by a "junketeer" in the person of the Prime Minister.

Some hon. Members: Oh, oh!

Mr. Lumley: You should be ashamed of yourself.

Mr. Hnatyshyn: The fact of the matter is that the Prime Minister is leaving our country to take these trips at a time when we are having a serious constitutional debate, when unemployment is reaching unprecedented levels—

Mr. MacEachen: It is decreasing.

Mr. Hnatyshyn: —and energy policies are causing great division and collapsing activity in our country. The Prime Minister approved the expenditure of in excess of $60 million for advertising and manipulation of public opinion in this country. Can he not see his way clear to dedicate part of this money to ensure that there is free coverage by the press and not just coverage by what I might term the sycophants of the Prime Minister?

Mr. Trudeau: Madam Speaker, I am sorry to see the hon. member now joining the Leader of the New Democratic Party in describing as junketeering a trip which intends to show Canada's concern for the some billion human beings in this world who are very poor, who go to bed hungry every night and who do not have enough money to live in proper sanitary conditions. If the hon. member is condemning this approach by this government to try to help the plight of the Third World, he can form an alliance with the Leader of the New Democratic Party and let the public judge his position.

Some hon. Members: Hear, hear!

Mr. Hnatyshyn: You are doing it in secret.

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THE BUDGET

PROJECTIONS RESPECTING UNEMPLOYMENT AND INFLATION—GOVERNMENT POSITION

Mr. Bob Rae (Broadview-Greenwood): Madam Speaker, my question is directed to the Minister of Finance. It concerns the discrepancy between the projections contained in the budget and the so-called medium-term document which was released at the time of the budget and the figures which are now developing with respect to the state of the Canadian economy. I remind the minister that on page 25 of his budget speech he said, and I quote:

> The fiscal projections are based on the medium-term economic projections described in a companion budget paper.

If we look at the unemployment figures which are being compiled for the year 1980, we see that it will be necessary to have a figure of under 6 per cent in December in order for us to meet the figures which are projected in the budget by the minister on a year-over-year basis. We can see the number of conflicts in the figures with regard to food prices which have now been released and projected for the next year. Most estimates, apart from those of the Department of Finance, show rates as high as 14 per cent or 15 per cent from the Bank of Commerce and 16 per cent from the Ontario Federation of Agriculture.

If it can be established—and I suggest it can—that the projections in the budget both with respect to unemployment next year and to inflation next year are shown to be entirely off base and do not reflect what is really going on in the economy, does the minister not think that it is time for the government to re-think its economic policy to take into account what is clearly a worsening situation?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I have no difficulty in acknowledging to the hon. member that these projections are

bound to be revised as conditions, not only in Canada but in the world itself, change. When I gave the budget speech I thought I made it clear that all projections in the budget were at risk. I believe I made that statement in the budget speech. I think it is a reasonable one, and I assure the hon. member that I do not intend to feel apologetic if certain projections which have been laid out for 1981 or even earlier are not realized because of changing conditions. Projecting the economy is a risky business, and I find that economists are more often wrong than they are right.

Mr. Rae: So are Liberals.

Mr. MacEachen: That is no surprise to the hon. member, but I will tell him that if the basic conditions which are outlined in the budget change, then I would of course reconsider the posture which I adopted in the budget. However, I projected inflation and unemployment and I developed a fiscal program which I felt was the best possible one to deal with the situation this country will face over the next year.

Mr. Rae: Madam Speaker, I would like to thank the minister for that answer and point out to him that on Thursday night people in Toronto were treated to a statement by his deputy minister with respect to the inflation problem. He cited a number of factors which meant that inflation was a worse and more severe problem than the department thought only four weeks ago. In light of this fact, the fact that the unemployment situation is clearly worse than projected even in the budget and that the government is prepared to accept an 8.7 per cent official rate of unemployment next year, which means 1.4 million or 1.5 million real unemployed people—which is important—I would like to ask the minister in what way he plans to change the government's policy since he indicated in his first answer that he does not hold to the projections. We are not talking about statistics in the sky. We are talking about whether real people will or will not have jobs next year and the prices real people will be paying for their food next year.

Mr. MacEachen: Madam Speaker, the hon. member has talked about inflation, which undoubtedly is a very serious problem, and the chances are that it will not abate in the near future. However, every proposal I have heard from him, from his leader and from every member of his party, if adopted, would add to the inflationary problem.

Mr. Broadbent: That is absurd.

Mr. MacEachen: It is absolutely the case that every proposal in the form of increased spending and in the form of instructions to the governor of the Bank of Canada to reduce interest rates, if adopted, would really show the country what inflation could be like under a New Democratic Party government.

Some hon. Members: Hear, hear!

Oral Questions

ENVIRONMENTAL AFFAIRS

PROPOSED WASTE DISPOSAL SITE AT SOUTH CAYUGA, ONT.

Mr. Bud Bradley (Haldimand-Norfolk): Madam Speaker, my question should be diverted to the Minister of the Environment. I will give him the benefit of the doubt and say that it appears he has sneaked out for coffee. Possibly the acting minister or the parliamentary secretary can answer my question.

I am sure the minister is aware of the action taken by the province of Ontario in establishing an industrial waste dispoal site in South Cayuga, as pointed out in my motion under Standing Order 43, without holding an environmental hearing. I am equally sure the minister is aware that it will replace all 12 existing sites in Ontario, that it is on agricultural land and that it will require transportation of toxic wastes through the greatly populated agricultural heartland of Ontario.

Has the minister or his department taken or planned any action pertaining to this obvious denial of the individual's right to be heard?

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, in the absence of the minister, I shall refer to him the question asked by the hon. member at the earliest opportunity and ensure that the hon. member receives a full reply.

[*English*]

Madam Speaker: Does the hon. member wish to ask a supplementary question? I would not think so since the minister is not here.

Mr. Bradley: Yes, I do, Madam Speaker. I am sorry there is not someone opposite who could have given me some sort of answer.

I am sure the minister will know that this site rests between Lake Erie, a national waterway, and the Grand River, which is a major tributary to Lake Erie and is of national importance. This site is only one mile from the Grand River, Madam Speaker, and it is on a type of land that is shrinking only too quickly at this time.

● (1440)

Some hon. Members: Question.

Madam Speaker: Order, please. Would the hon. member please put the question. Supplementary questions must be kept fairly short.

Mr. Bradley: Would the minister please answer my supplementary question, since I see he has returned?

An hon. Member: Ask your question.

Mr. Bradley: Since a national waterway is involved at a site only 40 miles from Niagara Falls and the Love Canal and only 40 miles from the constituency of the hon. member for Hamil-

ton West, and since this is a matter with which the minister has been involved, will the minister have his department check into the propriety of this decision and ensure that proper studies and tests are carried out to protect the residents of the Great Lakes area?

Hon. John Roberts (Minister of State for Science and Technology and Minister of the Environment): As the hon. gentleman knows, we are dealing here essentially with a question under the jurisdiction of the provincial government of Ontario, but given the very evident concern he has expressed, I will have my officials look into the matter.

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METRIC CONVERSION

MEMORANDUM RESPECTING RESUMPTION OF PROGRAM

Mr. Bill Domm (Peterborough): Madam Speaker, my question was to be directed to the Minister of Consumer and Corporate Affairs or, in his absence, to the Minister of Industry, Trade and Commerce. However, in the absence of both of them, I wonder if I might put my question to the Prime Minister. It concerns a memo delivered to my office this morning which says, in one line, that we can expect, as members of Parliament, a low-key announcement or a press release on the resumption of forced metric conversion coast to coast on January 1, 1982, this announcement to take place in late December or early January at a time when the public and the press are still in a festive period and not on the alert.

Some hon. Members: Oh, oh!

Mr. Domm: Would the Prime Minister advise the House if a decision has been made by the Privy Council, the cabinet or any of his ministers to proceed with forced implementation of metric conversion in the retail food sector on January 1?

Right Hon. P. E. Trudeau (Prime Minister): Would the hon. member say who signed the memo, Madam Speaker?

An hon. Member: Pierre Trudeau.

Mr. Domm: The Minister of Consumer and Corporate Affairs advised the House that they were considering proceeding with metric conversion on January 1, 1982. My question to the Prime Minister is this. In light of his minister's confirmation of the intent and in light of this notice, would the Prime Minister confirm to the House that it is a fact that the government is going to proceed coast to coast in the retail food sector with metric conversion on January 1, 1982?

Mr. Trudeau: Madam Speaker, we have a minister present who could deal with the substance of the question, but the hon. member prefaced his question by saying he had received a one line memo, if I understood him correctly. Could he tell us who signed that one line memo so that we know with whom we are dealing in the House?

An hon. Member: Answer the question.

Mr. Domm: Madam Speaker, this is not my supplementary question, but I will tell the Prime Minister that it was his own ministry which confirmed to the House that forced metric conversion will proceed.

Some hon. Members: Question.

Mr. Trudeau: Who signed the memo?

An hon. Member: Who is questioning whom around here?

Mr. Domm: My supplementary question to the Prime Minister is this.

An hon. Member: It's gossip, that's what it is.

Mr. Domm: This is not gossip.

An hon. Member: They don't sign memos.

Mr. Domm: My question deals with an American press release today. The American press has notified the people of the United States that Congress is not going to proceed with forced metric conversion for ten or 15 years in the retail food sector in the United States. Would the Prime Minister state in the House that, so far as metric conversion is concerned, we should be in harmony with our trading partner to the south and not be an island unto ourselves. My supplementary question is this. His ministry has confirmed that we might proceed with metric conversion on January 1, 1982. Would the Prime Minister confirm that there has been a decision to proceed, or are we being given no direction? Will there be metric conversion, regardless whether or not the United States is with us?

Some hon. Members: Put the question.

Madam Speaker: Order, please.

Mr. Trudeau: Madam Speaker, hon. members here have difficulties when hon. members opposite do not follow the rules and introduce all kinds of preambles to their questions, trying to use preambles to convey falsehoods or spread rumours which are unfounded. I wish the hon. member would come clear and give us a copy of that memo so we could know to whom he is referring.

An hon. Member: Answer the policy question.

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REGIONAL AND ECONOMIC EXPANSION

LOCKEPORT, N.S.—RECONSTRUCTION OF FISH PLANT

Mr. Ted Miller (Nanaimo-Alberni): Madam Speaker, in the absence of the Minister of Regional Economic Expansion, I should like to address my question to the Minister of Finance who is from Nova Scotia. On July 23 of this year, a fire in Lockeport, Nova Scotia, destroyed the National Sea Products fish plant which was the major employer of some 300 people in the community of 1,030 people. Could the minister indicate to the House and to the people in that community who are

dependent on the fish plant at what stage negotiations are now between DREE and National Sea Products for the reconstruction of that plant, and if one of the stumbling blocks to the reconstruction is the high interest rate policy followed by the government?

Mr. Russell MacLellan (Parliamentary Secretary to Minister of Regional Economic Expansion): Madam Speaker, I should like to mention to the hon. member that the policies of this government are not a factor in the decision to go ahead with assistance to the fish plant at Lockeport. The feasibility of proceeding with financial assistance to that fish plant is being investigated at present by the Department of Regional Economic Expansion, and we believe we will have a recommendation from the Nova Scotia office very shortly.

Some hon. Members: Hear, hear!

EFFECTS OF FISH PLANT CLOSURE ON UNEMPLOYMENT

Mr. Ted Miller (Nanaimo-Alberni): Madam Speaker, it was my information that the region had referred that decision to the federal government by now.

I should like to address my supplementary question to the Minister of Fisheries and Oceans. The minister is aware of the fact that the closure of that plant has indeed affected approximately 20 smaller fish plants in the area and a number of fishing vessels. It has also led to the unemployment of 200 people as of now and a further 100 people in the near future, people who are highly qualified to work in fish plants. Has the Minister of Fisheries and Oceans been in contact with his colleagues, the Minister of Regional Economic Expansion and the Minister of Employment and Immigration, and has he made any recommendations to those ministers on how we might overcome this highly unacceptable situation in Lockeport?

Hon. Roméo LeBlanc (Minister of Fisheries and Oceans): Madam Speaker, yes, the Department of Fisheries and Oceans and the Department of Regional Economic Expansion have been working together. One of the problems is that the application to replace the plant was predicated on a considerable increase in production, and this is an area which is highly competitive and where, in fact, fishermen are sought out by the plants for their products. We have said that we could see a replacement of a plant of the same size as the one which burned down. In that sense we would support the recommendation, but we would certainly not support a recommendation for an increase in the capacity of that plant or of other plants in the area because the area is already quite well equipped with fish processing plants.

Oral Questions

EXTERNAL AFFAIRS

POLAND—POSSIBLE INTERVENTION BY U.S.S.R.—INQUIRY RESPECTING ACTION TAKEN BY CANADA

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, my question is for the Prime Minister who will know that Admiral Falls, the chief of the NATO military committee, has said:

The ability of the Soviets to intervene in Poland is such that they could do it with very little warning. Indeed I am talking of hours, not days—

The Prime Minister will know that leaders of other nations have warned that such an intervention would destroy détente. I wonder if the Prime Minister can tell the House whether he or his Secretary of State for External Affairs has yet called in the Soviet ambassador to Canada to express Canada's concern about Soviet troops massing around Poland?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, to my knowledge the Secretary of State for External Affairs has not called in the Soviet ambassador as yet.

Mr. Clark: Madam Speaker, I wonder if the Prime Minister could tell us why that elementary step has not been taken?

Mr. Trudeau: Because I communicated directly with Mr. Brezhnev of the Soviet Union, Madam Speaker.

Some hon. Members: Hear, hear!

● (1450)

Mr. Clark: Madam Speaker, we would all be interested in the contents of that communication. I would ask the Prime Minister why it has not been made public and to affirm that it will be made public.

While he is is on his feet, and since he indicated that, rather than dealing through ambassadors, he has been responding to this question by correspondence and conversations with other world leaders, will he indicate whether he has had any response from the other world leaders to whom he made reference the other day, what has been the nature of that response and the nature of the plan which is being evolved by Canada and other countries to try to deal with this question?

Mr. Trudeau: Madam Speaker, I gave the answer to the first part of the question in the House the other day—

Mr. Forrestall: Whose side are you on?

Mr. Trudeau: —that Canada has been concerned about trying to establish some collective attitude vis-à-vis the threats in Poland and vis-à-vis the possible disturbances there. The other day I answered by indicating what communications I had had with other summit heads of government and state.

As to possible co-operation, there is such consultation, as I suggested, taking place now in NATO, with the Secretary of State for External Affairs being present and consulting on the subject with our allies. Also there will be a meeting in Paris in a few days with like-minded countries to consider a possible alleviation of some of the economic problems in Poland. There

will be consultation on this subject, much along the lines suggested by the member from Vancouver—

Mr. Forrestall: You are not prepared to pay for it, and you know it.

Mr. Trudeau: Madam Speaker, I am not quite clear what—

Mr. Forrestall: Come clean.

Some hon. Members: Order.

Madam Speaker: Order, please. The hon. member does not have the floor at this time.

Mr. Trudeau: Perhaps the hon. member could discuss this matter with his leader and come together on some kind of coherent policy on their part.

Some hon. Members: Hear, hear!

Mr. Clark: Madam Speaker, the Prime Minister neglected to answer the question whether he would table the communication with Mr. Brezhnev. Also he neglected to indicate why that communication was not made public in the first place.

Mr. Trudeau: Because, Madam Speaker, we are not trying to get political credit; we are trying to get the West united against a possible danger to the West.

Some hon. Members: Hear, hear!

* * *

SUPPLY AND SERVICES

F-18A FIGHTER AIRCRAFT CONTRACT—INQUIRY WHETHER NOTICE OF DELAY RECEIVED

Hon. Allan B. McKinnon (Victoria): Madam Speaker, my question is directed to the Minister of Supply and Services. Under the rather feckless new fighter aircraft contract, McDonnell-Douglas cannot be held responsible for "excusable delays", a very broad category which includes "any action of government". As the United States government has delayed the defence systems acquisition review council decision on F-18A production, and as the Australian government has postponed its decision on a possible F-18A purchase, has our government received any notice of delay as required by the contract?

Hon. J.-J. Blais (Minister of Supply and Services): Madam Speaker, we have not received any notice of delay under the contract.

Mr. McKinnon: Madam Speaker, my supplementary question is directed to the same minister. In the new fighter aircraft contract, the October 31 payment, milestone No. 5, brings the cumulative total payment to $25 million; but that payment was subject to "completion of a review of contractor progress by the contract authority", that is, the government. Was the review made, was it satisfactory, and was the payment made?

Mr. Blais: Madam Speaker, with reference to that specific contract, I will have to inquire and inform the hon. member.

* * *

UNITED NATIONS

SUGGESTED INVESTIGATION OF SITUATION IN POLAND BY SECURITY COUNCIL

Mr. Jesse P. Flis (Parkdale-High Park): Madam Speaker, my question is supplementary to the one posed by the Right Hon. Leader of the Opposition. Since he has difficulty posing questions on Poland, I thought I would ask this question of the Prime Minister.

Some hon. Members: Oh, oh!

Mr. Flis: In view of the fact that the Soviet Union has apparently completed its preparations for a possible intervention in Poland, and that the United Nations, under Chapter VI, article 34 of its charter, may have its security council investigate any dispute or any situation which might lead to international friction or give rise to a dispute in order to determine whether the continuance of the dispute or situation is likely to endanger the maintenance of international peace and security, would the Prime Minister say whether he is prepared to ask the United Nations Security Council, through proper channels, to proceed under the terms of article 34 in an effort to maintain world peace?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, certainly I think that is a most worthy suggestion and I will bring it to the attention of the Secretary of State for External Affairs.

* * *

[*Translation*]

PUBLIC SERVICE

INQUIRY WHETHER RETIREES WILL BENEFIT FROM INDEXATION

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Madam Speaker, I have a question for the President of the Treasury Board concerning two important subjects that normally prompt questions at year's end. First I would like to know whether the hon. gentleman has decided upon a definite policy concerning public servants who will retire before December 31—more specifically, will they receive cost of living indexation for the year in which they retire, and what indexing rate will apply for the current year?

Hon. Donald J. Johnston (President of the Treasury Board): Madam Speaker, on the first part of the question, we still intend to bring in amendments to the act concerning the

particular matter raised by the hon. member. As far as the indexation rate is concerned, we will be announcing soon the rate that will apply to the current year.

* * *

[*English*]

UNEMPLOYMENT INSURANCE

LOCKEPORT, N.S.—REQUEST FOR TEMPORARY OFFICE TO HANDLE CLAIMS

Mr. Lloyd R. Crouse (South Shore): Madam Speaker, I have a question which I should direct to the minister of manpower and immigration, but in his absence—

An hon. Member: He is here.

An hon. Member: He is half here.

Mr. Crouse: I am sorry. My question is directed to the minister of manpower, who was hiding behind the Minister of Fisheries and Oceans. Some four months after the destruction of the National Sea Products plant in Lockeport, Nova Scotia, unfortunately only 33 per cent of the displaced work force have found new employment. Since an estimated 200 former National Sea Products employees have filed for Unemployment Insurance Commission benefits, and some 25 of these workers have yet to receive a cent of assistance in the last four months due to bureaucratic red tape, will the minister take steps to open a temporary office in the town of Lockeport in order to handle the claims of these citizens who are really unemployed through no fault of their own, through what is really a disaster?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, although the hon. member was a little late in recognizing who the minister is, the name of the department is the Department of Employment and Immigration and it has been that way for two years.

Miss MacDonald: Lloyd who?

Mr. Axworthy: I would answer the hon. member by saying that we have a procedure whereby we establish consultative committees in towns affected by industrial change, strikes or lay-offs. We are quite prepared to establish such a committee to work with local citizens and provincial authorities to respond to the conditions the member described. I will ask my officials to look into it right away and give him a report.

Mr. Crouse: Madam Speaker, my supplementary question is directed to the same minister. Since the only recourse of many of these people is municipal social assistance, which will cost the county of Shelburne an estimated $40,000 per month from now until spring of until some employment opportunities are provided, what special steps is the government planning to take to help ease this financial burden?

Mr. Axworthy: Madam Speaker, I would point out that welfare payments are already covered to the extent of 50 per cent of the cost by the federal government through the Canada Assistance Plan program, but I indicated to the hon. member that we will be looking into the situation, establishing a Manpower consultative committee if it is required, and working with local authorities to provide for any remedial solutions. As soon as I have a proper assessment of the conditions, I will give him a report and make sure that we take the steps that are necessary.

* * *

● (1500)

RESEARCH AND DEVELOPMENT

INQUIRY RESPECTING LONG-TERM FUNDING PLANS

Mr. Simon de Jong (Regina East): Madam Speaker, my question is for the Minister of State for Science and Technology. It has become obvious that there is a tremendous need for long-term strategy as it relates to research and development. Not too long ago the chief research director for the Lamontagne Senate committee estimated that if we had had 1.5 per cent of our gross national product devoted to research and development we would have generated 1.52 million new jobs and $15.4 billion in additional exports.

Research and development requires long-term planning and there is none. The minister stated not too long ago that he would tell the country in a few weeks when the government will be prepared to bring in its long-term funding arrangements. Could the minister inform the House and the scientific community in this country when the government will be prepared to lay out its long-term funding plans in order to bring research and development to 1.5 per cent of the gross national product?

Hon. John Roberts (Minister of State for Science and Technology and Minister of the Environment): Very soon, Madam Speaker. I look forward to some opportunity early in the new year to be able to present our proposals in this regard.

Mr. de Jong: Madam Speaker, my supplementary question is for the same minister. He mentioned in committee it would be two weeks, and that was a week ago. I have noted in another press release that the Minister of Industry, Trade and Commerce suggested spring, 1981; I hope it will be sooner.

My supplementary question also relates to research and development and university funding. The universities are in a state of—

Madam Speaker: Order, please. It is not necessary for the hon. member to respond to the minister's answer before asking his supplementary question. The hon. member should go directly to his question.

Mr. de Jong: Madam Speaker, I will go immediately to my question. Will the government commit itself to a review of existing fiscal transfer arrangements with the provinces to ensure that Canadian universities will in the future receive provincial support at a level commensurate with national

research and development targets? Will the government also ensure that university research in industrial and technological development is related to provincial as well as national interests?

Mr. Roberts: Madam Speaker, the hon. member read his question rather quickly and I am not sure I caught all of the nuances. If he is asking whether there is a review under way of educational transfer arrangements, I would say that in the general reconsideration of the established programs financing arrangements, that is taking place.

* * *

PRIVILEGE

MR. WADDELL—STATEMENTS MADE BY MR. ANDRE

Madam Speaker: On November 28, 1980, the hon. member for Vancouver-Kingsway (Mr. Waddell) raised a question of privilege in which he objected to the use of the term "McCarthyism" by the hon. member for Calgary Centre (Mr. Andre), who had applied that term to describe certain actions of the hon. member for Vancouver-Kingsway. In turn, the hon. member for Calgary Centre objected to the use of the term "separatism", which had been applied by the hon. member for Vancouver-Kingsway to describe a position taken by the hon. member for Capilano (Mr. Huntington), and others. A spirited debate ensued, which I followed closely, and which demonstrated to my satisfaction that however opprobrious the terms "McCarthyism" and "separatism" might be, they do not fall within the general class of words such as "crook, demagogue, idiot", and so forth, which have been ruled unparliamentary.

Whether one approves of the connotations or not, the words "McCarthyism" and "separatism" have become part of the political vocabulary and therefore their applicability is a matter of interpretation and debate in which the Chair has no role.

Furthermore, I would suggest that Erskine May offers a useful test of unparliamentary language at page 445 of the nineteenth edition where it is stated:

> From time to time the Chair has intervened to deal with the use of certain expressions in debate, which, in the context in which they were used, were abusive or insulting and of a nature to cause disorder.

It seems to me, therefore, that to be unparliamentary in the true sense, the language must be both abusive or insulting and give rise to a certain disorder.

Having said all of that, however, I would draw the attention of all hon. members to another passage in the same edition of Erskine May at page 429 where it is stated:

> Good temper and moderation are the characteristics of parliamentary language. Parliamentary language is never more desirable than when a member is canvassing the opinions and conduct of his opponents in debate.

MR. BROADBENT—STATEMENT MADE BY MR. TRUDEAU DURING QUESTION PERIOD

Mr. Edward Broadbent (Oshawa): Madam Speaker, I rise on a separate question of privilege. Earlier in the day in the question period the Prime Minister (Mr. Trudeau), in answer to me and a member for the Conservative party, suggested that the New Democractic Party does not share his stated interest in problems of the Third World. Madam Speaker, my question of privilege is that the Prime Minister was misstating reality, of which he ought to have been aware. I want to make it known that this party has always made it abundantly clear to anyone who would listen that we will support any effort to alleviate poverty in the Third World. Furthermore, we will support the Prime Minister with respect to his trip abroad, which he plans to make after Christmas. If he comes back with a commitment made by Canada to do at least what the average Scandinavian countries are doing for the Third World, he will have the support of the New Democratic Party.

Some hon. Members: Hear, hear!

Mr. Broadbent: But the point raised in the question by myself was that the Prime Minister should begin at home, as well, in showing concern for the problems faced by Canadians. They are not mutually exclusive concerns.

Madam Speaker: The hon. member does not have a question of privilege. I think he realizes that. He did want to make a point, and I suppose he has made it.

* * *

POINT OF ORDER

MR. HNATYSHYN—STATEMENT MADE BY MR. TRUDEAU DURING QUESTION PERIOD

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, I rise on a point of order. In view of the fact that there was not a question of privilege by the Leader of the New Democratic Party (Mr. Broadbent), I simply want to indicate that I was not standing on that same question of privilege because I think the Prime Minister's statement was beneath contempt. I refuse to answer that stupid kind of accusation.

* * *

PRIVILEGE

MR. SARGEANT—CANADA COMMUNITY DEVELOPMENT PROJECTS IN MANITOBA

Madam Speaker: I have notice of a question of privilege from the hon. member for Selkirk-Interlake (Mr. Sargeant).

Mr. Terry Sargeant (Selkirk-Interlake): Madam Speaker, I rise on a question of privilege affecting many members of this House. It concerns some of the actions, or perhaps lack of actions, by the Minister of Employment and Immigration (Mr.

Axworthy) in the matter of granting ministerial approval for Canada community development projects.

It has come to my attention to date that so far in Manitoba only 12 projects submitted by local advisory boards from the whole province have been approved. Each and every one of these 12 projects originated from the Winnipeg ridings of St. Boniface and Winnipeg-Fort Garry. Coincidentally, these are the only two ridings held in Manitoba by the Liberal party. I submit that such action is inexcusable. How can the minister, at a time of tremendously high unemployment—indeed, we heard questions earlier this afternoon about the state of unemployment in this country today—play petty partisan politics with job-creation programs?

It is not bad enough that we learned today that the only projects so far approved come from Liberal ridings, but we also learned that for some reason there will be a further delay in approving the remaining projects in Manitoba. Under the guidelines established by his department some of these projects were to have started on November 17. I am willing to accept the delay of a few days, or perhaps a week to a week and a half, but it is now reaching beyond an acceptable length of time. By the time these programs are approved it will be after Christmas and the new year before work will be started on those projects.

This is not the first time this has happened. Last spring my colleague, the hon. member for Winnipeg-Birds Hill (Mr. Blaikie), asked the minister to explain delays in approving Summer Youth Employment projects. At that time we were told that because some members had not followed the rules which the minister had laid down we, the members of Parliament, were the cause of the delay. However, we found upon closer scrutiny that this was not really the case and it was an unfair charge. What cannot be the subject of debate at this time, though, is that members of Parliament from Manitoba have played by the rules. Some local advisory board recommendations have been sitting in the minister's office since at least November 12 but we have not heard a word on these projects, other than those few projects I mentioned earlier in the Liberal ridings.

How can we members of Parliament be expected to perform our jobs if ministers of the Crown engage in, what seems to me to be, seemingly petty activities? The minister and his department set up the rules, and in Selkirk-Interlake we followed those rules. We set up the local advisory board. They met and held two or three meetings. They made their recommendations. We received good co-operation from his officials in Winnipeg and I understand that they have forwarded the recommendations of the local advisory board to the minister's office. At this point we come to the foul-up. The minister seems to have thrown a spanner into the works.

• (1510)

Today we learn that there are a further 3,000 people unemployed in Manitoba. My riding of Selkirk-Interlake has an unemployment rate of 8.2 per cent, the highest rate in Manitoba. Unemployment rates in Winnipeg North Centre, Winnipeg North, and the Churchill riding are all very high. Yet the minister has seen fit to approve projects for Manitoba in the wealthy suburbs of Winnipeg, such as St. Boniface and Fort Garry, where, by his own department's calculation, unemployment is the lowest.

What are the priorities of this minister? Why has he chosen to put partisan interests ahead of the economic well-being of his own province? Among my roles as a member of Parliament is the selection of applications for the Canada community development programs. This role was defined by the minister. By subverting this process and by not approving the programs until much after the start-up date, he is denying me the right of properly fulfilling this role. I submit that this violates my privileges as a member of Parliament.

I am sure, Madam Speaker, that you understand how important this matter is, and I hope your ruling will allow us to straighten out this unfortunate situation and get people to work in the province of Manitoba and, indeed, in other provinces where there may be these same kinds of hold-ups. There are areas in my riding which have unemployment rates at the present time of some 95 per cent, due mostly to the closing of the fishing season. For the minister or his department to hold up these programs at this time is unconscionable and I would ask, Madam Speaker, that you give a favourable ruling on the matter.

Mr. David Orlikow (Winnipeg North): Madam Speaker, I rise on the same question of privilege. I want to point out to the minister that two years ago Canada Works in Manitoba was allocated $9.5 million, under a Liberal government. This year, two years later, when unemployment is higher, the allocation is $2.5 million, less than 30 per cent of what we received two years ago. Two years ago in the two constituencies represented by myself and my colleague, the hon. member for Winnipeg North Centre (Mr. Knowles), the allocation for Canada Works programs was over $2 million, and half of that was for native employment. This year the allocation for the Canada community development program is just over $400,000. That is less than 20 per cent of what we received two years ago.

We are told that the reason for the reduction is that the rate of unemployment is low in our city and that in my constituency there are only 904 unemployed native people. I do not know from where the minister or his department collected these figures, but I am sure that the minister knows that the survey done by the Winnipeg school division showed unemployment rates of 50 per cent in the core area of the city.

I refer the minister to an article written by Val Werier, respected Winnipeg columnist, which appeared recently in the Winnipeg *Free Press*. He quotes the comments of some of the school principals in charge of schools in the core area, and I would like to take a moment to put some of them on the record. The principal of David Livingstone School said:

> The unemployment rate among the school parents is 53 per cent.

That is in his school. The principal of the Aberdeen School says:

Of 370 students, 80 per cent are of native origin. Unemployment among parents is 55 per cent.

The article goes on to say that at the William Whyte School, of 383 students more than half are from families with single parents and with an unemployment rate of 55 per cent.

Madam Speaker: Order, please. I am afraid that the hon. member is not applying his remarks to the point of the question of privilege. I have seen no indication of a question of privilege yet. If the hon. member wishes to be helpful to the Chair, he should focus on his arguments to prove the privilege.

Mr. Orlikow: Madam Speaker, I was just coming to that, but allow me to put on the record one more quotation from the article. The principal of the William Whyte School is quoted as saying:

We are talking about a Third World right within our own city.

That comment is apropos of the questions raised earlier today.

My question of privilege arises because we co-operated with the minister, despite the very low allocations for our areas. We appointed our advisory committees to work on the applications, and they followed the guidelines laid down by the minister and his department. The applications were examined and screened, and the best ones were sent forward to the minister. Here we are in December with a very high rate of unemployment in the core area of Winnipeg, and the minister has not seen fit to look at and approve the applications which have been recommended so that these people who are unemployed can get on with the job. We are talking about people who are living in real poverty and slum conditions. It is a disgrace that the minister has not—and I would say it is for political reasons—seen fit to move these applications forward.

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, I would like to address myself to the purported question of privilege brought forward by the combined forces of the Manitoba New Democratic Party. In saying that I underline the fact that it has less to do with privilege and more to do with politics, obviously in the Conservative tact. I spent 12 hours in this House yesterday on estimates, at which time hon. members had every opportunity to raise any question, make any comment, or bring anything to my attention. Neither of the hon. gentlemen who raised the question of privilege had the courtesy or the respect to raise this issue during that period of time. It suggests to me that they are simply using this particular opportunity to make a political point.

In so far as the question is concerned, the hon. member for Selkirk-Interlake (Mr. Sargeant) is dead wrong. The projects for Manitoba constituencies were approved well over a week ago and sent to the regional office for distribution. There was no hold-up in my office. I approved something like 900 projects in the past week which were recommended by all parties, and I intend to approve the rest of the projects this week.

The projects for any one constituency were not held up. As far as I know, the projects for Manitoba were approved, but I do not know why there was a hold-up. I will check into it, but it must be somewhere between my office and the regional office.

It would have been far more in keeping with the procedures, rules and conventions of this House if the hon. member, rather than protesting so much, had had the common decency to call my office, and he would have received that information. It is not a question of privilege, but a question of sheer street-barrel politics.

Mr. Sargeant: Madam Speaker—

Madam Speaker: I will cut the debate. The hon. member for Selkirk-Interlake (Mr. Sargeant) knows he cannot speak twice on the same question of privilege. I will not entertain any other hon. members on the question of privilege because, as it was posed, I did not find a prima facie case of privilege. The hon. member might perhaps have a legitimate grievance, but he certainly does not have a question of privilege. The matter is a perfect subject for debate, and the hon. member should perhaps take advantage of the proper time to introduce that debate, but that is up to him.

In his intervention the hon. member said that the minister had not played by the rules. The rules to which he referred were not the rules of the House of Commons. The hon. member also said that the minister established the rules and that everybody is required to follow those rules except the minister. I reiterate that these are not the rules of the House of Commons and, therefore, the entire matter is completely outside my jurisdiction. So, if as the hon. member has suggested, the matter needs to be straightened out, I would suggest that the two hon. members straighten it out between themselves. Certainly it is not a matter in which the Chair can usefully intervene.

ROUTINE PROCEEDINGS

[*English*]

EMPLOYMENT OPPORTUNITIES FOR THE '80s

Third report of the Special Committee on Employment Opportunities for the '80s—Mr. Allmand.

• (1520)

[*Translation*]

FINANCE, TRADE AND ECONOMIC AFFAIRS

Sixth Report of Standing Committee on Finance, Trade and Economic Affairs—Mr. Peterson.

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

CANADA OIL AND GAS ACT

MEASURE RESPECTING OIL AND GAS INTERESTS

Hon. E. F. Whelan (for the Minister of Energy, Mines and Resources) moved for leave to introduce Bill C-48, to regulate oil and gas interests in Canada lands and to amend the Oil and Gas Production and Conservation Act.

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

* * *

[*English*]

EMPLOYMENT OPPORTUNITIES FOR THE '80s

CONCURRENCE IN THIRD REPORT OF SPECIAL COMMITTEE

Hon. Warren Allmand (Notre-Dame-de-Grâce) moved that the third report of the Special Committee on Employment Opportunities for the '80s, presented to the House this day, be concurred in.

Motion agreed to.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 1,641, 1,679 and 1,736.

[*Text*]

ADMIRAL ROBERT FALLS

Question No. 1,641—**Mr. Cossitt:**

1. Was Admiral Robert Falls originally appointed a special defence adviser to the Prime Minister as a way of technically getting around regulations preventing him from being paid his salary by the government while working for NATO and, if so (a) on what date did he (i) commence (ii) cease to receive a salary for such position (b) was the cabinet order appointing him revoked and, if so, on what date?

2. Has the government found an alternative method of paying public funds to Admiral Falls and (a) if so, what are all the details (b) if not, is the stipend to Admiral Falls being covered by interests other than the Canadian government or is he working for nothing in return for accommodation and accoutrements therein being supplied to him by the government in Brussels, Belgium?

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): 1. In accordance with a standard procedure, Admiral R. Falls was appointed a special adviser to the Prime Minister in order that his salary could be set and reviewed in the same way as are the salaries of senior public servants occupying positions in agencies and departments in Canada.

1 (a) and (b) and 2.

Admiral Falls began to receive a salary effective May 31, 1980, and continues to receive such salary. Until October 2, 1980, Admiral Falls was paid under the authority of the order in council appointing him special adviser to the Prime Minister. On October 2, 1980, that order in council was revoked, as an amendment to the Queen's regulations and orders had been approved by Treasury Board on September 18, 1980 which will allow Admiral Falls' salary to be set by the Minister of National Defence on the advice of the committee of senior officials on executive personnel.

PARLIAMENTARY SECRETARIES—ANSWER TO QUESTIONS IN THE HOUSE

Question No. 1,679—**Mr. Cossitt:**

1. With reference to the answers to questions numbered 1,484, 1,485 and 1,488 (a) whose signature appears on the manuscript of the answers and is it that of the Parliamentary Secretary to the Secretary of State and Minister of Communications (b) which state in part, "I am informed by the Canadian Broadcasting Corporation as follows: . . . ", on what date was the Parliamentary Secretary informed and what was the name and job designation of the person who informed him?

2. (a) Is the Canadian Broadcasting Corporation owned by the people of Canada and is it responsible to Parliament through the Secretary of State (b) is it government policy that the CBC is the only Crown corporation that does not have to answer questions by members of Parliament on its internal management, administration, etc. and, if so, for what reason?

3. Will the government consider making the CBC accountable on all of its operations to Parliament and, if not, for what reason?

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): 1. Standing Orders of the House of Commons provide for ministers and parliamentary secretaries to answer questions and table documents in the House. The government takes full parliamentary responsibility for its answers to questions.

2. (a) The Canadian Broadcasting Corporation is owned by the Queen in Right of Canada.

(b) No.

3. The government supports the policies it has on several occasions laid before the House of Commons.

CANADIAN ARSENALS LTD.—ORDER FOR AMMUNITION

Question No. 1,736—**Mr. McKinnon:**

Did the Department of National Defence place a $2,828,535 order for ammunition with Canadian Arsenals Ltd. under contract number MA20.3689502 and, if so, (a) for what type of ammunition? (b) how many rounds will be purchased?

Hon. J.-J. Blais (Minister of Supply and Services):

(a) (1) Cartridge 105 mm Tank Target Practice Discarding Sabot With Tracer C36A2.

(2) Cartridge 105 mm Tank Target Practice Discarding Sabot With Tracer C36A3.

(b) (1) 2,942 Rounds.

(2) 4,558 Rounds.

[*Translation*]

QUESTION PASSED AS ORDER FOR RETURN

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, if question No. 42 could be made an order for return, the return would be tabled immediately.

[*Text*]

PRIME MINISTER—CABINET MINISTERS—AMOUNT SPENT FOR FURNITURE

Question No. 42—**Mr. Cossitt:**

1. Between April 20, 1968 and May 22, 1979, what was the total amount spent, contracted for or authorized for furniture, equipment or appurtenances ordered by the government for the offices of cabinet ministers including the Prime Minister?

2. Of the various ministers involved, what were the top four in order of expenditures and what were the total expenditures in each case for any portfolios that such individuals held?

Return tabled.

[*Translation*]

Mr. Collenette: I ask that the remaining questions be allowed to stand.

Madam Speaker: Is it agreed?

Some hon. Members: Agreed.

Madam Speaker: Pursuant to Standing Order 54, I do now leave the chair for the House to go into Committee of the Whole.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

APPROPRIATION ACT NO. 2, 1980-81

The House resumed, from Monday, December 8, consideration in committee of Bill C-47, for granting to Her Majesty certain sums of money for the Government of Canada for the financial year ending March 31, 1981—Mr. Pinard—Mr. Francis in the chair.

DEPARTMENT OF AGRICULTURE

Vote No. 1

Mr. Whelan: Mr. Chairman and hon. members, I welcome this opportunity of reviewing with you the spending estimates of Agriculture Canada. My department's activities touch the lives of all Canadians every day and so I am glad that you and I will have the chance to explore in the public eye just what Agriculture Canada is doing to assist our basic agricultural industry and also to safeguard the health, and the pocketbooks, of Canadian consumers.

I believe these next couple of days will serve to highlight the tremendous importance that the agri-food industry will continue to have in the development of our great country.

In this context I want you to realize that Agriculture Canada operates with only 1.3 per cent of the total federal budget. Mr. Chairman, that is something that a lot of people do not understand. When asked how much money is spent on Agriculture Canada by the federal government, a lot of people who one would think would know better, estimate anywhere from 30 per cent to 20 per cent, or 12 per cent. But, Mr. Chairman, only 1.3 per cent of the total federal budget is spent on Agriculture Canada and, Mr. Chairman and members of this committee, we run the best ship of all and take second place to no one! That amount is extremely modest considering the benefits agriculture brings to all Canadians.

I would like to pause for a moment to consider the record of achievement of the Canadian farmer who has always faced a multitude of hardships and challenges. Consider the geographic and climatic adversities, where less than 10 per cent of our 2,272 million acres of land can be farmed.

Fully two-thirds of Canada cannot be used for any commercial agriculture due to climate and soil limitations. And of the remaining one-third, most is limited by too much moisture, rockiness or steepness. There are only about 200 million acres of potentially usable land and to date we have developed about 174 million acres. But really less than 24 million acres out of the total is top class land in the climatically favoured areas. In short, the Canadian farmer has had to do much more with less than his counterpart in many other countries.

We have about 3 per cent of the world's farmland and yet we are producing a sizeable percentage of the world's food—up to 6 per cent of the world's wheat and barley; 12 per cent of the world's oats, and 2 per cent of the world's meat and milk products.

Not only are the Canadian farmer's outstanding achievements heralded on the world's stage, but the accomplishments at home are just as remarkable. For example, between the years 1975 and 1978 the productivity of the Canadian farmer was almost twice that of the labour productivity of other industrial sectors. As a matter of fact, if you go back even further, 20 years ago each of our farmers was producing enough food to feed less than 30 people, and now the Canadian farmer can produce enough food to feed more than 55 people. And, what is more, it is estimated that by the year 2000 one Canadian farmer will be feeding nearly 200 people. If you travel from coast to coast, you will find that the average Canadian farmer produces nearly $3,000 worth of food more than his counterpart in the United States. In my opinion, the work of the Canadian farmer is second to none and that is a fact that I feel, from time to time, we do not pay enough heed to.

Right now, one out of every four Canadians works in a food-related job, from production to processing to transporta-

tion to retailing to farm machinery manufacturing, and so on. The agri-food industry generates billions of dollars of income. As a matter of fact this year gross farm income alone will surpass $15 billion, and when you take into account that every dollar made in farming is multiplied by three as it works its way through the economy, the impact on all of Canada is significant.

One of the more important factors of late for the Canadian farmer has been the stabilization of the marketplace. The Canadian consumer has been given the opportunity to buy food, good Canadian products at a reasonable cost, while at the same time the Canadian farmer has been able to depend on a reasonable return for his labour and investment most years. To take the peaks and valleys out of farm markets and deliver more in the way of confidence for the Canadian farmer has always been one of the priorities of my department.

We have instituted assistance programs on several fronts that include transportation, storage, and insurance. We have made payments under the Agricultural Stabilization Act when farm prices have fallen drastically. The Agricultural Products Board has bought and processed surplus fruits and vegetables when this action was needed to stabilize prices.

● (1530)

But the bottom line has always been to create an atmosphere of stability. Another example is crop insurance. This year Canadian farmers increased their crop insurance coverage by about 30 per cent. Our higher spending on crop insurance in 1980-1981 represents about $23 million of the more than $62 million requested in the supplementary estimates. I feel crop insurance is one of the major security blankets farmers have to provide real income stability.

In many parts of Canada people do not realize who pays for crop insurance. The Government of Canada pays 50 per cent of the producer's premiums. The producer pays the other 50 per cent, and the administration is run and paid for by the provinces. In some parts of Canada you would think the federal government had nothing to do with this insurance program. For instance, if you read the brochures on crop insurance in Saskatchewan, you would hardly know that there was any federal participation in it.

An hon. Member: You are learning from Fleming.

Mr. Whelan: Crop insurance is there in case there is a disaster. When the funds run out we have to make up 75 per cent of the funds to be raised in the event there is not enough in the fund itself. Many people are not aware of that fact either.

In addition, this past year there were other programs to help farmers faced with crop losses. These included the Herd Maintenance Assistance Program and the Fodder Procurement Program, and other federal responses to the drought in the west and in northwestern Ontario. The Fodder Procurement Program, which is administered by Agriculture Canada, could cost about $16.8 million, but we do not think the amount will be that high. However, that would be the utmost. The herd maintenance program is administered by the PFRA. This program will cost over $60 million to maintain the herds in western Canada, particularly in Saskatchewan and Manitoba, part of Alberta, and also in part of northern Ontario.

The popularity of several other Agriculture Canada programs has meant that an increase in funding was necessary. For example, growers of storable crops have shown a great deal of interest in the Advance Payments for Crops Act, and have increased their involvement to an extent where $3 million will be needed to cover the interest payments on these loans to farm co-operatives and commodity boards making advance payments to their members. This $3 million is because these funds are interest free.

These funds are being used more and more extensively all the time. We instituted this program four years ago. It helps farmers make payments for farm operations that year without distress selling. British Columbia uses this program more than any other province or part of Canada. People in British Columbia are now in a position, using this program and also the fruit and vegetable construction financial assistance program, to assist the industry in constructing storage facilities. They told me the other day that B.C. will be exporting more this year than before, even though the competition is rough.

Last year B.C. exported apples to 34 countries. That is as a result of this program which this fiscal year will require more than $3 million to cover the cost of the program. I would not be surprised if they are back to ask for more money because of the applications which we have already received for this assistance in building storage for fruit and vegetables.

At the outset of my remarks, I said that the Canadian farmer's record of achievement under adverse conditions has been remarkable. One factor that has gone a long way to help has been Agriculture Canada's involvement in research and development. Our scientists are working to develop new plant strains and superior livestock, so that the Canadian farmer will have even hardier and more efficient raw materials and livestock to work with in the future. At present Agriculture Canada conducts about one half of the agricultural research performed in Canada. The division is shared 98 per cent by government, and 2 per cent by provinces. The rest is covered by universities, etc.

As a matter of fact, although there have been recent cuts in departmental expenditures we have protected and increased the budget for the research and development component of departmental activities. This year our budget was nearly $155 million, or about $5 for each man, woman and child across the country. But if you are just relating it to a per capita expenditure for those people involved in the agricultural sector, the figure then is closer to $122 per person.

I am proud that our involvement in the research and development field represents one of the highest dollar figures and one of the best results of any country in the world. I strongly support the federal government's plans to increase over-all research expenditures from .9 per cent of the GNP to 1.5 per

cent by 1985. We have a number of valuable research projects that could start if we got additional funds.

There has been a lot of talk about Canada's natural resources of late, having to do with energy. But what about the energy source, food, that fuels the human body? It, too, is a renewable resource, supplied by a great force in this country, namely, the Canadian farmer.

In this House we must never underestimate the importance of agriculture to the economy, history, culture and national unity of this great country, Canada. It is in that spirit that I come before you today requesting your support for Agriculture Canada's programs so that we may continue to lend our whole-hearted support to those who supply this nation and the world with the lifegiving resource of food.

Mr. Wise: Mr. Chairman, I hoped that in the minister's statement he would have answered some of the questions which I have in mind. Unfortunately, he chose to deal in general terms with the activities of the department and the industry. I am positive that we will demonstrate today and tomorrow that bringing the Minister of Agriculture's estimates before the House is to again draw to the attention of the House and Canadians the absolute necessity of maintaining the agricultural industry's health, strength, and vitality.

I am certain that during the course of this session we will be able to illustrate in numerous areas that the government has ignored many of the serious problems facing the agricultural community.

Agriculture, in our government, was at the centre of decision-making. If you look at the record during that short period of time we were in office, it would be very difficult to challenge that statement. The record will demonstrate that we delivered on our promises and we fulfilled our commitments. In contrast, the industry under this government more often than not simply receives lip service, brief bursts of attention and indications of action, actions which seldom, if ever, materialize or develop.

When we assumed office the department and the industry were still reeling from the cuts delivered unilaterally in August, 1978, by the Prime Minister's office. Within our brief term of office we reinstated those programs and restored the funding. For example, we added person years to the inspection branch and we added some $13 million to the research division.

I am sure you would agree, Mr. Chairman, that that is support, not neglect. But let us look at the record of this government. Shortly after the February election this minister made a commitment to do something about the problem of high interest rates. He made that commitment here in Ottawa before 1,000 farmers. I had the opportunity to attend that meeting. I expect the Minister of Agriculture supported his cabinet colleagues regarding support to the home owners and regarding support to Chrysler Corporation. On numerous occasions when the minister was speaking in western Canada he has said that if he had his way he would financially support Massey-Ferguson. Now that we have interest rates reaching almost those same levels they were at a year ago, what does the minister have in mind for special assistance and help to farmers? He will have another opportunity to deliver on the promise made last spring to the farmers here in Ottawa.

Second, the minister made a commitment on behalf of the government to raise valuation day values to December 31, 1974, levels. That was a campaign commitment. I have a copy of his campaign literature. He made that statement time and time again. We, of course, would support that. I remind the minister that our budget last December dealt quite appropriately with the subject of capital gains. The minister voted against that proposal. I could forgive the minister if he would match our provision, but after two opportunities he has not delivered anything. That is obviously neglect, not support. My second question would be, when can we expect the minister to match our commitment with reference to capital gains?

• (1540)

I will move on to the third area and deal with his commitments respecting the Farm Credit Corporation. Here the minister made two promises or commitments. The first was to enlarge the corporation, and the second to maintain the interest rate advantage. These are commendable commitments. There is no question about that. Again the record reveals no additional funding has been secured for the Farm Credit Corporation. Second, he raised the interest rate to 13 per cent, the highest level on record in the 50 or 51 years history of the Farm Credit Corporation.

We increased funding by some $50 million. In addition, we prepared legislation for the corporation to seek additional funds from non-government sources. I would like to know the status of the legislation and if the minister can provide matching funds as we did a year ago.

Fourth, the minister indicated that all fuels used in the on farm production and delivery of food would receive some cushion. That is not my word, it is directly from the national Liberal campaign commitment. The document indicated that these fuels would receive some cushion to shield them from the effects of accelerating energy prices. What did we get? Instead of the cushion promised, the agricultural and food industry got the axe from the minister. Instead we got an energy policy which will double the cost of farm fuels in two years and quadruple farm prices in five years. To make matters worse, our security of supply and self-sufficiency has been severely threatened. In fact it was not until last week that the Minister of Energy, Mines and Resources placed farm fuels for some production in the top priority.

Fifth, what has happened to the minister's agriculture export corporation, a Crown corporation promised by the Prime Minister in western Canada in April, 1979, almost two years ago? We have supported the need for such a structure since 1974. While we were in office the necessary cabinet document had been prepared. What has happened? Has someone canned Canagrex? On the subject of export sales, we were always concerned about the number of agricultural sales people in our embassies and consular offices around the world.

I believe there were about six. During our short period in office we were able to hire two, and I believe we made preparations to place a third. How many additional placements have been made since the minister was appointed Minister of Agriculture for a second term?

Sixth, again referring to a campaign commitment of the Minister of Agriculture, he attracted a great deal of attention on this issue. He said that if re-elected he would immediately renegotiate the level of chicken imports from the United States to Canada. The Liberal campaign document refers specifically to that subject. What is the progress on this issue? Has there been any progress on this promise?

I know the minister went to Paris and China. I have no reason to believe he went to Washington concerning this subject. It is rather interesting that during the time the minister was in China, the United States made a very significant wheat sale to that country. Can the minister advise us whether he was able to make any additional wheat sales to China? I know he is not directly responsible for selling wheat on behalf of the Canadian government. Did he make any other significant sales while there?

We accepted our responsibilities with regard to that issue. The minister will well remember, going back as far as 1973, that he made some very definite commitments to do something about the level of chicken imports. At that time it was about six million pounds. When we assumed office, it was approaching 60 million. We certified the national agency. We renegotiated the import level, a level which gave the Canadian producer about 94 per cent of the domestic market. The minister's hide was saved last summer because of high sales in the United States of that product and because of the very hot, dry summer there. The minister made this definite campaign commitment to renegotiate the level of U.S. chickens coming into Canada. The real question is, when will he fulfil his responsibility and commitment?

I now come to the seventh area I would like to talk about and pose questions to the minister. It is a very important subject, research and development. The minister stated that when he assumed office, funding and research activities would be increased. Again we see no evidence of the minister keeping that commitment.

Increased research funding is vital. We have achieved our present levels of productivity and efficiency largely, if not totally, as a direct result of the efforts of research. Since 50 per cent of all agricultural research is carried on by Agriculture Canada, it is absolutely necessary if the agricultural food industry is to supply the food requirements of Canadians, and indeed others throughout the world in the future, that we continue to increase funding publicly and encourage greater private efforts in the area of research and development.

The minister stated earlier that not that many years ago one farmer fed himself and four or five others. Today that has increased to between 50 and 60. By the year 2000, that food producer will be expected to feed over 200 people.

With that thought in mind, and when one takes into account what will happen in world population growth, our research people face a real challenge. I am confident that our research people have the capabilities and expertise. There is no question about that. However, we will only meet those challenges if our research people are properly funded. We realized the importance of research and, as I indicated earlier, clearly demonstrated our commitment by increasing this funding by approximately $13 million.

The eighth area I want to deal with is the minister's promise that all agricultural products would be protected to the extent of $250,000. I refer to the amendment to section 88 of the Bank Act. We have those changes made, but the level of production is not the level of $250,000 promised by this government. It is $100,000, which is less than half of the promised level. The minister looks at me with some skepticism. I am only quoting the minister directly from his campaign document.

● (1550)

I realize the minister, on behalf of the government, has introduced two of our measures, first, the provision to allow the deduction of wages as expenses paid to the spouse in a farming operation, and secondly, the meat import law. Because of the very low priority given to agriculture by this government, these measures still may be a long time in coming into effect. I would hope to get a definite commitment today from the minister with reference to the timetable for these two pieces of legislation. If the minister could ever get House time we could give him the clear commitment today that we could move both of these pieces of legislation through this House certainly within half a day.

Then there is Canfarm, this being the eleventh area I am going to touch on. The government has clearly broken a commitment, has clearly broken an agreement made back in 1979. We honoured our commitment while being faced with this very same issue a year ago. We provided $1.2 million and a loan guarantee of $4.2 million as called for in the 1979 agreement. If the minister has so much faith in the operation of Canfarm—he and his officials, during committee hearings in the last couple of weeks went clearly on record by indicating that Canfarm services were excellent ones and that they were doing a great job—if he has so much faith in the Canfarm services president, Peter Hannam, then he had better start demonstrating it by dollars and deeds rather than words. Mr. Hannam is a very capable farm leader and he is absolutely correct when he states he has been betrayed by—

Mr. Whelan: No.

Mr. Wise: Yes, he did, Mr. Minister. He said that directly to me. I did not read it in the newspaper, I talked to him directly. Mr. Hannam is a man of his word. He has been betrayed by your government and, in fact, by the Minister of Agriculture.

An hon. Member: Shame!

Mr. Wise: The twelfth area deals with dairy policy. We hear all kinds of rumours about the future of the national dairy policy. I would be the first person to go on record and indicate that that policy has worked extremely well over the last ten years for both consumers and producers alike. I want to make it very clear that we stand fully committed to the continuation of that dairy policy. We expanded the dairy policy with specific emphasis on the export side. Can the minister, in view of the rumours that are going across the country—I know that producers and producers' organizations are calling members of Parliament in all parties and from all sections of the country—give the assurance that the national dairy policy will in fact continue to receive support at the same level in the future?

I know my time is running rather short, Mr. Chairman. I have touched on only a few of the problems facing the agricultural industry. My colleagues will touch on some of these in more detail during the course of the next two days, and on other issues as well.

The sad and disappointing fact is that, as far as this minister is concerned, and as far as this government is concerned, there is often a recognition of these problems. They do not ignore them; they do recognize them. Usually there is some plan of action or an intense signal to the industry, and false hopes are given. Unfortunately, too often no action is ever taken. The minister indicated in his opening remarks that he would welcome the opportunity to respond to these questions.

If you assess the promises made and the promises kept by this minister and by this government, a very dismal record is revealed. I regret to say this minister, who represents the most important segment of our whole society, this minister who is supported by a most capable departmental staff—in fact I would say the capabilities of the staff of Agriculture Canada are second to none when we compare them to other people in other branches of the public service, and I speak from experience and I make no reservations in placing that on the public record—referring strictly to the record the minister succeeds only at one thing, and that is failure. That disappoints me very much.

It is the official opposition who feel strongly about agriculture and the agricultural food industry. We had no difficulty convincing our caucus members that we should set aside two days in the House of Commons to talk about the problems, and to try to work together to do something about them.

An hon. Member: Hear, hear!

Mr. Whelan: Mr. Chairman, I just came from the Canadian Agriculture Outlook Conference and it was a slightly different atmosphere. I never attended such a positive meeting and met such a group of happy farm leaders from all over Canada, from one coast to the other. It was the most productive and positive meeting they have attended. They look toward 1980 and future years with optimism. the hon. member, the former Minister of Agriculture, makes remarks about research. We have not let down research at all, and it is holding its own. I wish I could say the same for all other branches of the department. We have been accused of spending too much money.

When he talks of high interest rates, let us look at some of the facts. He said we have not done anything and that we have been successful at failure. Right in his own community I bet he has neighbours who have interest-free loans, advanced loans on crops in store—

The Chairman: I regret to interrupt the minister. He may continue with unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

[*Translation*]

The Chairman: There is no unanimous consent. I must interrupt the minister.

Mr. Ostiguy: Mr. Chairman, I would like to outline very briefly the prospects for Canadian agriculture during the eighties. Most people will recognize the importance of agriculture for the Canadian economy as concerns income, job creation and commercial value both for domestic trade and our dealings with other countries. Indeed, the spill-over effects of the primary sector of agricultural production on our economy as a whole are so numerous that it is nearly impossible to define them or make a complete list of them. Even so, Mr. Chairman, I would like to give a brief analysis of the impact of agriculture on our economy by giving a short outline of the situation and by trying to forecast what the future holds for us during the next decade.

In the past, agriculture was mostly considered a way of life. Before World War II, more than one-third of the Canadian population lived in a rural environment. At the time, there was a very diversified subsistence agriculture which aimed at meeting first the needs of rural families and second those of local and regional markets. The processing sectors in the field of food products were mostly primary sectors. They included small businesses which depended on local resources and which produced only for their own area. Their activities were limited to primary processing of basic food products such as flour, butter and bread. Each community had its dairy, its flourmill, its bakery, its small grocery store; the milkman was also a local producer. Today, Mr. Chairman, the situation has changed considerably. Agriculture has become a specialized industry, the first link in the agri-food business chain, which meets the specific needs of a society that has evolved tremendously in the last 40 years.

● (1600)

Farmers represent less than 5 per cent of the Canadian population today; however, mechanization has made up for the decrease in the farming, in the rural community. Concurrently with the advent of mechanization, research developed new

crops and new strains while improving the quality and the genetic potential of our livestock. Our veterinarian inspection and disease control systems have made of our country one of the top-ranking in the world today for the excellence of its stock. Canadian agricultural producers have benefited incalculably from them and, as the Minister of Agriculture said a while ago, the $150 million budget earmarked for this research is very high in terms of the Canadian population; it is the envy of all farmers around the world. Naturally, all those elements have contributed towards increasing in no small measure the efficiency of Canadian farmers each of whom can now feed, on an average, 60 other persons. That evolution and the increased productivity of our agricultural producers must be paid for; that is only normal.

In 1961, capital investments in Canadian agriculture amounted to roughly $19,000 a farm. Today, that figure is closer to $200,000 and often exceeds it. Farmers, as well, have had to face steep increases in their production costs such as the cost of fertilizers, pesticides, machinery and equipment, and higher interest rates. It is estimated that Canadian farmers inject over $6 billion annually into the Canadian economy in production costs. And that figure is bound to grow with the rising cost of energy.

But higher production costs also affect the other links in the agri-food business chain. A basket of groceries still costs less in Canada than in any other industrialized country in the world; that we owe, I think, Mr. Chairman, to the performance of our farmers, mechanization and our highly technological processing plants. The processing of food is the main manufacturing industry in this country and it too is severely affected by the rising cost of labour and energy. In fact, it has been the main cause of the ever higher cost of food in the last few years. Last year, Canadians spent about $30 billion on food. That amount was paid to the cashiers of supermarkets and restaurants. Which gives us an idea of the magnitude of the business figures of that industry, at least at one end of the chain, that is, the consumer. At the other end, Mr. Chairman, we have the three main elements of the agri-food business chain, namely production, processing and retailing which, directly or indirectly, give jobs to almost a quarter of a million Canadians; in other words, one Canadian worker in four is closely or remotely involved in agriculture, the production of food, or the agri-food industry.

In addition to those who derive their income from this branch of economic activities, all Canadians benefit from our trade balance in agriculture. Our farm exports exceeded $6 billion last year and we have registered a trade surplus of $1.4 billion. This year our exports and trade surplus should reach the $8 billion and $3 billion marks respectively. Mr. Chairman, this means an influx of foreign currencies which helps strengthen our economy tremendously. And as the Speech from the Throne and the Minister of Agriculture have indicated the government's intention to introduce fairly shortly a bill dealing with Canagrex, a farm product export corporation, Mr. Chairman, it is imperative that this corporation should be made a responsibility of the Department of Agriculture, because it would help our producers, processors and Department of Agriculture compete in foreign markets and hopefully reduce our trade balance. This important corporation should be established in early 1981.

All economic activities in agriculture have a multiplier effect on our economy as a whole. An average of 88 per cent of all farm returns generated are transferred to other areas. The sales of farm and farm related goods account for 25 per cent of all employment within the Canadian wholesale industry.

As a matter of fact, the farm industry is responsible for some 14 per cent of all Canadian shipments. Finally, agriculture ranks second among the five main primary industries in Canada and represents 7.3 per cent of the GNP for all industries.

As hon. members can see, various factors have contributed to the extraordinary growth of agriculture to make it one of our main industries. These factors have affected agriculture in the same way as the other areas of our society, by boosting demand for consumer goods and contributing to the ever growing complexity of the farm industry.

It is a series of data and facts which can give us a good idea of the development and present conditions of agriculture and its economic impact in our country. We cannot however forget farmers who are the main architects of the achievements which I have just highlighted. They are the mainstay of that development in our Canadian agricultural system and in the marketing of our foodstuff. They are the instigators of that development, they have provided the required structures and the necessary protection for their survival, progress of their sector, their own prosperity and the welfare of all Canadians.

To make progress, farmers needed protection at the production and harvesting stage against the whims of nature as well as the market level with is often subjected to cycles which can ruin even the richest ones. The various programs set up by the federal and provincial governments have facilitated to a large extent the stabilization of the production sector. Producers are also organized to plan the marketing of their products and thus lessen its risks.

Agriculture Canada, Mr. Chairman, offers an extensive series of programs which help provide necessary stability to the primary sector of agricultural production. First, crop insurance protects farmers against weather conditions enabling them to recover at least part of their production costs since it is a federal-provincial cost-sharing program to which the farmer is also asked to make a financial contribution.

We need only recall that a few years ago, when the federal government implemented the crop insurance program in co-operation with the provinces, very few farmers took advantage of it. It started with one crop, one type of production. Then it

expanded to the point where today nearly all farm production is covered by crop insurance. The federal Agricultural Stabilization Act provides farmers, in years where the market for so-called "designated" commodities is poor, with income equivalent to 90 per cent of the average market prices in the five previous years. This rate is also indexed to reflect variations in production costs.

The year 1979-80 was not a good one for hog production and the Agricultural Stabilization Board provided producers with subsidies which compensated for the difference between the cost of production and the selling price. In fact, I think the board, which is under the authority of the Department of Agriculture, contributed $53.5 million, and I am certainly proud to say that 36 per cent of Quebec producers benefited from these Agriculture Canada subsidies.

As far as credit is concerned, the federal government, through the Farm Credit Corporation, helps farmers get long-term loans at preferential interest rates. For example, hog production has prospered to its present state in Quebec certainly because the Farm Credit Corporation was the first to grant loans for hog breeding facilities. In fact, it granted hog producers 80 per cent of their loans.

On the marketing side, the structures established by the federal government to help producers market their products have certainly helped stabilize production. While it was openly criticized a few years ago, for example, the Canadian Egg Marketing Board, now provides egg producers with an adequate level of income from their production and guarantees consumers adequate supplies at reasonable cost. This stabilization system applies to production, prices and supplies and ensures the stabilization needed in this sector, which in turn benefits consumers.

The marketing of industrial milk is another good example of the efficiency of the supply-management systems. After a period of expansion, milk producers have experienced certain difficulties adjusting their production levels to domestic demand for processed milk products. The Canadian Dairy Commission succeeded in stabilising the situation and balancing offer and demand. For the past two or three years this sector has been expanding because of advertising campaigns designed to boost consumption, because of exchange programs set up by the Canadian Dairy Commission and because of the dynamism in the search for new outlets on international markets. Some will say that the rate of growth is rather slow. It may be so, Mr. Chairman, but it is preferable to advance slowly but surely than experiencing drastic increases that generate disorder on the market to the detriment of that very sector. Many producers would suffer from it, some would even lose their shirt on such deals, and in the end consumers would foot the bill.

The dairy program is a good example of intervention by the government which, with its production subsidies, is increasing producers' income while allowing consumers to buy at reasonable prices a basic and nutritional product. This system also enables us to maintain a certain level of production and consumption and that, once again, for the benefit of the production sector and a sound nutrition for all Canadians. On the other hand, Mr. Chairman, the levy system to pay for export marketing directly involves producers who are thus called upon to be responsible, at their level, for the smooth running and prosperity of the whole agri-food industry. Marketing is now the level setting in motion the different components of the Canadian agri-food industry. A lot of other programs carried out by Agriculture Canada could be mentioned. In fact, the department is responsible for the implementation of over 40 acts and regulations.

Another area of activity in the department, namely research, thus far represents the sector with the greatest impact on agriculture. Studies were made on crops, livestock, plant protection and animal disease. Those subjects of research will remain very important, Mr. Chairman, in the research programs of the department but present economic realities give a new direction to research in agriculture. Spiralling energy costs emphasize the need for studies on the replacement of conventional energy sources by so-called renewable energy sources. We are also trying to find a means to integrate biological elements in the fight against plant and animals pests to reduce the use of chemicals which are too expensive and which are harmful to the environment in the long run.

Mr. Chairman, those are only a few examples of the efforts made by Agriculture Canada, by its minister and by its team of civil servants to help the agriculture food industry make continuous progress. This is not by far a comprehensive report on its activities and programs. I should simply like to demonstrate that the department is determined to play an active part in the development of agriculture at all levels and that it intends to continue to take the leadership in the agriculture food business in Canada. But what will the department's future role be?

The world population is growing at the rate of 2 per cent a year. It is estimated there will be 6.4 billion people in the year 2000. The demand for food will increase proportionately. Mr. Chairman, Canada has the potential to expand its production considerably. We have the arable lands, the manpower and the technology to do so. We have the best arable lands throughout the country. To meet the demand, we would have to double our agricultural output before the year 2000. That expansion will have to be based on the development of new domestic markets to replace imports and expansion of foreign markets for a dynamic marketing of our products. In view of the higher cost of energy there will have to be the political will to encourage investment in that area to be able to meet the demand in underdeveloped countries.

As I said earlier, Mr. Chairman, and perhaps the minister can reply briefly, I hope that early in 1981 the agricultural export corporation bill will be tabled in the House which, of

course, will benefit Canadian farmers, processing plants and also underdeveloped countries and will enable us to give them the food assistance they need. It is the duty of all of us, Mr. Chairman, and I am confident the Department of Agriculture will be able to move forward.

• (1610)

[*English*]

Mr. Althouse: Mr. Chairman, it has been a pleasure to listen to the outline of the work of the department as presented by the Minister of Agriculture in introducing the estimates of the Department of Agriculture for the current year, which we will be reviewing in the next couple of days. The minister has been Minister of Agriculture for a long time.

An hon. Member: Too long.

Mr. Althouse: He has been presenting to the public the views of the Department of Agriculture. In effect, he is the image of the department and has been that for quite a long time. The hon. member for Essex-Windsor was involved with farm organizations even before becoming Minister of Agriculture. As someone watching him from a distance, I have always been impressed by the image he projected as the voice of the farmer.

An hon. Member: Good grief, who are you talking about?

Mr. Althouse: I have also been impressed by the image changes he has gone through. During one election he lost a little weight and became "lean, mean Gene", to use his words. Recently he purchased a green cowboy hat and changed his image so that he is now "lean, mean Gene in green".

Mr. Whelan: I never bought that hat; it was given to me by some westerners.

An hon. Member: It helped to change your image.

Mr. Whelan: I have had it for over three years.

An hon. Member: Watch it, look what happened to Jack Horner.

Mr. Althouse: Some of the recent speeches which the minister has made have focused on uniting the country, and on the need for a united country. I think it is a very laudable objective and no one takes umbrage with it. The minister has put on a fine performance, but it has been an excellent projection of form rather than substance. When we look at the substance, we find that during the years the minister has been the head of the Department of Agriculture there has not been a lot of progress. There have been some changes within the department in the way in which it works. The people in the department are doing an excellent job, but there is no direction. We heard the minister talking about uniting the country, but where is the agricultural policy showing this?

• (1620)

Some national policies have been developed, many of them before the minister came into office, such as crop insurance, cash advance programs, and the dairy policy. These are national approaches. A number of approaches were initiated by producer groups such as the Broiler Chicken Marketing Agency, the Egg Marketing Agency, and the Turkey Board. They have taken a national approach and have done a lot to unite the country and hold it together. If a national approach is not taken to a policy area as vital as agriculture, it is very difficult to hold the country together.

The country cannot be held together with fine speeches or swift political manoeuvring. There must be a social and economic base which is national in scope if the country is to remain together. These marketing programs have provided such an approach. They were cognizant of that partly because they were initiated by producer groups. They have done a job and have contributed to holding the country together.

I should like to compare that to the agricultural policy which we perceive in western Canada. I live very close to the operation of the former minister of transport, Mr. Otto Lang, and I saw the program he was trying to impose upon the people and farmers of Canada. It was an approach which regionalized the country, broke up groups of farmers, and attempted to deal with commodity groups. Also he tried to provincialize the commodity groups by ignoring a national approach on the part of farmers who went to him to discuss farm policies, and by the public recognition given to very small, regionalized commodity groups. It contributed to the breakdown of the communications system as it applied to producing farm policy. Also it played a role in breaking down the country to the point where the minister is now calling for national unity among farmers.

I think national unity is the right approach for the country. I should like to spend a little time today dealing with a few policies which we think would contribute to national unity and provide better incomes for farmers. Not only would they provide better incomes for farmers, but they would contribute to a more certain supply of food at a more standard cost to consumers.

When we talk about the need for more self-sufficiency and programs which take into account the kind of production which is economically feasible in the country, we must look at the import-export policy, particularly the tariff one. I am not sure the government has spent a great deal of time worrying about a tariff policy to protect the fruit and vegetable production which the farmers of this country are capable of maintaining. We have become very dependent upon the import of a lot of fruit and vegetables. For example, in 1965 we imported 33 million pounds of tomatoes. By 1976 it had increased to 96 million pounds of imported tomatoes, and by 1979 it was up to 128 million pounds. There is a fairly large and active tomato-producing area in the country. The acreage has been shrinking as the imports have been rising. There has been no move on the part of the government to intervene. Perhaps it is tied to the marketing system which has developed with the chain stores.

The chain stores appear to be avoiding domestically-produced goods on a seasonal basis. They seem to prefer to import tomatoes from southern California and Mexico for 12 months of the year, rather than face the inconvenience of a three or four-month domestic production run. They tie themselves in for 12 months of the year and let the domestic industry die. The government has not provided any tariff protection to ensure that that does not happen.

Grain marketing requires a national approach as well. The Regional Marketing Board of the Canadian Wheat Board was established with the approval of producers, and in fact the power of the board was extended by the producers and the provincial and federal governments approximately in 1948 when a plebiscite was taken in at least two prairie provinces requesting that feed grains, oats and barley, be included and marketed under the jurisdiction of the Canadian Wheat Board. A very clear mandate was given by the producers to the various provincial and federal governments involved. They wanted their feed grains marketed by the Canadian Wheat Board.

The kind of thing which has developed from that has been unhappily watched by a great number of farmers in the west. They watched the Conservative minister of agriculture, the hon. member for Qu'Appelle-Moose Mountain, reduce the power of the Canadian Wheat Board as it applied to the marketing of feed grains, and exempt feed mills from the powers of the board. Also they watched Mr. Lang, when he was minister, extend that exemption to all feed mills across Canada and reintroduce the open market for feed grains. There was no vote. They ignored the previous vote which indicated approximately an 89 per cent support for the Wheat Board being in charge of the marketing of feed grain. There have been protestations that farmers will be asked to state their preference soon or in coming years. The policy has been in effect for about seven years, and there has been no vote and no change in policy.

A recent development was an interesting one. The advisory committees to the Canadian Wheat Board and to the Canadian Feed Board, which represented consumers from British Columbia to the eastern part of the country, both agreed unanimously that the feed grain marketing system should be put back under the auspices of the Canadian Wheat Board. Producers found it more useful. They have found they are losing between $50 million and $60 million per year through taking lower prices in the open market. The consumers of feed grains decided they wanted to return to feed grain marketing since they want continuity of supplies. They want to know there is a supply of feed grain awaiting them when they go out to purchase it.

● (1630)

What was the minister's response with respect to this? He has been non-committal as a result of the joint motion by the two advisory boards. He has only said, in committee, that he is in favour of orderly marketing. He has refused to specify what he means by "orderly marketing". In the research I have done I found that in a response which he made to a study by the Saskatchewan Natural Products Marketing Council on the losses farmers had incurred in Saskatchewan because of the feed grain policy, he preferred the free market system of selling feed grain. This does nothing to unite the country. It ignores the requests and the will of the producers and consumers. It has slowed down the move, which is a necessary one, to have a national feed grain marketing agency so that we can avoid the kind of foofaraw there has been recently in Ontario where some Ontario producers became convinced they were done out of a market for barley because of Wheat Board actions. This is a development which did not seem to have been possible as time progressed. However, had the grains all been marketed under the Wheat Board, Ontario producers would have been able to participate in that market on an equal basis and would not have felt discriminated against.

As well, under the Wheat Board system we have been able to import varieties where necessary under special licence, to increase productivity or to introduce into the marketing system, in the Wheat Board area, new varieties of barley and of feed wheats which might not likely have been introduced otherwise. I think this national approach would have been of benefit in obtaining new internationally-produced varieties such as Summit barley, Klages barley and Glenlea wheat. This would have avoided some of the reactions we are now receiving from maritime farmers who think they are being left out when it comes to having new high-yielding varieties available to them. They have been sold on the idea of having a type of plant breeders rights system. Most of the benefits of plant breeders rights are available to the producers of Canada now through the Wheat Board, marketing boards, and seed marketing institutions, if we will use them.

When it comes to a national approach in uniting the country, we can look to potato marketing. We again see a regional approach with respect to this. Five provinces in eastern Canada are setting up a situation in which the east will be pitted against the west. Processors are making ready, they are prepared, and the processing industry is already moving out west. That industry has seen the writing on the wall. They have decided to become entrenched with an alternative system further west. They have attempted to and are already moving to develop a countervailing source of supply in the event that the regional eastern agency is established and does become partially successful in influencing price.

We have seen the same kind of non-attention given to national marketing with respect to agricultural policy as it applies to pork marketing. Eight of the provinces have provincial marketing boards. There is a need for a national agency with a national approach. In the interim, the trade, the processing industry and the feed manufacturing industry are shifting, not west this time, as is happening with the potato industry, but they have shifted east into the province of Quebec.

The open market feed grain policy and the lack of a national pork marketing policy have created a climate where an alternative system is developing and flourishing in an attempt to

keep other parts of the country divided. It is not a political type of division. It is a straight market, economic type of division. It is the kind of power game large corporations play. It is the kind of power game which can only be counteracted by federal intervention and by an agricultural policy which takes a national approach and attempts to keep the country together. This can and would counteract this type of thing.

I think beef marketing is where the minister has shone the most. He has been very eloquent in talking about the archaic system we have as far as beef marketing is concerned. He has described it as coming out of the middle ages. He has been very hard on the beef marketing system. He is the Minister of Agriculture and he has held that post for a number of years. He has a very highly developed, highly technical and experienced marketing staff. We spend close to half of the department's budget on marketing, as we should. Yet, has he directed that marketing staff to bring up another system? He has been critical of this system. He has been in a position to do something about it. Where is his plan? Where did it go? We have not seen any evidence that he has directed people to draw up an alternate method of marketing beef. He has produced no new and improved method of marketing beef. He has simply ridiculed the present system and he has challenged everybody to work toward something better.

The point I wish to leave with the minister is—and we will be discussing specifics later on during the course of the debate—if farmers are to be exhorted to unite, what good example do we have from the minister to create unity in the beef, potato, grains and pork industries? Where are the examples? What has taken place? What has the minister proposed and what is he doing? The evidence is not there. We see the big hat. We listen to the words. We await the policies.

Mr. Whelan: Mr. Chairman, first I wish to raise a point of order. I find the procedure a little hard to follow, especially when members question me and make accusations, and then they refuse to give unanimous consent to allow me to answer the questions. With my inability to get unanimous consent I then take away from the time, from the democratic right of this side of the House to participate. It is not correct, Mr. Chairman, that if I take the time to answer I am taking the time of one of the members on this side of the House? That is the way I understand the procedures here. If I were sitting in the gallery I would think it a little rough that when a former minister asks me questions and I seek unanimous consent to answer, they will not give it to me. It appears they do not want the answers to the questions. I do not know if I have a point of order, or if I understand the procedures correctly. Could you clarify that for me, Mr. Chairman?

The Assistant Deputy Chairman: I will attempt to do so. The speaking time allotted to all members, including the minister, is 20 minutes. I would indicate to the minister that in previous sittings of Committee of the Whole there have been some instances where parties have agreed internally that certain of their members would split the 20 minutes. That has usually been split in two periods of ten minutes each. But the time allotment is 20 minutes.

With respect to the matter mentioned by the minister relating to whether or not he would have to seek from members of his own party time out of their allotment of time in which to respond, that is not correct. It is not an allocation of time to a party. It is an individual member's allocation of time.

• (1640)

If I understand what the minister is suggesting, then possibly a member from his side of the House might give up some of his time in order that the minister may answer. I do not know how it could be worked out mechanically. It can certainly be done with a little planning in advance, if the Chair is advised and the House is made aware of the arrangement. It has been done previously over the past couple of days.

I also realize that the minister is attempting to solve the problem that occurs when he is asked a series of questions but is unable to respond because the allotted time of the questioner has expired. I do not have an answer to that problem. The minister makes what seems to me to be a good point, that perhaps there is a problem with procedure in that regard, but it is the procedure with which we are working at the moment. I can only say that hon. members have now heard the minister's comments on that problem and presumably members who choose to use their entire 20 minutes will be aware that even if they do ask questions they will not obtain an answer if the 20 minutes have expired.

I go back to the other aspect and say that if the minister wishes to make arrangements with other members of his own party, the House has not objected to this procedure in previous sittings in this Committee of the Whole.

Mr. Murta: Mr. Chairman, I was one of the hon. members who objected to the minister having the time to answer the hon. member for Elgin, and it was based on my experience in this committee during discussion on the transportation estimates. An hon. member is allotted 20 minutes and he can use that time in any way he sees fit. The minister should realize that his own parliamentary secretary also spoke for 20 minutes, and if it was important enough for him to make some comments on the comments of the hon. member for Elgin, he certainly could have used part of the 20 minutes allotted to his parliamentary secretary or, for that matter, used the entire 20 minutes.

The only way in which this committee can operate properly is if we all adhere to the 20 minute time limit. For example, as the next member to speak from our party I intend to ask questions of the minister. In this way hopefully we can have an exchange with regard to some of the various areas in which I am particularly interested.

Mr. Taylor: Mr. Chairman, much can be said for this matter on both sides. Yesterday during the Employment and Immigration estimates, several Liberal members used their 20 minutes to make a speech. That is their right, but the purpose of this exercise is to obtain information from the ministers. I

would also suggest that sometimes the minister, by reminiscing and taking a long time to answer, wastes our time as well.

Mr. Knowles: Mr. Chairman, may I say briefly that the system seemed to work fairly well during the last four days. Each member who gets the floor is allowed 20 minutes, and he has the right to use the full 20 minutes or he can speak briefly and leave time for questions. If the minister will be patient, I am sure he will have plenty of time to answer questions as the committee proceeds.

The Assistant Deputy Chairman: If there was a point of order in terms of an appeal to the Standing Orders, I do not think it is necessary to pursue the matter any further. In any event, I recognize that the minister has somewhat of a difficult point and that he might, by consultation with the members of his own party, be able to resolve that point with a shuffle in the time arrangement.

Mr. Whelan: Mr. Chairman, which side of the House will speak next?

The Assistant Deputy Chairman: The hon. member for Lisgar will be the next speaker. As is the custom during normal debate on a bill, the Chair recognizes alternately members from the left and the right. There is a proportion as between members of the three parties which is hopefully adhered to. May I now recognize the hon. member for Lisgar.

Mr. Murta: Mr. Chairman, at the outset I would like to correct the impression which the Minister of Agriculture has left with regard to agricultural research. I do not believe that the minister meant to leave the impression that he or his government increased the research budget in the main estimates which were being discussed earlier. Those main estimates were prepared by the former Progressive Conservative government, and in that context the research portion was allocated before he became the Minister of Agriculture once again.

My first question centres on the area of grain and grain exports. It has been my understanding, since I became a member of Parliament in the early seventies, that if it was not for grain and oil seeds Canada's agricultural picture would not be very rosy. These two grains are the basic export thrust of our country. They make the balance of trade picture in agriculture look very good.

As the minister knows, or should know, world trade in grains and oil seeds has more than doubled. The United States has benefited mostly from this statistic. Since 1961 their exports have tripled and their share has grown from 48 per cent to some 59 per cent. Canada, Australia and Argentina have slipped from 31 per cent to 25 per cent over that same 20 year period from the early 1960s to 1980. This would indicate that we have a long way to go in encouraging and increasing our agricultural exports.

A good many people in this country, particularly in western Canada, are vitally concerned over this drop and the fact that we have not been able to move back up to the level of exports which we enjoyed in the early 1970s. There has been some discussion, most recently by the Canadian Wheat Board Advisory Committee, on what has been called an assured marketing system. If what I know about this assured marketing system is correct, it would mean that the Canadian Wheat Board would purchase all the grain at the end of the crop year at the initial price on the farm. What would happen then—for example, perhaps they would simply lock the bin—has not yet been worked out.

I am surprised that the bureaucracy in Ottawa would be considering this idea at this time when the government is low on cash. While I thought they would listen to the proposal, I did not think any action would be taken. It is my understanding that this approach is being considered and that the cost figure which is being mentioned is upwards of $.5 billion in terms of maximum expenses if the program went ahead.

My question to the minister is this. How closely is this approach being considered by either the minister's department or by the grain group? Would the minister also comment on whether or not there will be any studies on this particular program? If my memory serves me correctly, the Wheat Board Advisory Committee wants some kind of decision on this particular program by the start of the 1981 crop year. I believe it was Roy Atkinson of Saskatoon who put the matter forward. Would the minister comment?

Mr. Whelan: Mr. Chairman, I am not aware of what the hon. member is discussing. Is he talking about feed grain or wheat? The Wheat Board Advisory Committee and the Canadian Livestock Feed Board Advisory Committee met and recommended that the Canadian Wheat Board take over total control of all feed grains.

Mr. Murta: That is right.

• (1650)

Mr. Whelan: That was a recommendation they made in case no other system could be devised to provide equity in the feed grain system. I do not know what is going to come of that, but I think it is great that these two groups met to discuss a problem which they recognized. The Wheat Board and the Canadian Livestock Feed Board would have to give the matter some consideration, and then it would have to come to the government for further consideration before it could be approved. It is only about a month since the two groups made that recommendation so I do not think there has been detailed study of it.

Mr. Murta: Mr. Chairman, even if the Canadian Wheat Board advisory committee and the Canadian Livestock Feed Board are both considering this matter and make a recommendation, obviously the program will come to nothing if the federal government has not studied it. Does the minister know if his department or the grains group propose to study the matter so that they will have their own information available?

Mr. Whelan: Mr. Chairman, many of the farm organizations have made suggestions about how the feed grain system

should operate. This is one such suggestion from two different groups, and I must answer that we are continually reviewing the program and it is under concentrated review at the present time.

It may be of interest to the hon. member to know that I received an advance copy of the agriculture report of the Canada West Foundation the other day which stated that this should all come under the Canadian Wheat Board, or else be on the open, free market—that it should not be half and half. That is another suggestion.

Mr. Murta: Mr. Chairman, I do not want to get drawn into a philosophical discussion of what should or should not come under the authority of the Canadian Wheat Board. I assume from the minister's answer that there is a study which will be released in due course. I suppose the government will then decide whether there is any financial or other justification for this fairly major shift that would obviously have to be taken at substantial cost to the government.

My second question is one that was raised at an agriculture committee meeting some time ago, about the grain embargo. To all intents and purposes the embargo is finished, although it is sometimes difficult to know that from what the minister responsible for the Wheat Board says when he makes statements in connection with it. It has been said that the money going to western farmers would be in the neighbourhood of $60 million to $80 million. It has also been said that the money would be paid, if not before the end of December, then at least sometime in January.

Can the minister confirm whether the figure of $60 million to $80 million is accurate, and whether the moneys will be paid out to the farmer as promised by the government, in the month of December or in January?

Mr. Whelan: Mr. Chairman, if I understood correctly, the hon. member has two questions. The first one is whether the embargo is over. I believe I should say it is because we are back to normal trading with the U.S.S.R.

The second question is whether there will be compensation for farmers who lost income because of the embargo. That remains to be seen, Mr. Chairman. The final report has yet to be submitted, and I hope this will take place within a few days. When it is, I shall make a submission. I cannot tell the hon. member at this time how many millions of dollars will be involved, it must be fulfilled. We picked up the commitment from the previous government that compensation would be paid to farmers for the commodities under embargo. I have not been informed that this commitment will not be fulfilled.

Mr. Murta: Mr. Chairman, I have another question concerning grains, something that has annoyed many farmers in western Canada. This particular matter is over and done with, but I would be interested to know whether it could happen again. Apparently Ontario has been buying barley from the Canadian Wheat Board at a price much lower than that on the world market at the time of purchase, and has been selling its own barley at the higher world market price. One hears about western alienation, Mr. Chairman, and it is little things like this that contribute to that feeling.

Last Thursday I attended a meeting of 300 farmers in Manitoba when this matter was brought up. There is not a lot of money involved, but the principle is important. They are willing to sell their barley to Ontario, but when Ontario farmers then sell their own barley on the offshore market at a higher price, they begin to wonder what kind of country they are living in. I understand that the Canadian Wheat Board was not in favour of this action but was overruled either by political pressure or by the minister.

As I said, there is not a lot of money involved as only about 800,000 bushels of barley were sold, but if this symbolic gesture were made in some other part of the country, say, Ontario or Quebec, I know it would give rise to the same kind of problem. From a western point of view it does not seem right. I would ask the minister to comment on this matter and I would urge him most strongly not to allow this type of thing to happen again.

Mr. Whelan: Mr. Chairman, the Ontario barley sale that the hon. member refers to normally takes place over a period of five or six years. It is true that a permit was issued by the Canadian Wheat Board after an order in council was passed. I was not in Canada at the time. One of the hon. members' colleagues mentioned that I was in China. I was not involved in this action but I was fully aware of it before I left, and it appeared to me to be a normal sale. The permit was for 30,000 tons, and 15,000 tons were accumulated on order, to be delivered. I understand that it just left the country within the last week.

If I had anything to do with this sort of thing again, Mr. Chairman, I can tell the hon. member that I would not take the same action. I received strong representations from the ministry of agriculture in Ontario on behalf of the barley producers of Ontario who normally made these sales, that it was hurting their market. It should be understood that the barley produced in Ontario always sells at $20 to $30 per ton below western barley. A different pricing structure governs it, although I do not know why that is.

It burns me that the people who sold that barley—one is a multinational—probably made more money on the sale of that barley than farmers made in three or four years by producing a ton of barley. Yet all it took was a scratch of a pen. That annoys me more than anything and it is why I would never make representations for them again. The Ontario ministry of agriculture asked us to make the representation to the Wheat Board and the Government of Canada that it was important that these barley sales be made. The barley is produced in the New Liskeard area and other parts of Ontario, and has always been sold to a commercial market which they wanted again this year. The permit was issued for 30,000 tons and they accumulated approximately 15,000 tons, which was loaded recently on two different boats.

The hon. member intimated that the Wheat Board supplied the barley. Mr. Chairman, the Wheat Board has not supplied

barley to eastern Canada for domestic consumption since last April. The barley that was supplied was offboard barley that producers can supply or not as they like. The vast bulk of the barley consumed in the last five years was offboard barley because of the price structure decided upon by the Chicago corn competitive price that they use. That has been to the advantage of barley producers for a couple of years since that program has been in effect. However, it can work both ways. It rarely works to the advantage of producers. Mostly it works to their disadvantage. That must be changed. All I am saying is that is has been blown way out of proportion.

● (1700)

There is another thing about which not much has been said. I am speaking about long-term barley sales which are made three years ahead. The buyer makes as much as a 100 per cent capital gain on that. People will not ask for compensation for that. I am suggesting that the Canadian Livestock Feed Board, on behalf of the producers in British Columbia and eastern Canada who use barley, make the same kind of long-term agreement to barley, perhaps three years or perhaps five years. If a 100 per cent profit is made, no one will say anything. I say treat them the same way as any farm buyer of barley, but make them sign that kind of a contract so that barley producers in western Canada will know what they will receive and the eastern person who is producing that product, meat, pork or beef, is in a better position to provide more stability to the production entity for the consuming public in Canada, at the same time. This is especially true with commodities on cost-price formulae. It is very easy to forecast a year ahead, under those kinds of programs, approximately what the cost of production will be.

Mr. Murta: Mr. Chairman, there are about two minutes remaining. I have a brief question for the minister. When does he anticipate an increase, hopefully in the $2 range, in the initial price for wheat? Will it be before the end of December or after?

Mr. Whelan: Mr. Chairman, if I go by what western producers tell me, they want an increase, but not before January 2. I have been to many meetings, as one member has already mentioned. An increase is wanted, but not before the end of the year. Western producers want this increase in the new year, starting in January. I think at that time it will be considered.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Assistant Deputy Chairman: Order, please. Before I recognize the next hon. member, may I deal with the proceedings tonight. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The hon. member for York-Sunbury (Mr. Howie)—The Canadian economy—Tax incentives for industry locating in slow growth areas; the hon. member for Algoma (Mr. Foster)—National Revenue—Income tax deductions from wages of spouses in unincorporated businesses; the hon. member for Kootenay East-Revelstoke (Mr. Parker)—Northern pipelines—Expropriation of land in British Columbia.

GOVERNMENT ORDERS

[*Translation*]

BUSINESS OF SUPPLY

APPROPRIATION ACT NO. 2, 1980-81

The House resumed consideration in committee of Bill C-47, for granting to Her Majesty certain sums of money for the Government of Canada for the financial year ending March 31, 1981—Mr. Pinard—Mr. Blaker in the chair.

DEPARTMENT OF AGRICULTURE

Vote No. 1

Mr. Veillette: Mr. Chairman, I am happy to join my colleagues in bringing my humble contribution to the debate on the estimates of Agriculture Canada.

Recently, Mr. Chairman, I had the pleasure of meeting one of the directors of the dairy producers' federation of Mauricie. He gave me a message to convey saying, as soon as you get a chance to speak to the minister, do congratulate him on his current dairy policy. Now, Mr. Minister, those were the very people who, in 1976, came here to the Hill and tried to disguise you into a snowman by throwing powdered milk at you. Mr. Minister, you know the courage of those good old farmers. And they also can appreciate gallant people like you for, at the time, it took courage on your part to take over control of the dairy production, knowing full well that the decision was politically disastrous, but knowing also that it would benefit Canadian dairy producers as a group.

Mr. Minister, you showed foresight then and I am happy to see that dairy producers rejoice today and pay you this tribute. A giant step has been made in the last ten years toward recognizing the value of the farmer and ensuring him the standard of living he deserves. Still, that is no reason for reducing the assistance the department gives that group of the agricultural sector.

Mr. Minister, rumours have it that Treasury Board intends to cancel the $2.66 per hundredweight subsidy paid to dairy producers. If expenditures must be cut, it can be done in many other places without attacking dairy producers. I beg of you,

Mr. Minister, do not allow Treasury Board to slash your budget. I know you as a fighter and I am sure you will be able to convince the members of the cabinet, and that you will not let them push you around. Moreover, you may rest assured that I will support you if you need soldiers and that all hon. members representing rural ridings such as mine will also rally behind you, for if these subsidies were automatically cut off, we would be faced with an increase in inflationary forces which are our common enemy. Should these subsidies be cut off, the prices of butter and powdered milk would rise by at least 30 cents and anywhere between 15 and 20 cents a pound respectively. I should like to pause now, Mr. Minister, so that you may tell me what you think and whether these rumours are founded.

[*English*]

Mr. Whelan: Mr. Chairman, I have no knowledge whatever of any such recommendation. One of the hon. member's constituents has made a comment about the minister being a fighter. That would be something to make me fighting mad. I believe we have the best dairy program of any country in the world. It is a healthy program and one of the best managed programs in the world. It is under review. It is a program I agreed to, and I know of no such recommendations whatever.

[*Translation*]

Mr. Veillette: Mr. Chairman, I am concerned about something else. I am referring to the financial assistance provided to our young farmers who want to purchase land. The whole rural community is aware that under the Farm Credit Act, they can borrow up to 100 per cent of the total value of the livestock, lands and buildings. But you know that to operate a dairy farm, they also need quotas the value of which often exceeds $50,000. What happens, therefore, is that young farmers can purchase the land and equipment they need under the Farm Credit Act, but the Farm Credit Corporation does not recognize the value of the quota as a guarantee for the loan. It means that young farmers must pay some money that many have not and consequently they cannot fulfil their wishes and take up farming as the trade of their choice.

Canada now has specialized agents in the sale of agricultural farms travelling through the country to find lands for Europeans who would like to settle in Canada, namely Belgian, Swiss or Dutch people. I have nothing against those people who arrive in Canada loaded with money and purchase our lands with thousands or millions. I am even pleased to see that Canadian farmers selling their lands for a good price. However, this is the reason why I disagree. I do not see why the sons of our farmers cannot obtain the necessary assistance to carry on and till the land which our forefathers have cleared without being bound to leave our heritage to foreigners due to lack of money or government assistance. I would like the minister to tell me whether he is considering the possibility of increasing the funds earmarked for the Farm Credit Corporation.

• (1710)

[*English*]

Mr. Whelan: Mr. Chairman, with regard to the lending policy of the Farm Credit Corporation, the amount of capital it requires is presently under review. No matter what is done federally, we cannot provide all the equity needed in the agricultural industry. Even though 74 per cent of loans is made to farmers between the ages of 17 and 35, more money is needed in the Farm Credit Corporation.

Inequity in the agricultural industry is increasing more than one would imagine, especially in those provinces which have so much money they do not know what to do with it. For instance, in Alberta a young farmer can borrow at 6 per cent interest. He has a tremendous advantage over someone producing the same product in Manitoba, Ontario or Quebec and competing for the domestic or international market. I repeat that we are reviewing the Farm Credit Corporation.

With regard to quotas, this is a provincially run program. This adds a tremendous cost to young farmers becoming involved in farming. Something must be done not only with regard to dairy quotas, but turkey quotas, and in fact any quota with a value on it. This should be reviewed.

There is little action I can take other than to see the national marketing programs continue. We must try to squash such things as companies accumulating quotas. That is not my idea of a national marketing agency, provincial marketing board or a joint national marketing agency in order to preserve the Canadian family farm. Although it has not reached a dangerous position, it is gradually creeping toward that.

[*Translation*]

Mr. Veillette: Mr. Chairman, the same problem comes up every year at this time, especially in the cheese industry. During the year, this industry helps to dispose of dairy products which would otherwise be considered surpluses which the Canadian Dairy Commission would have to purchase. These cheese dairies, two of which I visited recently, are now short of milk. Those who are able to get large quantities of milk during the summer produce and store their products and pay for storage from their own income.

Mr. Chairman, I do not know whether it would be possible for department officials to find a way to encourage dairy producers to produce as much during the winter as during the summer, as this would be the ideal solution in my opinion. I know we have had and still have several programs to encourage dairy producers to produce as much in the winter as in the summer. However, with the subsidies we now give to dairy producers, we could perhaps find a system which would stimulate producers to produce during the winter, which would certainly solve the problem. I do not know whether the minister and his officials have tried to find a solution, but I believe it would be greatly appreciated by the industry if some program could be developed. I await the reply of the minister.

[*English*]

Mr. Whelan: Mr. Chairman, the whole dairy program is geared to producers who produce 12 months of the year. I do not have the figures with me at this time, but there is an amazing number of farmers who produce 12 months of the year, producing high quality fresh milk for the dairies and the cheese factories. Production of our specialty cheeses and other cheeses has increased tremendously because of this factor. Some regions of Canada, possibly because of climatic conditions, are not doing this, but they may not have the processing facilities geared to that kind of production. We would like to see close to if not 100 per cent of our dairy producers producing 12 months of the year. Our cost-price formula is geared toward 12-month production, not seven or eight months.

Mr. McKnight: Mr. Minister, I would like to touch briefly on one of the answers you gave my colleague from Lisgar. You were mentioning that Ontario barley always sells on the world market below the price of western barley. The point my colleague was making is it is now selling higher than western barley going into the provinces of Ontario and Quebec.

I would like to take up something else you said. You mentioned that the corn competitive formula causes some anomalies and it will have to be changed. I think I understood your correctly. If so, I would like your comments. I will take a little longer so that you can think while you are sitting there rather than while you are standing, which would only take up extra time.

A statement was made by you to the Quebec Farmers' Association in Quebec. I quote:

> The "Crowsnest rate" and the feed freight assistance program have reduced the cost of grain shipped into Quebec and thus lowered the cost of producing hogs and poultry here. These subsidies have resulted in benefits for western grain growers, but they have also decreased the natural comparative advantage for livestock production on the prairies and given assistance to livestock producers in the east.
>
> Also, the "Crowsnest rate" has favoured the growth in Quebec of processing plants for meat, flour and vegetable oils since products processed in the west are not eligible for the preferential statutory rate, while the raw products are.

Because of that statement I would like to ask about some statements made by your colleagues. The Minister of Transport called for a task force to study the Crow rate. The disorderly senator in the other place said there will be no change in the Crow for some time. You, Mr. Minister, said you are sick and tired of studies and committees on western transportation problems and there will be no more. Does this mean you are going to stay with the status quo and deprive the people of western Canada of the natural advantage to the other provinces in Canada, are you going to go along with the Minister of Transport in his supposition, or with the disorderly minister from the other place?

The Assistant Deputy Chairman: Order, please. The atmosphere in Committee of the Whole is more relaxed. It is quite common for members and ministers to address each other directly. It is the responsibility of the Chair to remind hon. members that it is preferable and in accordance with the rules if they address one another through the Chair. In other words, when speaking of another member, the reference is "the hon. member has said", rather than "you".

Second, whatever style of debate we may accept, it might be wise to leave the members of the other place, who do not have an opportunity to defend themselves in this place, without reference to "disorderly". It may not be the best form. I do not say that it is out of order. I just want to note that it could be a small problem the hon. member might consider, because this might go on for days.

● (1720)

Mr. Whelan: Mr. Chairman, I wish to bring to the attention of the hon. member that I was talking about domestic barley prices producers received in Ontario. As history will show, they are always lower than what a western producer receives for barley or what it would cost to have western barley put into that area. There is a discrepancy there. I never said what it sold at, at world price, because I do not know, and I cannot find out what the traders were able to accumulate as a profit. I am told that if a profit was made it was not passed on to any of the producers.

If the traders made an unwarranted mark-up on it, this is the kind of thing that makes one angry. I am sure the hon. member's party condones this great multinational type of operation and this type of world sales program. When we talk about some of the Canadian Wheat Board operations, the hon. member may have some reservations about it. I have talked with him in private conversation and he has told me whom he supported as far as marketing grain was concerned.

I said if we were going to do anything about the Crow rates, and something must be done about them, then it had to be fair for our grain producers so they would not be put at a disadvantage with any other group of grain producers with whom they compete. It must be that kind of system we develop. I did not say it should not be touched or changed. It should be changed.

My colleague, the Minister of Transport, has the right to say "task force" if he wants. I was not aware he was suggesting a task force when I was questioned about that in western Canada this past week. We have volumes and volumes of studies on rail transportation, Crow rates, and what should be done and should not be done. There may be an interdepartmental group looking at it, and if that is the case I am in favour of that kind of task force. This way it may be done quickly and a solution reached.

I mentioned before that the livestock producer and the grain producer in Canada, in some way, must come to realize how important it is to both of them that they survive. If the hon. member wants to read some of my old speeches, he may do so. They were before his time in this House of Commons. When I was in western Canada I said they were dependent on one another.

Eighty per cent of the feed grain produced in Canada is consumed in Canada. The biggest customer for a feed grain producer is the Canadian livestock-poultry producer. If I were a grain producer I would make sure my biggest customer was

looked after the best, and then take care of the other 20 per cent. Some years they buy and some years they do not buy. The livestock producers, be they in the east or the west, are the best consumers and the best users of domestic feed grain produced in Canada and should be well looked after. For instance, the freight rate structure and those types of things should encourage, the processing of those products produced in western Canada. It was pointed out earlier, and I have admitted, that some of the freight structures were not that fair so as to encourage this processing. It was fair to the grain producer but not to the livestock producer in western Canada.

Mr. McKnight: Mr. Chairman, regarding the compensation which is due and is just to the producers of western Canada, and indeed all of Canada, because of the embargo imposed on sales to the Soviet Union—the suggestion was made by the hon. minister—it is his hope that the higher prices farmers would receive this year would make up for the lack of money they lost due to the embargo. Higher grain prices, of course, will not make up for the lower prices caused by the embargo. The two are entirely separate issues. Have the producers of western Canada been set up by an answer given to my hon. friend and colleague from Vegreville to a question posed to the Minister of Transport who is responsible for the Canadian Wheat Board? The hon. member for Vegreville asked, and I quote:

> Does the minister feel that more than the embargo limit of 3.8 million tonnes of grain could have been sold and delivered to the U.S.S.R. in the last crop year and, if so, on what does he base his assumption?

The answer to that question quoted from *Hansard* is no. Because we could not have sold more grain according to the Minister of Transport, and the Minister of Agriculture is saying he believes there should be compensation payable, can the Minister of Agriculture indicate whether there is a difference of opinion, or is it one way the minister and this government are seeking of moving aside a little from the commitment made by the past government and which this government has accepted?

Regarding the feed grain policy, I would like to recall a comment made by my colleague from Lisgar, and some statements made by advisory committees to the Canadian Wheat Board and to the Canadian Livestock Feed Board. The advisory committee to the Canadian Livestock Feed Board is not an advisory committee to the minister. The advisory committee to the Canadian Wheat Board, I would assume, is not an advisory committee to the minister. On the point of supposedly unanimous support given to the proposal that all feed grain should be placed under the Canadian Wheat Board, I have information here which tells me at least four members of the advisory committee to the Wheat Board were not in favour of this proposal.

While we are talking about the cost of feed grains in our country today, I should like to quote an article from the Saskatchewan Natural Products Marketing Council publication in the province of Saskatchewan. It begins by criticizing the open market system, saying that:

> In this study we use the street price for feed wheat, oats and barley quoted by the Saskatchewan Wheat Pool for a 25-cent/cwt freight zone.

Further on it says:

> Since August 1, 1974, the private grain trade has been permitted to buy feed grains on the prairies—

And that includes all the pools, and all the line companies.

The publication goes on:

> Prairie grain producers have always felt that western grains should be marketed in the most efficient manner possible, and . . . reflect the actual charges (justifiable cost) of handling, transporting and marketing the grain.

It also makes mention of the fact that elevator companies have charged an excess profit margin, and this is using Saskatchewan Wheat Pool statistics from the province of Saskatchewan, on feed wheats of 24 cents per bushel, on oats of .07 cents per bushel, and on barley of .04 cents per bushel.

● (1730)

I would just like the minister's thoughts as to the cause of some of this excess profit which has been collected by all elevator companies because of the open marketing system.

I would like to give the minister one more statistic which was released on Friday, October 31, 1980. The price for 3 CW feed wheat export in store at Thunder Bay was $251.12 per tonne. For the same wheat, domestic feed Thunder Bay, the price was $175.80. That is a $75 a tonne difference in what we are asking for export wheat and what we are asking for the same wheat for domestic consumption. I would like the minister's comments on that, and I would like to know if he feels that the corn competitive formula has anything to do with this process.

Mr. Whelan: Mr. Chairman, the question asked by the hon. member is technical. I do not have that information before me, but I should have it after supper, and I should be able to report to him at that time.

Mr. McKnight: Mr. Chairman, I would like to move to another topic. There has been much discussion, and I believe the minister announced that there will be a statement on the regulation of 2,4-D and MCPA before seeding as to whether they will be removed from the market or further regulated.

In spite of the precautions which have been taken with respect to 2,4-D, no health problems have been documented scientifically. In the province of Saskatchewan we grow about 17 million acres of wheat in a normal year. About 75 per cent of that wheat is sprayed for broadleaf weeds in any given year. Of those 17 million acres about 15 million acres are sprayed with 2,4-D. If 2,4-D is removed from the market, food production in Canada, worth about $10 billion a year of which $6 billion is exported—which is 12 per cent of our total accounts payable—will be lost.

I would like the minister to answer these questions. What chemicals would be available to replace 2,4-D, and at what cost? I am referring to 2,4-D or its counterpart MCPA. Which of the weeds which have all but disappeared would return? How would farmers' yields and incomes be affected and

how would total farm production and, ultimately, export sales be affected?

Mr. Whelan: Mr. Chairman, it is because of dioxins that we are concerned about 2,4-D. There are approximately 1,000 types of dioxins. Only three are possibly deadly. We have to isolate them. We have to make sure we know which ones they are. We are undertaking all the scientific studies and chemical studies which can be made at this time. I do not think I should just ban 2,4-D or ask that it be banned. We work closely with my colleagues in the Department of the Environment and the Department of National Health and Welfare because of the good that 2,4-D does.

I agree with the hon. member that farming could not be carried on without some other type of material if 2,4-D were not available. We could not ban 2,4-D just like that and still expect the type of production from farmers we are getting at the present time. We could not expect there to be the production of cereal grains, corn and many other crops which we see today. Some people suggest that we should ban 2,4-D. It is like saying that because there are one thousand varieties of spiders but only three poisonous varieties, we should kill all one thousand varieties to make sure we get the three poisonous ones. I do not intend to recommend that with respect to 2,4-D.

The hon. member made some suggestion that we were trying to get out of paying even if there was reason to pay compensation for farmers' lost income. I did mention that farmers had received higher prices for their grain. I did mention earlier today that some farmers said that they do not want initial payments before January 1. They told me that in Tisdale, the Battlefords, Saskatoon, Regina, Ste. Rose, Dauphin and Morris, and I can think of many other places. They told me that in Lethbridge too. If the final tabulation of the whole grain sales system shows that we owe farmers money—this pertains not just to western farmers because there could be some farmers in eastern Canada who are commercial grain growers also and who are also involved—I do not feel this government would be in a position to say no. We could not welsh on a commitment we have made, so no matter how anyone tries to interpret anything I have said, I never intended to say we would welsh on a commitment we made.

Mr. McKnight: Mr. Chairman, I appreciate the minister's remarks with respect to the chemical 2,4-D. I know he understands how important it is and that if there happens to be something wrong with 2,4-D and there is no substitute, the farmers of western Canada and, indeed, in all of Canada would be in deep trouble.

I am not too sure what the Eddy Arnold song about places in western Canada the minister has visited had to do with my question.

An hon. Member: Hank Snow.

Mr. McKnight: I was out in Tisdale too, and we had a little more success in Tisdale than the minister.

I would like to go on to the Farm Credit Corporation. Last year approximately 20,000 farmers approached the Farm Credit Corporation for assistance. Those approaches are documented. There were probably many more who did not fill out application forms, but only 5,700 transactions were completed last year. That was last year, and as a result of a shortage of funds in the Farm Credit Corporation it is forecast that this year 1,000 fewer farmers will be receiving funds. Would the minister explain to the House the steps he has taken to broaden the base of farm credit?

In the estimates there are approximately $16.8 million for emergency assistance to prairie livestock producers affected by drought. I recall some press releases in June and July in which the federal government committed about $67 million for drought assistance. I would like the minister to tell me how much has been paid out to date and how much will be paid out.

Mr. Whelan: Mr. Chairman, we have said how much we have estimated. We have never been conservative in our estimates. We have always been quite liberal, and we have never had to use all the funds. For instance, we set aside $7 million for transportation. We used only close to $6 million for transportation. That was arranged with the provinces of Saskatchewan and Manitoba for the transportation of forage for livestock. There was a meeting yesterday morning. It appears we will be spending very close to $67 million both on forage aid and on the herd maintenance program. The herd maintenance program is under the PFRA which is under the jurisdiction of the Minister of Regional Economic Expansion. That agency is administering the herd maintenance program through the people who administer community pastures and that type of program.

However, it appears that it has been well received. I believe 35,000 applications are being processed at the present time under the herd maintenance program. I am going by memory again, but I believe more applications have been received under the forage assistance program in the last two weeks than in the previous two months, so it appears that farmers now have more time to fill out applications. However, they are being processed. Review boards are set up immediately for applicants who feel they are not being dealt with properly. Applicants who have been turned down will have a review board to appeal before. We hope that many of these claims will be settled before the end of the year. I believe that approximately 9,000 have been settled already under the herd maintenance program and probably a couple of thousand under the forage aid program. They are speeding along as fast as they can, but they hope that in the new year, in January, many of these claims will be settled.

• (1740)

Mr. Ferguson: Mr. Chairman, first of all, perhaps I should put into perspective some facts that are misinterpreted or miscontrued by the misinformed. Perhaps I should put on record, before going further, the fact that last year gross farm receipts in Canada amounted to $13.9 billion and our exports

amounted to $6.1 billion. This would indicate that Canadians paid something like $7.8 billion to the farmers for food produced and consumed in Canada. Now if we were to divide $7.8 billion by 24 million Canadians, we would find that, on an average, each consumer paid $326.65 per year, or 89 cents per day. If we assume that we eat three meals per day, the Canadian consumer paid the Canadian farmer 29.8 cents per meal for food produced and consumed in Canada.

In fact, a recent survey of the cost of a 21-item food basket, in U.S. funds, shows that Canada has the lowest priced food of any of the following countries, in this order: the United States, Australia, the United Kingdom, Spain, Italy, The Netherlands, West Germany, Argentina, Denmark and Japan. The closest of these for similar items was $58.02 for the United States, compared to $55.58 for Canada, and the highest was Japan at $135.10 for the same food basket.

It alarms me, Mr. Chairman, when I read about a consumer spokesperson who recently assailed the farm producing sector and indicated that the consumers were suspicious of our marketing boards. Yet after having made this charge, she admitted, without doing any research, that she believed the return to food producers was equal to that realized in other industries. Of course, she did not say whether she was referring to the Chrysler Corporation, Massey Ferguson or Imperial Oil, nor did she mention the surveys of the USDA food basket report to which I referred earlier, or the report by Mr. A. Cayer released in November, 1979, on the egg industry in Canada, in which he states in conclusion, at page 77, that:

> Consumers in Toronto have paid less for eggs than their counterparts in New York, since the implementation of central pricing by CEMA.

Mr. Cayer goes on to point out that:

> Analyses carried out by a number of groups over the past five years have been misleading because their use of selective indicators did not adequately reflect the longer-term trends or the significant fluctuations in currency values or in the industry.

Now if this consumer were sincere and well informed, she would have pointed out that in November the retail price of beef increased to $2.64 per pound, and the farm price dropped by 4 cents per pound. This meant an increased spread of 15 cents per pound between the producer and the consumer in one month. In Ontario the retail value of the OFA food basket was $39.69, up $5.48 from November, 1979, or an increase in the farm retail spread of 19 per cent in one year. The farm retail spread is the cost to the consumer of processing, packaging, distributing and merchandising food.

This same consumer spokesperson wondered if farmers were using up the organic matter in the soil or damaging the land by the weight of large machinery. Here again the weight of large machinery has nothing to do with the organic content in the soil. The loss of organic matter in the soil is usually caused by poor soil management or improper crop rotation, not by compaction. In fact, as equipment has become larger and heavier, the size of the tires has increased, resulting in better flotation. It is easier to understand this when we realize that whereas one Canadian farmer could feed five other persons not too many years ago, he can now feed upward of 70. Our Canadian agricultural industry is the most efficient in the world.

I will never cease to be amazed, Mr. Chairman, that we allow food into Canada which could just as well be grown domestically. In fact, we import almost $2 billion worth of food which could well be grown here in Canada. One of the most blatant examples of these imports occurred last summer, when two Ontario supermarkets carried only imported peaches, despite the availability of a bumper crop of Ontario peaches. If the workers in those countries where the imports originated had received wages comparable to those of our own workers, I could accept this competition, but when we are competing against wage rates which are in some cases only half ours, consequently involving a lower standard of living, we must ask ourselves: are we importing cheap food or are we importing unemployment? I could also accept some of these imports if the consumer were actually the benefactor, but in many instances the cheaper imported price serves only to give a wider profit margin to the importer.

Another point that I wish to make in regard to food imported into Canada is that these merchandisers are not usually interested in serving the less populated areas but rather concentrate in the Montreal, Toronto and Windsor corridor or the Vancouver area, leaving Canadian processors to serve the more scattered population, or areas where distribution costs are much higher. Are these imported foods produced under the same environmental restrictions as those applied to our own Canadian producers, and does the chemical content conform to the restrictions applied in Canada for our own producers?

I believe, however, that Canadians have taken this vital part of our economy for granted for too long. The recent drought in western Canada and the southwestern U.S., the lower than expected crop yields in Russia and China, indicate the delicate balance of our world grain supplies. In spite of this situation, our market prices for grain are influenced by one of the most unpredictable pricing systems ever devised; I refer to the speculative futures market which is supposed to be geared to supply and demand.

Last week the price of soya beans, for example, dropped by about $1 a bushel. The reason for this drop was not oversupply and it certainly was not an anticipated increased crop in Brazil, because it is still premature to estimate the success of this crop which was planted a few weeks ago. It was people speculating on the commodity markets, speculating and gambling on the basis of the very food we eat, while people on other continents starve.

Mr. Chairman, we in Canada have a better system, a system which, while it is often the victim of speculators in other countries, resists the efforts of manipulators and ensures a more stable return to producers and fair prices to the consumers. I am convinced that as Canadians we can do much more to produce that $2 billion worth of imported food in Canada. As an example, just last week I had the honour of presiding at the opening of Canada's first peanut plant, and was delighted with the quality and flavour of our first Canadian commercial

crop of peanuts. I can see a tremendous future in this area. I want to commend the Minister of Agriculture and Agriculture Canada for their contribution under their New Crop Development Program and the research which made this project possible. I want to commend them also on the other projects that are on stream.

With regard to increased exports, we can also provide the vehicle which would assist our producers to enter into contracts with other countries wanting to buy food, long-term contracts if possible, providing our producers with the incentive to produce a product, knowing that they can sell it at a profit. Canada is one of the few countries of the world which has the vehicle in place to plan production for specific domestic and export markets. I believe the potential could be one of several billion dollars. Of course the spin-off effects will benefit all of society.

● (1750)

The other area I should like to touch upon is the concern that there may be a world grain shortage a few years hence. We realize how delicate the balance is at the present time. If there is a world grain shortage, a world food shortage could naturally follow. With proper planning and research I am convinced Canada could double its output of protein. It is in this area of research that I commend Agriculture Canada for the work it is doing. In the years that I have been farming, however, I have noticed what seems to be a shortening of the summer growing season. Those of us involved in farming operations have adapted accordingly.

I am particularly enthused about one interesting aspect of research, that is, research in the area of photosynthesis or the process whereby a plant converts sunlight through its leaves to protein and energy. If we could speed up this process, we could push back the geographical and climatic barriers which curtail the production of specialized crops in more northerly regions or colder climatic zones, thereby strengthening our potential to increase food production.

There are some questions which I want to ask the minister. First, has the research division of Agriculture Canada been conducting research on photosynthesis with the goal of speeding up the process, and what have the successes been at the present time? Second, in the area of research, can Agriculture Canada forecast world crop conditions with infrared sensing equipment in the summer months, and are they doing any work in the area of measuring solar radiation and its effects on different crops? Third, in keeping with the support of national farm organizations in Canada for the concept of a Canadian agriculture export corporation, did the deputy minister of agriculture discover any unserviced markets for food on his recent trip to Mexico, and what is the potential value of those markets? Last, with respect to the Farm Credit Corporation, is any consideration being given at the present time to making funds available to young farmers who want to become established farmers and, using this as a mechanism to stop the purchase of farm land by foreign owners and absentee landlords? This is a very serious situation in some areas of the nation, and I should like to see it dealt with.

I would appreciate any comments the minister may have in reply to my questions.

Mr. Whelan: Mr. Chairman, the Farm Credit Corporation is an old institution which was set up to assist farmers and members of the community, especially those who had been turned down by some other lending institution. In this first instance, the Farm Credit Corporation was to be a lending establishment of last resort for farmers. It was not to be "the" lending institution. At one time nearly 70 per cent of all loans made to farmers in Canada was under the Farm Credit Corporation; now it is something like 40 to 50 per cent of all loans made to farmers. We still think the Farm Credit Corporation has a place in our society. All the countries with which we compete in agricultural production and markets have tremendous lending associations, Crown corporations or similar organizations which are either funded or administered by the government in some fashion or form.

It is felt by some—but certainly not by myself—that all loans should be provided to farmers from the private sector. It is not my intention to go in that direction. My intention is to reorganize the Farm Credit Corporation to make it into the kind of organization we have always wanted, so that our farmers will be in the position to borrow from a lending institution which has a feeling for the farming and rural community of Canada. We want such a lending institution.

We shall be presenting new legislation to the House concerning amendments to the Farm Credit Corporation early in the new year. I had hoped that it would be before the House of Commons prior to Christmas, but it does not appear that we will have the time.

Dealing with the area of new markets, the deputy minister and a small group recently visited Mexico and Cuba. They, with the Canadian Feed Manufacturer's Association, presented a program in Cuba which showed how to use Canadian feed to its utmost in feeding swine. The mortality rate in Cuban swine was 5.5 per cent, but when Canadian feed was used the mortality rate immediately dropped in weaning pigs to about .3 per cent. So, there is a potential market there for perhaps 200,000 tonnes of feed per year. There is an increased possibility of new markets in Mexico in many new agricultural commodities, different varities of wheat, different dairy products and different oilseed products.

I just want to say that we are very optimistic, because Mexico indicated that it will spend nearly half of its oil earnings on food to upgrade the nutrition and protein intake of its people. If it does that, it will be spending about $20 billion in the next couple of years on agricultural products, and it is up to us to get part of it. We will try to get part of it, and that is what the deputy minister and the group were doing in Mexico.

In the first part of January we will be returning to Mexico to try to ensure that some agreements are signed for the purchase of these products. In some instances our producers may have to change their production for markets which will be long-term in nature. I think a conservative estimate for the

first year would be about a $500 million increase in trade in agricultural products with Mexico.

When we talk about in-house research into the use of solar energy, we are increasing research directed toward maximizing the efficiency of breeding for higher yield. The higher priority areas include growth analysis, the rates of accumulating solar energy, the partitioning of photosynthesis, the rate and timing of plant development of nitrogen metabolism. Perhaps we are not doing as much as we would like, but I can assure the hon. member that we are moving in that area because we figure it is a very important one.

The Assistant Deputy Chairman: Does the hon. member for Lambton-Middlesex wish to continue, or would he prefer to call it six o'clock?

Mr. Ferguson: May I call it six o'clock, Mr. Chairman?

The Assistant Deputy Chairman: It being six o'clock, I do now leave the chair until eight o'clock this evening.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at 8 p.m.

The Assistant Deputy Chairman: When the committee rose at six o'clock the hon. Parliamentary Secretary to Minister of State for Small Businesses (Mr. Ferguson) had the floor.

Mr. Ferguson: Mr. Chairman, when time was called at six o'clock I had been speaking about some of the excellent research and development being done by Agriculture Canada. If we look at the poultry and livestock sector in Canada we will recognize that one of the biggest turkey hatcheries in North America, with the best breeding stock, is located in my constituency. In the area of laying hens, egg production and broiler production one of the best operations in the world is located in the Cambridge area. We all recognize the standard of excellence which has prevailed in the dairy industry, beef cattle and horse sectors of Canada over the years.

I would like to ask the minister if the present system of parental blood typing, which is being conducted through the Department of Agriculture, will be continued in Canada. We have the best expertise in this field in the world. There was some concern by Canadian livestock breeders that this program might be farmed out to private institutions. Could the minister assure us that this program will be continued.

Mr. Whelan: Mr. Chairman, I do not know how much of this parental blood typing will be carried on. I do know that we will be blood typing horses. The horse breeders of Canada will be paying for it. We do intend to recover the full costs of this project. It will cost the government nothing to do this for the horse breeders. Horse breeders are asking us to do this. The swine breeders are also asking us for parental blood typing. It is a very costly undertaking for us to become involved in. We just do not have provision for it in our budget unless we are to get full recovery. It appears the horse breeders are the group most inclined to go along with this, more so than any other group in the livestock area.

I cannot tell the hon. member any more about it now. We have met with the swine breeders and the sheep breeders. Both groups want this kind of project. The cost per animal subjected to these tests is about $60. For an animal which is only worth two or three times that amount, there is concern about spending that much money. These groups want it done in Canada. We want it done in Canada. If these tests are conducted in some other part of the world, for example the United States of America, the results would be put into their computer systems. The result would be that they would know more about our livestock industry than we would.

We want to continue with this testing but in order to do so we must find a more economical way of doing it in some of the livestock industries.

Mr. Scott (Victoria-Haliburton): Mr. Chairman, I welcome this opportunity to speak on the estimates of the Department of Agriculture. It gives me a chance to say a few words in support of Canada's number one industry—our agriculture industry. It is an industry of which we are all proud.

I know the Minister of Agriculture feels he is doing a good job. I would be surprised if he thought otherwise. However, all is not well in the agriculture industry in Canada today, and the government must take a large share of the blame. I say that for two reasons, Mr. Chairman. First, the government, through the Department of Agriculture and other agencies, is deeply involved in the private sector of agriculture. For that reason the government should recognize the symptoms of an illness in the industry as quickly as anyone else. Second, the government is not as quick to jump in and help this industry as they were when trouble developed in other sectors, such as the automotive and heavy machinery industries. In fairness to the minister, though, it may be that he does not have the support in cabinet that some of his colleagues seem to have.

The agriculture industry in Canada is facing problems that are serious enough to threaten the very future of food production in our country unless we take steps now to identify them, and then to deal with them. There is a large degree of interrelationship between the problems facing the agriculture industry, just as in other types of industry. But unlike most other industries, the effects on the food industry could be both immediate and long range. Some of these problems are inflation, high cost of production, high cost of good farm land, the lack of ready sources of low cost financing for capital and other operating costs, and uncertainty and instability in the marketplace.

• (2010)

The deadly combination of inflation and high interest rates is driving farmers out of business and making it impossible for many young people to enter the agriculture industry. The

young couple fortunate enough to buy a family farm for reasonable terms will lock themselves into a future in the agricultural industry, but what about those who have to buy on the open market? To put it simply, the average young couple today would not even be in the running for that type of money. More farmers leave the land every year. Some of them get fed up with the low rate of return on their investment and their labour. When that happens many of them look around for a likely buyer, and it is often a developer who plans to take the land out of production.

While I am on this subject, I would like to point out that every year tens of thousands of acres of prime agricultural land are taken out of production and used as sites for industries and other non-agricultural purposes. This has the additional effect of pushing up prices of other farms in the area. Other farmers, even if they are hard workers and conscientious, find themselves caught between poor market conditions and high interest rates.

Last year the pork producers were forced to sell hogs at less than production costs. When they looked around for money to restock and weather the poor market season they simply could not afford to go further into debt at today's interest costs. In far too many cases, the farmer cannot turn to any private or government agency for assistance which he can afford. I think many, if not all of them, are waiting for the low interest rates which were promised by the Minister of Agriculture to farmers during the last election campaign. Could this be yet another example of the minister's lack of clout in cabinet?

The decrease in the number of dairy farms in our country is real cause for concern, if not alarm. I think some of my colleagues have given this figure before, but it is worth repeating. This has me deeply concerned, both as a member of Parliament from Ontario, and as a consumer. I do not know how many of those lost farms are in Ontario, but I suspect it is too many.

Between 1971 and 1979 there was a decline in the number of dairy farms in Canada from 129,000 to 70,000, a loss of 59,000 dairy farms in just eight years. In that same period the number of dairy cows and heifers in Ontario declined from 986,300 to 770,000. This leads me to believe that a large number of the farms that were pulled out of the dairy business were in Ontario. Mr. Chairman, to me these are dangerous signs, signs that can no longer be ignored.

It must be admitted that improved production methods and good management resulted in only a slight reduction in milk production in that period, but I am sure there is a limit to the process by which fewer farms and fewer cows can produce the same amount of milk. I believe we are close to that limit, and since the population in Ontario is increasing at a faster rate than that of any other province, the decline in dairy farms and dairy cattle in Ontario concerns me in a more personal way than it does some other hon. members.

I have been told there is some concern in the dairy industry as to what the federal government has in mind with regard to the present national dairy policy. I do not believe the dairy industry is being given enough information about the government's plans. They want to know and, indeed, they must know whether or not the government plans to make any major changes in the national policy and, if so, what will those changes be? They do not want to know the day or the week before they are brought in, but well in advance. I venture to say that it would be unwise for the government to plan any changes to the dairy policy without consulting the industry.

I would like to get back to interest rates for a moment because there is no question that high interest rates represent the greatest single stumbling block to a healthy agriculture industry. There is no question that this issue will have to be addressed by the minister and his colleagues in cabinet in the immediate future. Interest rates creep into every segment of the industry and it is the smaller farm units that are hit first and hardest by spiralling rates. For instance, the cost of farm marchinery has increased due to inflation. Most farmers are forced to buy machinery on time and when one adds the effect of inflation and high interest rates, one can see that it becomes more and more difficult for small farmers to purchase modern machinery and equipment.

Next to modern, efficient machinery, perhaps the most important single thing to a small farmer is fertilizer. Crop yield and crop quality are vital to any farm operation, and this means judicious use of the right kinds and quantities of fertilizer. Unfortunately, the price of fertilizer has been rising at a rapid rate over the past few years, and this is cutting into the profits of all farm operations. In some cases where farmers cannot absorb these higher costs, they are abandoning the use of chemical fertilizers altogether. I am sure this results in a decrease in yield per acre as well as a decrease in the quality of crop.

These are some of the problems facing the agriculture industry today in Canada, but there are others. I have not touched on the end result of all this investment in money, time and labour. I have not mentioned the marketplace. If a farmer does not make it in the marketplace, as the saying goes, he just does not make it. And there are problems in the marketplace in Canada today.

In many respects it is a case of feast or famine. For example, we are all familiar with the plight of potato farmers last year and the year before. Last year potato producers took a real beating. They could not sell their crop and potatoes were dumped almost anywhere to get them out of the way. This year potato prices are up and so are carrot prices. Next year anything could happen with any number of farm products. We do not know what is going to happen and that is bad for the producer and the consumer.

It seems, Mr. Chairman, that the market in food and food products jumps from one extreme to the other from year to year. It either hits the bottom or the top, rising and falling, sometimes out of control. It is no wonder so many small businesses go under every year and so many small farms are taken out of production. The rate of failure among small businesses and small farm operations is increasing every year.

It should be mentioned here that it is not only the farms, or the producers which are decreasing in number. It is happening across the whole spectrum of the food chain. There are fewer producers, fewer wholesalers, fewer processors and fewer retailers. I believe a case can be made that control of the food industry in every sector is being concentrated in too few hands. About a month ago the *Toronto Star* reported that Canada suffered a deficit in foreign trade in manufactured food of $245 million in 1979 compared with a $50 million surplus in 1971. Why was it not the other way around, considering that the Canadian dollar is depressed, and our products should have been highly competitive in the world markets?

● (2020)

There is something seriously wrong when we cannot even take advantage of a greatly depressed dollar to sell Canadian processed food products to a hungry world. I would have thought that our products would have been in demand, but apparently that is not the case.

Perhaps this might be a good time for us to look into the question of trying to get a larger share of the foreign cheese market. There was a time when Canadian cheddar cheese was in great demand. I would like to see some energetic, imaginative and aggressive initiatives taken so as to get back into the world market in a big way.

While we are at it, Mr. Chairman, perhaps we should also consider stepping up our public relations with the consumer and producer. The federal government should take a lesson from the Ontario government and provide more useful information for the Canadian consumer. There should be more information published by the government on all aspects of the food industry, from the producer to the processor to the wholesaler. Not enough is known by the consumer about what happens to a product when it leaves the farm and moves down the chain, to the table. Good public relations and good information can remove many misconceptions from the mind of the consumer, and that would only be proper, because it is the consumer who pays the bills.

Mr. Chairman, I was interested in an article which appeared in one of the leading newspapers. This article, datelined Jordan Station, appeared in the *Toronto Star* on October 16, 1980, and begins as follows:

> The price of an egg quota has gone past $17.55 a bird and is heading toward $20 in Ontario, according to testimony before the Ontario Farm Products Appeal Tribunal here Wednesday.
>
> Mrs. Cornelius Super of Tavistock testified that a bid of $17.55 a bird to buy quota from a Seaforth area egg farmer was turned down in September. She and her husband bid $150,000 for an egg quota of 8,546 birds.
>
> The farmer countered by offering the quota for $20 a bird, she said, while stipulating that the bird cages would go with the deal.
>
> But Mrs. Super testified that taking the cages would have represented a cost rather than a benefit because they were in such poor shape that 'the man wanted to get them out of there, I guess.'
>
> Selling the cages with the birds might give the farmer some tax benefits because taxes on the sale of quota might be higher than on the sale of cages. The official sales price reported to the egg board, which must approve all quota transfers, could also be lowered.
>
> The egg board has claimed that the going price of quota, as reported to it when transfer applications come in, is running about $10 to $12 a bird.

It is articles like this appearing in our leading newspapers that make the consumer very suspicious. Eggs sell in chain-stores today for approximately $1.19 per dozen. I do not say that is an unfair price; in fact, it is a reasonably fair price. But what would the consumer think after reading about $17.55 being offered for a laying hen quota and $20 being asked, with the cages—which are of little value—included. This is something that our agriculture industry must be concerned about. The price of the commodity must be presented fairly and I do not think an article such as this does so.

Many things are done by the Department of Agriculture that I think are beneficial to both the producer and the consumer, but there ought to be a little guidance—not too much, mind you—and a little forecasting by the department about what the future may be. We need a cushion to carry us over the lows and highs. That can apply both ways, of course.

These are some of the things the retailer is complaining about today, Mr. Chairman. I think the cost of the consumer's food basket today is a reasonably fair one but I also think much more could be done for the Canadian consumer by the food industry.

Mr. Whelan: Mr. Chairman, may I say in reply to the hon. member's remarks about egg quota prices that quotas on every commodity, are under the authority of the provinces. The hon. member suggested we take a lesson from the Ontario government. I should like to tell him that we do not follow their advice. It is the Ontario government that allows quota prices to become so unrealistic. No two provinces run quotas in the same way; in fact, some of them put no value on quota at all and only redistribute quotas when a farmer sells out.

The hon. member used the price of grade A large eggs as a reference. The average price of all grades of eggs in Canada today, in 1980, is less than $1 per dozen. Not many countries in the world can make such a claim and have such a healthy egg producing industry as we have. Not one penny of tax money has been put in the egg producers' pockets since the scheme started eight years ago.

I wonder if the hon. member could bring to my attention the case of even one egg producer who has gone bankrupt. Egg producers in Canada are the most efficient in the world. The feeding formula used to call for over eight pounds of feed to produce one dozen eggs but today a dozen eggs can be produced with less than four pounds of feed. The efficiency of the egg producing industry is the most startling in all agriculture.

The mortality rate used to be 25 per cent or higher, per year. At the present time it is .5 per cent in a laying flock. That is phenomenal, Mr. Chairman.

The hon. member also mentioned dairy farmers. Today there are 50 per cent fewer dairy farmers in Canada than there were 12 or 15 years ago. There are one-third less cattle, but more milk of a higher quality is being produced than 12 or 15 years ago. This efficiency is the envy of the world.

A rumour has been going around to the effect that the dairy farmers' quota is to be cut back. I do not know where that has

come from, Mr. Chairman, unless it is a bit of political mischief. It has not come from the Dairy Commission or any study that we know of. If anything were to be done in this area it would only be after full consultation with the dairy industry.

I would draw the attention of hon. members to the Agriculture Outlook Conference that took place in Ottawa in the last two days. All the farm leaders of any significance a from across Canada were present, as were representatives of agribusiness.

Mr. Chairman, I never heard a more positive group in my life talking about the future of agriculture. There has been mention of small farms disappearing, but that has been an ongoing problem. Each province in the country has different programs, which may arrange to provide loans to farmers, help in the division of farms, etc., as I mentioned earlier. Also, Mr. Chairman, there are more young people in agriculture today than at any time in the last 50 years.

Mr. de Jong: Mr. Chairman, in the last few months I have raised in various committees and in this House, several questions concerning chemicals and pesticides. I have done this not out of political motivation, because the question is not an ideological one. I have done it because I am scared. I am scared that in a relatively short period we are altering the evolutionary development of millions of years.

● (2030)

Some of my concerns were expressed in a recent article in the science section of *The Globe and Mail*. It was written by Mr. Kieran. He said:

> Indeed, many advanced technologies possess as much inherent potential for destruction as for good, and dangerous components become ever harder to discern and control. At the same time, the poisonous byproducts of previous technical 'advances' are starting to come back to haunt us with a legacy of irreversible environmental degradation. Other destructive pressures from within challenge society's ability to respond wisely in this age of accelerated change.

I am scared because hundreds of millions of gallons of new chemicals are used every year on a massive scale. These are distributed over the landscape and throughout the food chain. These chemicals are affecting the chemical composition of our environment which has taken millions of years to develop. Such a major change should require the utmost care, concern and consciousness. For us as human beings who have been occupying this planet for a very short period of time to have such a dramatic influence on the physical world in which we live is surely presumptuous. If we do that, we must do it with the greatest amount of care possible. Yet, Mr. Chairman, I am not convinced that the government has been taking all the necessary precautions and care. I am concerned by the tendency of government to be somewhat secretive about its dealings. Ever since this new Parliament has convened I have been asking various departments, including the Department of National Health and Welfare, to let us know how many chemicals and what chemicals were tested faultily by a company called Industrial Biotest Laboratories. I was not the only one asking for this information. Provincial governments have done so. The government has still not released an accurate list of all the chemicals in use in Canada today. Proper studies do not exist to let us know whether the widespread use of these chemicals is safe for the present and future of the human race.

I am concerned when I read about statements made by officers of the Department of Agriculture who suggest that too much detail on labels could lead to increased violations of laws, or to more charges being laid by environmental groups. In the latter case the department suggests that labelling of pesticide and herbicide products should not be too scary. They say these things should be handled in such a way as to avoid law suits and avoid concern by environmental groups. When I asked about this statement in committee, I did not receive satisfactory answers. In fact, I got evasive answers. Every day there is something new in the newspapers. It makes one very scared to read about these things. Today we found out about dioxin traces in chicken livers. A product is applied to preserve wood shavings used in chicken coops. It contains dioxins of a dangerous type which have now been found in chicken livers. This information was available a year ago. However, the public was never informed about it. We hear about these things by reading *The Globe and Mail*. It was stated in today's *Globe and Mail* that this information was released at an international conference two months ago in Rome.

If we continue to use hundreds of millions of gallons of herbicides and pesticides and other new chemicals, one of the first criteria should be an open policy about their use. Unfortunately, as I have indicated before, this has not been the case.

Recently the Minister of Agriculture issued a press release which stated they have found some of the dioxins in 2,4-D, but I ask: how new is this information? In 1970, Doctor Samuel Epstein pointed out in his testimony before Senator Philip Hart's subcommittee that 2,4-D contained dioxins. In 1970-1971, the plant science research division of the United States department of agriculture examined samples of 17 different pesticides derived from chlorophynols. They also found dioxins.

We have also learned that the Department of Agriculture has acquired some new technology. In 1980 they have discovered dioxins in 2,4-D. We do not know what action the government will take on this matter. Here again there is a time lapse.

Unfortunately, technological changes were introduced without fully examining the results and the effects of these technological innovations. Yet, when it is discovered that they can be harmful or that they are harmful to the environment and to people, a long period of time elapses before corrective measures are taken. Essentially, in terms of technological innovation, the government, as indeed most governments—in the "socialist" world and the "free" world face the same problem, because this is not an ideological matter. They react to technological changes too slowly. It is a reaction, rather than knowing ahead of time what dangers to look for. We are beginning to pay the price. Whole parts of our natural environment have been despoiled. Studies from the Department of the Environment show that lindane is a major health concern but it is found in most surface waters on the prairies. In fact, it has

found its way into the whole food chain. It has found its way into the animal biological chain, from worms to insects, to birds, etc. The chemical composition of our environment has changed. For what purpose may I ask? I fear the Department of Agriculture has worked too closely with the chemical industry. The Department of Agriculture should be concerned with the welfare of farmers and not with the welfare of the chemical industry. Some of the claims which the chemical industry is making should be taken with a grain of salt. For instance, I have come across an informative article from *BioScience*, volume 27, No. 3. It is suggested that the increased use of herbicides and pesticides has done very little in recent years to decrease the destruction of crops by pesticides. Speaking about the United States, the article reads:

> Despite an increase in the use of pesticides from about 100 million pounds in 1947 to about 1.1 billion pounds in 1974, crop losses due to pests have not declined but have remained at an estimated 33 per cent. Losses due to insects have nearly doubled, increasing from about 7 per cent in the 1942-1951 period to about 13 per cent in 1974. In corn production, for example, losses from insects have been increasing. A 3.5 per cent loss was reported for the period 1942-1951, a 12.0 per cent loss for 1951-1960, and about a 12 per cent loss for 1972-1974.

What I am afraid of is that Canadian agriculture has ended up on a treadmill, in a "squirrel-gig" situation where more and more pesticides and herbicides are needed to control the number of insects. The insects develop immunities to the new chemicals which are produced and the chemical companies come out with more and more potent chemicals which have an increasingly permanent and adverse effect on our environment and upon human health. I am concerned that the Department of Agriculture has not dealt with the chemical companies with suspicion or concern.

● (2040)

We are also concerned about the effect it has on the health of the population. The government has stated in the past that it has not come across any cases of pesticide poisoning. I will quote again from the same article drawing attention to the situation in America where chemical poisoning has occurred. I quote from the March 7 issue of *BioScience,* volume 27, No. 3:

> As many as 14,000 individuals may be nonfatally poisoned by pesticides in a given year, 6,000 seriously enough to require hospitalization . . . In the United States about 200 fatalities occur annually. None of the poisonings and fatalities were apparently due to eating foods treated properly with insecticides. Groups particularly prone to exposure to pesticides and poisoning are farm field workers and pesticide applicators—

There is an effect on health. Cases can be documented across this country. For example, a homeowner in Alberta may buy a pesticide product off the shelf in a hardware store, use it at home and end up with toxic poisoning. Farmers in my constituency tell me about the adverse reactions they have experienced when mixing chemicals, using the applicators and spraying their fields.

There is a concern about health. The whole story has not yet been told. We do not have the technique and the ability, nor are we looking for the adverse health effects on the farm population as a result of the widespread use of herbicides and pesticides. Many of these products are sprayed. They drift and get trapped in small towns. Studies show very high levels of 2, 4-D in downtown Saskatoon. The winds swept the chemical there and it remains trapped.

It is important that the government be open about the question of herbicides and pesticides for several reasons. It is important that the public know the extent and full cost of the use of these chemicals so that we can in a fair way balance the pros and cons of their continued use. If we do not know the true costs to health and the environment, we cannot make a judgment. In a democracy, we depend upon full information so that the public can make those types of decisions. As long as the cost and the adverse effects of such a wide use of chemicals are not made public, we can never make a democratic decision.

The second reason is that in the end we must develop ways to control weeds and pests. Any reasonable person will recognize that the dumping of hundreds of millions of gallons of poison on to the earth cannot go on for years and years. An end must come to it. The soil, earth and environment cannot stand hundreds of millions of gallons of additional toxic waste.

We have to develop other less harmful ways of controlling weeds and pests. As long as we do not know the true extent of the social and environmental cost of the extended use of chemicals, there will never be public pressure to develop alternatives. I urge the minister and the department to put more effort into developing alternative ways by which weeds and pests can be controlled, ways which will not be so harmful to the farmer and the environment.

Intensified use of insecticides has resulted in several major problems, first, a greater portion of foods contaminated with insecticide residue than in the past; second, a larger number of insecticide poisonings; third, continued environmental pollution problems from pesticides; fourth, increased use of energy in pest controls, and fifth, increased food costs for the consumer.

We must remember that the cost of herbicides and pesticides has been increasing every year. The development of resistant strains has necessitated increased use of these products. First reading has been given to amendments to the Pest Control Products Act. When it next comes before the House, we will be proposing several amendments along the line of extending the act to include the Department of the Environment and the department of health. I am not the only one who believes that. On July 16, the deputy minister of health wrote to the deputy minister of agriculture suggesting that the department of health should be covered by the Pest Control Products Act. I concur with her.

Registration and use of these new chemicals must be treated in a more responsible way. The long-term effects must be known. Instruments must be developed to handle these products, instruments that are meaningful in the twentieth century, not the nineteenth century as at present. I hope the minister will seriously consider some of my suggestions. On future occasions and in future committees there will be opportunities to discuss this matter again.

Mr. Whelan: Mr. Chairman, I will reply to the hon. member as quickly as I possibly can. The hon. member talked about finding dioxin in chicken livers. This is well below the safety level. In the most recent incident, it was 1.4 parts per billion. That is the highest level. It is natural to find that anything in your system will show up in your liver, but to make a comparison, it is like comparing one foot with the distance to the moon. That is the amount of dioxin in a chicken liver. It is far below the danger level.

When talking about how bad things are, I am sure the hon. member recognizes that while the situation may not be perfect, it is much better than ever before. One of the most severe criticisms I received from all parts of Canada, western Canada in particular, was when I banned the importation of pesticides which were not certified in Canada for use by farmers on their own farms. I did that because I did not feel they came up to our regulations. We are moving to a better chemical industry in Canada. It is wrong for the hon. member to create fear in minds of people.

Some hon. Members: Hear, hear!

Mr. Whelan: We are operating safer than ever before with regard to regulations for pesticides and so on. Recently some pesticides and herbicides for home gardens were banned. It was found that the people who were using them were not trained to use the product. They sometimes used twice what was required and the products were distributed around their neighbourhoods.

There are about 75 different kinds of dioxins. The most dangerous is 2378-TCD. We are using the most modern equipment in history to test these products. As the hon. member said, we are finding out things we did not know existed. For instance, Uniroyal, one of the largest chemical companies in Canada, has approximately 40 people with Ph.Ds and doctorates working on these products and working on hundreds and hundreds of them every day. The hon. member has intimated we are in the back pockets of the chemical companies. If he knew what the chemical companies thought of the Minister of Agriculture he would know this is not so. We have some of the strictest rules of any country in the world—maybe not strict enough—and before any company can use a pesticide it must be registered for use in our country.

● (2050)

[*Translation*]

Mr. Dionne (Chicoutimi): Mr. Chairman, I am very happy to rise and speak to Bill C-47 with regard to Canadian agriculture. Obviously, in the few minutes allowed me, I shall not be able to deal in depth with the problems of agriculture in Canada; still, I should like to deal with the efficiency of Canadian producers, research, marketing, export products, farm credit, processing and inspection services.

Mr. Chairman, I could not possibly not mention and pay tribute to Canadian farm producers who only 30 years ago, fed barely five persons. In 1980, they are feeding about 55, and in the 1990s they will be feeding at least 150. We must pay tribute, Mr. Chairman, to the dynamism of our farm producers for their magnificent performance in every field of activity in the country. I take my hat off to them because, in a country like Canada, where the climate is quite harsh, one can certainly say that compared with producers in the United States, the only country in the world that produces 12 months out of 12, year in and year out, our farm producers really do quite well, and we only pay 1 to 2 per cent more for our own agricultural produce off the shelves. I want to congratulate our Canadian producers and tell them this: the least expensive of all grocery baskets is found here in Canada, despite a difficult climate, and despite the small population in some parts of the country. I really cannot understand why, in some quarters, there is constant beefing about our producers supposed lack of efficiency, when we know full well that as compared with the United States, Europe and even Japan, our grocery basket is the pride of our country and the envy of all the other countries in the world. So, Mr. Chairman, once again, I want to pay tribute to our farm producers and encourage them to continue to develop, to modernize and industrialize their farms at the rate we have witnessed in the last few years.

Now, Mr. Chairman, if we want to maintain the high rate of productivity of our agricultural class, the government, through the Department of Agriculture, must ensure that research is pursued at suitable levels, so that highly productive strains can be found and our producers can offer the consumers farm produce at consistently reasonable prices.

Mr. Chairman, when one speaks of research, one thinks of highly productive new strains, but we must not forget either that farms have to be owned where the results of the research performed throughout the land by our government agencies can be applied.

Still, Mr. Chairman, I would like to suggest to the minister that, with a view to stimulating research carried on in experimental farms where a lot of time is lost, now and again the Department of Agriculture should investigate very efficient farms which have experienced a high rate of productivity and request the close co-operation of those farmers to promote research in our country. Mr. Chairman, I think that the more new strains we can get and the more we insist on research, the more efficient our farmers will be for the benefit of our consumers.

In addition, I do not want to forget our Agricultural Products Board. We know quite well that several of our agricultural products are among the best in the world right now. We only have to consider our pork as well as our grain and we soon realize that several countries envy the quality of our food products. I would like to suggest to the minister that our Agricultural Products Board be expanded. As far as export is concerned, we all recognize that it is the Minister of Agriculture who is most aware of the problems and who is closest to the agricultural community. I also disagree with letting other

departments control the export of our farm products, because it often happens that officials in trade missions do not know our farm products. I am convinced that there is none better qualified than the Department of Agriculture to sell our products in other countries or convince them of the quality of these products.

I would like to deal briefly with marketing because the agricultural sector's efficiency depends on marketing which can provide adequate income for our farmers.

I would like to raise another point which, I think, could help us provide more protection for our farmers. We all know that several distributors or wholesalers in Canada have packaging permits, and they often lower the quality of the products by picking the top quality products and selling the rest in other containers.

I would therefore suggest to the minister that repackaging permits be prohibited since the Department of Agriculture has in recent years made funds available to farmers for the establishment of repackaging, classifying, washing and distribution facilities. Mr. Chairman, I think that if we want to keep these centres, which have proved efficient and which will serve all farmers who can use them, then we will have to implement stiff regulations to protect these investments and ensure compliance with Department of Agriculture regulations.

Mr. Chairman, I would like to touch upon the explosive issue of farm credit. More and more Canadian farmers are being asked to mechanize at the same rate as the rest of the world.

● (2100)

One thing for sure, agricultural producers have perhaps not been treated fairly when they have asked for financing. I would suggest to the hon. minister that our farmers be increasingly treated as businessmen or industrialists, and I shall tell him why. More and more, when a Canadian industry wants to reinvest or use its profit for its business, it is given tax rebates.

In agriculture, Mr. Chairman, every time a farmer makes a profit he does not enjoy the same tax privileges or advantages which, in my opinion, would greatly encourage producers to reinvest in the farming industry without having always to depend on government subsidies, and they would then be able to become more independent and more productive. In my opinion, this would be one of the ways to provide incentives which could help the Department of Agriculture meet its objective of having Canada play its role of feeding the developing countries.

Mr. Chairman, I strongly urge the hon. minister to examine this problem so that once and for all our farmers may be treated as businessmen and receive the same tax exemptions, provided they reinvest their profits in the farm or in agricultural improvements to increase their productivity, which would result in better products on the market and acceptable prices for all consumers.

Mr. Chairman, we all know that the role of the agricultural producer is to feed the consumer, but not at any price. Of course, I agree that the cost of each product must be taken into account. We should not be shocked if the prices of agricultural products increase occasionally. We should stop harassing politically and economically the same 5 per cent of our population by always asking them to make sacrifices to feed the whole country. I am not shocked when the price of a dozen eggs, a bag of potatoes or a quart of milk goes up from time to time; I believe that everything is going the same way in this world and that the price of everything must rise, and I agree with all hon. members that we must still maintain a high rate of productivity.

I believe that, by providing strong incentives, we can maintain this high productivity which has always been typical of Canadian agriculture, and I am proud to repeat this evening, Mr. Chairman, that Canadian agriculture is among the most productive in the world, and I want Canadian producers to be aware of this fact.

I would now like to deal with the processing sector. We all know that, because of the cost of energy, fertilizers, manpower, farm investment, and so on, we no longer have the right to throw away lower quality products which are rejected following an inspection. I hope that the minister will examine this problem today and that we will build more processing plants in this country to make greater use of lower quality products which are often put aside or simply thrown away. We cannot tolerate such a thing in view of all the costs and all the energy needed to harvest these products which cost just as much as first grade products.

Therefore I invite the Department of Agriculture to give serious consideration to that problem. Mr. Chairman, I should also like to deal with climatology, a field where I think we lack development in this country because we have so few experts in climatology. I remember that all summer long the opposition referred to the drought in western Canada. They said that it would bring about higher costs for food, that we would have less abundant crops.

However, I think that in a vast country like Canada, Mr. Chairman, a more developed climatological service would be absolutely necessary because last summer, as we know, while there was a drought in Saskatchewan and in Manitoba, Quebec and the maritime provinces were flooded. Mr. Chairman, I think we can help our farm producers by offering them a much more sophisticated climatological service in order to enable them to plan their crops a little more.

I would not want to overlook the inspection service, Mr. Chairman. The Canadian inspection service is truly outstanding given the fact that the high quality of our products is acknowledged throughout the world. Our inspection service

exists, however, for the sole purpose of monitoring the quality of the commodities sold to the consumer.

I should like to mention one weakness. In my opinion, the inspection service should protect farmers against the wide range of chemical products being offered on the market and being advertised as likely to miraculously double or even triple various crop yields which they fail to do more often than not. Mr. Chairman, I suggest that no effort should be spared to protect uninformed farmers against the improper use of these chemical products. Moreover, I would not want to ignore either the remarks made by the hon. member for Regina East (Mr. de Jong) who has a tendency to speak as though we were still in 1940. I would simply remind him that we are in 1980. As a potato grower for some 20 years, I can say that I have used chemicals and that I have never had any problems with them because I would strictly follow the directions on the labels. Perhaps I should add, for the benefit of the hon. member for Regina East, that I was a DDT user. Although I used it extensively, I never experienced any problem with it in the forties and fifties. But I must tell the hon. member that he does not know anything about chemicals and that he has a tendency to suggest that all farmers are inefficient nincompoops. He is wrong! What he says is unfounded, because our farmers are the wisest users of chemicals in Canada. They make the best use of them. I suggest to him also that if he made further inquiries, he would realize that most of the chemicals used in this country since 1975 are biodegradable. He only has to look for the meaning of the word biodegradable and he will then agree with me that none of the chemical products used in this country are dangerous and he should therefore once and for all stop scaring consumers who do not know where to go. This is the sort of thing that scares people and originates from politicians who propagate all kinds of lies. It is sheer ignorance. I daresay the companies, the government and everbody else have at one time or other asked the House that chemicals be free from certain ingredients and that consumers be also protected from these things. We should stop once and for all scaring the whole population. People can think for themselves and have a great deal of respect for politicians. If we want to keep this respect, Mr. Chairman, we have to be honest with the consumer.

• (2110)

[*English*]

Mr. McCain: Mr. Chairman, some day if all ideologists such as the hon. member for Regina West were to get up for breakfast and find no egg or toast, they would wonder what happened. There would be no egg or toast because farmers would have listened to clowns like the hon. member. If they did, they could not produce enough wheat in Canada to feed Canada, let alone help feed the rest of the world. So you must have a little judgment—

Mr. Benjamin: It takes one clown to know another one.

Mr. McCain: That would qualify you, sir.

Mr. Benjamin: You just qualified.

Mr. McCain: There are a few little things which will grow in the wild, such as berries and so on, and one does not seem to need anything more than perhaps a fire to produce blueberries. Raspberries also will come after burn-out, so if that is the kind of fodder the hon. member wants, if he wants to go back to nature and the land which we inhabited a few hundred years ago, I suggest that is what he would get. I agree totally with the hon. member for Portneuf, who said, "don't scare the country to death in a needless fashion." It is abusing the farmers and the public who eat their produce to talk in such language as that, with so little knowledge of the facts, because there are, including the hon. member for Portneuf and myself, probably two dozen other members in the House who have lived with, worked with, farmed with and needed the chemicals which he condemns to produce the food without which he would starve. Let us use a little judgment.

I will say that he did caution the Department of Agriculture very properly. We in Canada are not doing the kind of research we should be doing to know in time what chemicals we should or should not use. Perhaps we are not providing the necessary cautionary instructions needed on some of the chemicals which we use, and I wish we could improve on that. However, to denounce totally the use of chemicals in agriculture is to ask the rest of the world to submit to starvation.

An hon. Member: You want to have it both ways.

Mr. McCain: You would like to have it both ways. You would like to listen to the ideologists and eat too, and the two do not go together.

Some hon. Members: Oh, oh!

Mr. McCain: Just be quiet. The minister will do enough talking but you be quiet. You will have your turn.

Yesterday I went to two different meetings, Mr. Chairman. There is no question about that because here are some of the things I was told. I was told that there is a long way to go for the government—

The Chairman: The hon. member for Chicoutimi rises on a point of order?

Mr. Dionne (Chicoutimi): I should like to say to my dear colleague that my constituency is not Portneuf but Chicoutimi, please, and I thank you very much.

Mr. McCain: I thank you for your correction. We have one point in common and I do not know how many more we will discover before the night is over, but potatoes will be all right.

I was accosted by a gentleman down there who asked, "What in the world is this government doing? Is it not aware that Canada is quite capable of self-sufficiency, and that the moves which the government has taken are leading us further

and further from self-sufficiency? We are even importing chicken."

There was another fellow there who said, "Look, I am really concerned about the flour industry in Canada because there does not seem to be any way to stop the dumping of flour from foreign jurisdictions, and our industry is in jeopardy as a result. Someone is trying to buy a market and hope they will have a corner of it." I suppose the minister and I did not meet that fellow. Another fellow came up to me and said that the mushroom industry in Canada is having trouble. "At the moment we seem to have a good corner on the fresh mushroom market, but as the industry is expanding for fresh protected mushrooms, we will need a processing industry." He said, "It is futile to hope we could ever grow mushrooms for processing." These people want a chance to make a living and they do not want to have the product come in from sources where costs are unrealistic in relation to Canadian costs. They want recognition of the fact that farmers have a right to live, even if they grow mushrooms. Whether or not the minister thinks so in Windsor is another question.

Mr. Hnatyshyn: He only grows magic mushrooms.

Mr. McCain: We need an additional preference for domestic products. As an example of what can be done let me point out that when we did have a surplus of onions we had a promotion program which worked to relieve materially the surplus and to increase domestic consumption of Canadian products. It improved the situation.

There was another fellow from Atlantic Canada who came up to me who asked, me, "What are you going to do about a subsidy on feed grains, because the livestock industry in the Atlantic area will starve or choke to death. It cannot survive on the present basis." I do not know, Mr. Chairman. We have a good bunch of farmers in Canada and we have some good programs in agriculture, but everything is not as rosy as some people would like to say it is.

I have a few little questions which I should like to put to the minister. The minister has complained that he has not had a chance to answer questions, so I will put one to him and if he does not take too long to answer it in Committee of the Whole House, I would like to ask him some more. My first question is whether or not the department had a cost-benefit study before it adopted a resolution on seed potato production? The regulations which were passed have a very significant impact upon cost.

Mr. Whelan: First of all, Mr. Chairman, a statement was made about mushrooms and the hon. member will not get away with it. I am sure the hon. member knows—and if he does not he might want to search the library in his office—that under our tariff negotiations we put a 20 per cent tariff on imported canned mushrooms, plus about 18 cents on the Canadian dollar, so that the producers have a benefit or protection of about 38 per cent if they want to can mushrooms in Canada. I do not know what more we can do.

The hon. member asked whether we had a cost analysis for the program. The answer is no.

Mr. McCain: Would the minister have any conception of how much the increased cost per acre will be for the methods which will be necessary to comply with the regulation, and does he have any idea of the cost of machinery replacement which will be necessary in order to plant in the fashion prescribed by the regulations?

Mr. Whelan: The hon. member knows full well why we acted as quickly as we did. We did so because we had to protect that industry. So we put in some severe regulations. There is no doubt about that. They are important to protect that industry. If we are going to expand the seed market which he and many of us have talked about, it is just not possible to do it without those strict regulations. We had to act very quickly, in response to his representations, amongst others, about what we should be doing to make sure that those seed potatoes we export are free of disease.

Mr. McCain: I should like to ask the minister what we got in return for the regulations which we introduced. Does the minister have the assurance that we will in fact have open access to the European Economic Community, because it was only for this community that these regulations were required?

Mr. Whelan: We do not have it at this point in time, but there is an old saying that you shall be known by your actions. We hope we shall have that access. Not only have we made such a representation but my colleague, the Minister of State for Trade, has made such a representation to the EEC and to those countries with which we are having difficulties.

Mr. McCain: The answer is that we do not have access, that we went into this situation without a *quid quo pro*, without the assurance that we would have the market. I should like to ask the minister now, through you, Mr. Chairman, whether or not we have permission to ship to the European Economic Community during this marketing season and, if so, when did we get it?

Mr. Whelan: Mr. Chairman, the hon. member knows that not only do we have to appear as good as Holland and Denmark and some of the other countries with which we are competing, we have to be as good and our legislation has to be as good. If we can develop our seed market in the world from half of 1 per cent to 1 per cent of the world seed potato market, that is what we all want. We expedited the passage of those regulations. We have not hurt a soul as far as I am concerned, and they will have to meet those regulations. They can forget about the potato seed industry anywhere in the world if they are not going to meet the health standards that the other countries are demanding. If we are to compete with Holland and Denmark, I repeat, we must have those regulations and we must adhere to them.

The Chairman: The hon. member for Victoria-Charlotte.

Mr. McCain: Could we try Carleton-Charlotte, sir? I will forgive you, Mr. Chairman, if the hon. member for Chicoutimi will forgive me.

Mr. Chairman, there is an element of logic in what the minister said regarding the answers on the inspection structure, but I wish to ask him one more question. In view of the costs he has imposed by these regulations, without any *quid pro quo* agreement with the European Economic Community, would he explain why he has exacerbated the problem by suggesting for the first time to Canadian potato farmers that he will charge them for seed inspection?

● (2120)

If ever there was a time in the history of the Canadian potato seed business when producers needed to be encouraged by free inspection, it is now. It is not a matter of imposing now an additional charge over and above the costs of machinery, handling, storing, etc. which are imposed by this regulation without a *quid pro quo* agreement before starting. There is a great deal of evidence to indicate a substantial market for Canadian seed potatoes outside the European Economic Community. I agree that we need to be inside the EEC, but it is a matter of negotiating on a *quid pro quo* basis from the beginning. Why have farmers been told that they will be charged for seed potato inspection after the other requirements have been imposed on them without any reward?

Mr. Whelan: Mr. Chairman, I am sure the hon. member is aware that we had discussions with the provincial ministers of agriculture concerned. The provincial minister of agriculture for New Brunswick approved of this program. It is a cost-sharing program. It is not totally the responsibility of the producer; it is the responsibility of the producer, the province and the federal government. It is in the true spirit of confederation, if I may put it that way. It is what we call a unified approach. We are sure that we will come out with the best program ever for seed potatoes. When Canagrex is formed and we are selling seed potatoes, we will be able to guarantee disease-free potatoes. There will be no suspicion that they have ring rot or any other disease. We will be able to say that our potatoes are better than the ones from Holland and Denmark. We cannot say that at the present time.

Mr. McCain: Yes, we can.

Mr. Whelan: Unless we adhere to these strict rules and regulations, we will not be able to say it. So, it was a necessary step to take. I have not heard the kind of dissension about this program which the hon. member is trying to put across tonight. That has not been indicated in the correspondence I have received. I have visited potato growers in other parts of Canada who are subject to the same control. The potato growers of Alberta had some concern about it, but when I went to them and explained it, I came away from the meeting with the feeling they understood that it would be good for them and good for us also.

Mr. McCain: Would the minister ask an economist in his department to estimate the additional cost of the production of potatoes for seed, for table stock and for processing so that it will be down in black and white? Would he ask one of his experts if he has ever tried to grow netted gem potatoes from whole potatoes never touched by a knife? If so, how should they be planted to get a yield fit for processing, whether it be in Manitoba, New Brunswick, Prince Edward Island or Alberta? Obviously the minister has not asked those questions. It is necessary for these potatoes to be planted whole, if I understand the regulations, unless the department has backed off. It is just not a practical way to grow certain varieties.

Will the minister undertake to get the information I have requested? I would like to know the additional machinery, seed and storage costs. Also, will the minister restrict the Canadian market to nothing but Canadian potatoes? If so, where does he expect to find potatoes for consumers during the middle months of the season? We do not and cannot produce them, and we cannot trade with any country which is subject to the problems the minister is trying to preclude. He knows the objectives as well as I. We are both in accord with the objectives, but the means used to attain the objectives are extremely expensive. I just want to know if the minister realizes what costs he has imposed.

I have one further question. Would the minister explain why his department representatives recommend that onion growers with low incomes should receive $12,000 per farmer, while potato growers receive $4,000 for the same reason?

Mr. Whelan: Mr. Chairman, I do not know what statistic the hon. member is using.

Mr. McCain: It was a release from the Department of Agriculture.

Mr. Whelan: When we look at the amount of money we have put into potatoes and compare it to the amount of money we have put into onions over a period of years, both of them could probably use a better marketing system. From 1974 to 1978 we spent $46,800,000 in potato stabilization. If Mr. Chairman will excuse me, we might as well have poured the money down a rathole because it did not make the potato industry—

Mr. McCain: They will be glad to hear that all over Canada.

Mr. Whelan: —that much better; it did not stabilize it that much. It helped some growers to stay in business, but their marketing system is still one of the most horrible. Perhaps there is one which is a little bit worse, but I will not mention it at the present time.

Mr. McCain: Mr. Chairman, I rise on a point of order. The minister's answer is in no way related to any of the questions I asked.

The Chairman: With all due respect, the hon. member has a few minutes left in which to make his point. The Minister of Agriculture has the floor.

Mr. Whelan: The hon. member made comments about the officials. The deputy minister went to North Africa to talk to the people there about what kinds of potatoes they wanted,

what kinds of potatoes we could supply. We know we can supply the kinds of potatoes they want; we know the kinds they want. We know we will have to plant potatoes here which we can guarantee to be disease-free.

I cannot give the member the answers he is requesting tonight that quickly, but I could have them for him tomorrow in a more detailed form when we resume consideration in Committee of the Whole.

Market risk insurance is included in the program. We are participating in that with the producers and the provinces. The provinces have been told that we must move on this. We have met with the provincial deputy minister of Prince Edward Island on this subject. The provinces want research and development, the hon. member wants research and development. These are being co-ordinated with the program through the food production inspection branch in Ottawa. It is a split-up program. We do not make excuses for it. The hon. member has said, "You are not doing enough", and when we move, he says, "You are doing too much". I do not understand.

Mr. McCain: The questions I have asked have not necessarily denounced the problem totally, but does the minister understand the costs he has imposed? Obviously he does not.

What will happen to the general trading relations which have existed between Canada and the United States, for example, without whose supply consumers will not have any potatoes? The processing industry will not have any potatoes for the summertime because they can neither be stored nor produced for that purpose in Canada at this time. Perhaps research will develop a system whereby we can, but there are problems associated with it.

I fully appreciate that there has been discussion between the minister in Ottawa and the ministers in the individual provinces. There is no question about that, but my information is that some of the agreements which were achieved were not necessarily kept in full as the federal government proceeded after the regulations were made. However, I will not go into that aspect at the moment.

Will the minister commit himself to getting and publicizing the per acre costs imposed by this change? I want him to find out what has been the results of tests conducted on Canadian seed versus Dutch seed or European seed of any kind in the foreign markets which Atlantic Canada is now supplying. The answer he will receive is that Atlantic seed potatoes which were planted in test plots in an international competition are indeed showing better results in the last year than the tests on the seeds of other competitors. The minister mentioned Holland. Holland at the moment is experiencing a cyclical problem which we have been experiencing for the last five years. Are they, in fact, able to comply with the regulations themselves? That is the argument we must put forward. Can they, in fact, comply themselves with the regulations which we have imposed here? They are exposed to table production and to the flight of insects from one jurisdiction to another, as is Atlantic Canada, as is any other agricultural area in Canada. I think the answers to these questions are pertinent to the potato industry.

The Chairman: I regret to interrupt the hon. member but his time has expired.

• (2130)

[*Translation*]

Mr. Dubois: Mr. Chairman, I am pleased to participate tonight in the debate on the estimates of the Department of Agriculture and on the dairy policy announced last summer, and then to comment on the situation in the province of Quebec, and to show how Quebec milk producers benefit from the Canadian dairy policy.

As of August 1, 1980, the price of industrial milk was raised from $14.68 to $15.26 a hundredweight, that is 3.9 per cent more. Hon. members know that the last increase had been announced on April 1, 1980. Worthy of consideration at the time was the fact the support price paid by the Canadian Dairy Commission for butter went up to $1.592 a pound. That is a raise of 8 cents a pound.

As a member coming from a rural area of Quebec, I noted particularly that the minister had announced the Government of Canada would pay $2.66 a hundredweight for industrial milk produced for the domestic market and for the export program.

My colleagues from Quebec and those from other provinces will remember that at their last convention in Winnipeg Quebec Liberal members had endorsed an important resolution to have the support price for industrial milk maintained at $2.66 a hundredweight. Quebec industrial milk producers thought it was a highly significant factor and it had to be maintained. Effectively, after legislation had been passed, the Canadian Dairy Commission and the department announced that the price would be maintained.

What must be noted in my opinion is that the requirements of the domestic market as established by the Canadian Milk Supply Management Committee were still at 100 million hundredweight even though it was felt at the time that the supply could increase during the dairy year.

The government thus authorized higher export quotas, from three to five million hundredweight. Given the situation of the dairy policy, it can be said that we in Canada have a somewhat particular situation.

My colleague from Chicoutimi was saying a few moments ago that the food basket costs less here than in other countries. He was absolutely right because I have here a table from the U.S. Department of Agriculture showing that in Canada, in U.S. dollars, the same food basket costs $55.56 as opposed to $58.02 in the United States. The other countries included in the comparisons are Australia, the United Kingdom, Spain, Belgium, Italy, The Netherlands, West Germany, Argentina,

Sweden, Switzerland, Denmark and Japan where the same food basket goes for $135.10. It must be realized that the Canadian food policy situation is very important.

I would also like to deal with the Canadian policy as it affects Quebec. Many people complain and tell us that Quebec never got its fair share under the agricultural and dairy policy. It can be said that various federal as well as provincial sources confirm that between 20 and 25 per cent of the federal agriculture funds are spent in Quebec. During the last few years the annual budgets of Agriculture Canada and other associated agencies totalled about $700 million. As we know, close to 50 per cent of the Dairy Commission budget alone is spent there, and that exceeds $130 million a year. Between $9 and $10 million are provided for research and more that $20 million for the administration of animal health inspection services, grants and so on in the province of Quebec. Those agencies were spending in Quebec about $160 million or 23 per cent of their total budgets. So I do not think it is a striking and true example of neglect toward Quebec by the Canadian government in agriculture. In 1976 Quebec had 18.7 per cent of the agriculture population of Canada, 15.2 per cent of all farms and their farm income represented 13.5 per cent of the Canadian total. According to those criteria, Quebec has not been neglected by the federal treasury.

If we compare the percentage of Canadian income with the number of farms and examine the budgets of the Canadian Dairy Commission, many people who are not necessarily Quebec federalists can protest as much as they want but it is obvious that federal and provincial sources contradict those facts. Furthermore, the budget mentioned earlier does not include the amounts paid to Agriculture Quebec by the Department of Regional Economic Expansion within the agricultural subsidiary agreement in which the federal contribution amounts to $61.9 million which represents 60 per cent of the total budget to be spent during the period from 1975 to 1982. So, this is one more case where Quebec receives its fair share.

Now, in respect of the votes of the Department of Agriculture, I have some questions to put to the minister regarding the dairy policy and some other policies of his department. First, I should like to ask him what are the amounts allotted. Here again I put the question for the information of those who are not aware of the amounts paid by the Canadian government for some programs. Most of the time they know that the cheques are coming from Quebec City, but in fact the money is coming directly from Ottawa. I wish to know what are the amounts of the subsidies, what assistance is given for the construction of silos, the purchase of drying equipment for grain and feed, the purchase of combines and for underground drainage. We know that a lot of money is coming from Ottawa and I wish to know if the minister could tell us the percentage or the amounts that Quebec receives from Ottawa for those programs.

[*English*]

Mr. Whelan: Mr. Chairman, the program the hon. member is talking about is one in the course of which we have signed an agreement with the province of Quebec in lieu of removal of feed freight assistance. The program for silos and other equipment is not broken down but $33,500,000 of federal funds were allocated for that program. In Ontario the program would account for $13,400,000.

[*Translation*]

Mr. Dubois: Mr. Chairman, in the circumstances maybe we should have more publicity about the amounts which are going to Quebec directly from Ottawa as mentioned earlier, because as I realized during election campaigns, a large number of Quebeckers are not aware of its source, particularly concerning the silo construction program. The Quebec farmer does not actually know how much comes from Ottawa and I think it might be appropriate to consider better advertising or at least better information about this funding situation.

I will now turn to another matter, the situation of the Agricultural Stabilization Board. About the way this board dealt with the problems of the Canadian hog producers, we know that last May the Government of Canada granted some $46.5 million to hog fatteners. Unfortunately, quite a number of my constituents are complaining of incredible delays in the payments made by the board. The situation is the same for the weaner pig producers, to whom the Canadian government granted $6.5 million. Concerning finishers, I would like to know how many applications have been received and how many cheques have really been mailed. I would like to know the same about the weaner pig producers. How many applications did he receive and how many cheques have been mailed? Very recently when we were making inquiries we were told that should arrive in a few days. We have been getting this answer for quite a while when making inquiries. Many of my constituents who are hog producers are complaining about that delay. I would like to have an answer to my question concerning the cow-calf producers and weaner pig producers.

● (2140)

[*English*]

Mr. Whelan: Mr. Chairman, the total number of applications received under the market hog program for stabilization is 24,778, and the number of applications processed for payment is 14,332. The two provinces with the most applications were Quebec with 3,427, 1,274 of which are processed and Ontario with 9,482, 6,029 of which are processed. In the weaner pig program, there have been 5,890 applications received and 1,678 have been processed. Since 58 per cent of the applications to the hog program have been processed, it should be finished by the end of December, 1980. Payments made to date under the hog program amount to $19.9 million.

[*Translation*]

Mr. Dubois: Mr. Chairman, I thank the minister for his answer, and I do hope that concerning weaner pig producers—I believe we have not been able to get any answer concerning pig fatteners, or finishers—the minister would give me the answer as well because the program was announced sometime later during the year, namely, in August. We are getting many telephone calls from producers who are waiting. Would the date that the minister has just indicated for pig fatteners, late December, apply as well to weaner pig producers?

[*English*]

Mr. Whelan: Mr. Chairman, I am a little confused. There are only two programs, one for weaner pigs and one for the finished product. I did not give the figures on the weaner pigs. There have been 5,890 applications of which 1,678 have been processed. The two provinces with the most producers are Quebec with 3,220 applications of which 1,076 have been processed and Ontario with 1,005 applications of which 236 have been approved. The percentage processed to date is 28 per cent. This kind of program requires more checking to determine whether a farmer is really a weaner pig producer. We must be very careful because it is government money we are spending. We hope that those which are not finished by the end of the year will be finished by the first month of the new year.

[*Translation*]

Mr. Dubois: Mr. Chairman, I thank the minister. As regards the assistance program to the provinces under the jurisdiction of the Department of Agriculture, I would like to know what are the real amounts spent on cold storage? What are the amounts for which the Government of Canada is committed with regard to cold storage through the Department of Agriculture?

[*English*]

Mr. Whelan: Mr. Chairman, the projects to which the hon. member has referred are programs for cold storage, controlled atmospheric temperature storage and jacketed storage. From 1973 to 1980, 97 projects amounting to $10,743,869 were started. The number of applications for the fiscal year 1980-1981 is 42. That is how fast this program is growing. There will not be enough funding for all of these programs and some will have to be carried into next year because it is rapidly becoming the kind of program which we want it to be. We will be placing Canadian vegetables in cold storage and they will be as good as the day they were picked, on Christmas day, New Year's Day, St. Patrick's day, Valentine's day, and right up to the day the new products come on the market.

From 1973 to 1980, 23 projects were started in Quebec with a total value of $2,263,633, and in Ontario 32 projects got under way with a total value of $2,780,753. The province which spent the most money, although it had the same number of projects as Quebec, was British Columbia, which had a total expenditure of $3,807,125.

These programs allow for the export of a larger quantity of a product. For instance, British Columbia is now exporting apples to 34 different countries around the world. Quebec has used the program for apples, carrots and other vegetables to supply the state of New York and that area of the United States for a good part of the year.

[*Translation*]

Mr. Dubois: One last question, Mr. Chairman. Although we produce a lot of milk in Canada, we unfortunately import a lot of cheese and similar products. I would like to know what is the proportion of department funds going to our processing industry, because I feel we have the potential here, with our milk production, to produce our own cheese and dairy products without such a high volume of imports. What is the percentage of the funds going to processing plants?

[*English*]

Mr. Whelan: Mr. Chairman, the import quota for cheeses was 50 million pounds. Before that quota was established, there was no quota and one could import as much as one wanted. The quota was then changed to 45 million pounds. The increase in the production of Canadian cheese over the past six years has been phenomenal, particularly with regard to specialty cheeses. I believe over 70 different varieties of cheese are made in Canada. We can compete with any country in the world and we are giving the other countries a lot of competition in this area.

Last year we exported to the United Kingdom and the United States six million pounds of cheese, although Canada is a net importer of cheese. The cheese which goes to the United States is mostly specialty cheese. We are now exporting about ten million hundredweights of milk composed of evaporated milk and instantized whole milk powder which is equivalent to 90 million pounds of cheese. I did not know that figure until now. I knew we were exporting a tremendous amount of condensed milk, which is better for us because we have less butter, less powder and less storage costs. All of these things make it better for the dairy industry. I repeat again, our dairy industry is the healthiest in the world.

• (2150)

Mr. McLean: Mr. Chairman, I had hoped to have enough time, with the concurrence of hon. members opposite, not only to ask some questions but to get a response from the minister. I regret that it may only be possible to raise the questions so, since the minister's colleagues have not permitted time for his response, I hope he will be prepared to reply in writing.

I want to inform the minister that today, in this city, the Status of Women Canada held a debriefing session of delegates to the World Conference of the United Nations Decade for Women, held in Copenhagen. The debriefing was attended by representatives of women's organizations from across this country.

One of the major sections of the report entitled "Report of the World Conference of the United Nations Decade for Women" in which Canada concurred, deals with the place of

women in agriculture. I should like to remind the minister that Canada concurred in a request to all governments concerning the place of rural women. The report reads as follows on page 106:

> 3. Requests governments to ensure that rural women:
>
> (a) Are provided with education, technology and training suitable to their needs, as identified by them in order to improve employment opportunities in rural areas;
>
> (b) Have access to credit and financing mechanisms on a basis of equality with men, and flexibility in the institutions which deliver credit services to rural women;
>
> (c) Are encouraged and assisted to attain key leadership roles in rural communities and organizations;
>
> (d) Are encouraged and adequately trained to participate actively in co-operatives and other organizations concerned with marketing;
>
> (e) Have free access to participation in rural industrialization programs.

The minister will have had that background in mind as he prepared his speech. I have in front of me the speech he delivered to the conference of farm women. A report in the press noted that the minister was there, made a number of statements and left before he could be questioned. In his absence, a number of questions were raised.

As we consider the estimates, I should like to raise some questions. I regret that hon. members opposite have not permitted the opportunity for a response. Some of these questions arise from Canada's concurrence as stated in Copenhagen, some from the minister's speech, and others from the failure of the minister to respond to the farm women.

First of all, the question was raised of farm credit and lending practices as they apply to women, and discrimination in that area. The minister will be aware that section 5 of the Human Rights Act, 1977, provides that no person should be denied access to goods, services—that is, credit—on the basis of sex and marital status, among other stipulations. This makes it illegal for a bank or the Farm Credit Corporation to deny a woman credit solely because she is female or because she is single, widowed or divorced. There is a problem, however, about defining credit as a service and many women are denied credit for this reason. Obviously, section 5 should be revised to include credit discrimination. There are problems with the denial of credit to women. If a woman does not sign for a loan to her husband's farm, she does not incur any financial responsibilty, nor does she establish a credit rating. If she is then left alone—widowed or divorced—and wants to secure financing to continue operating the farm business, she has no credit rating.

The FCC does not recognize the woman as a legitimate business partner in a husband-wife partnership. The policy entitles individuals to apply for a maximum of $200,000, and partnerships for a maximum loan of $400,000. However, a husband and wife partnership may receive only up to the individual maximum of $200,000. This discriminates against individuals on the basis of marital status. It also discourages spousal partnerships.

My question concerns farm credit. The minister told the conference that his officials were considering recommendations for change. That was a week ago. This issue was not new at the time the minister spoke. What steps is the minister taking to ensure that the federal government adopts equal credit opportunity guidelines similar to those outlined by the province of Ontario, which guarantee that both single and married women will be granted credit provided they have adequate credit qualifications?

Will the minister press for a better definition of the clauses in the Human Rights Acts dealing with services and ensure that a separate section dealing with credit guidelines is incorporated in every act? Does the minister plan to establish education programs to inform farm women as to the necessity of acquiring credit history as well as how to obtain and use credit?

In the three minutes left to me, Mr. Chairman, I hope to pose some questions about women in agriculture and the CBC, and the discrimination practised regularly in the way farm women are depicted by broadcasters. As the great champion of farm people, will the minister bring to the attention of the CRTC, the dissatisfaction of women's groups, and in particular, farm women's groups, over their portrayal in the media?

I wanted to ask the minister about opportunities for young farmers. In his speech he mentioned the number of female graduates but, he neglected to point out that there is less and less opportunity for them because of the declining number of farms from 480,000 in 1961 to fewer than 340,000 in 1976. Given the current rate of inflation and the poor farm credit standards I have just outlined, how does the minister see this increased number of women graduates being able to set up farms? How are they to be involved in the agriculture industry?

I also want to ask the minister about the appointment of women to boards and whether he concurs with his colleague, the minister responsible for the status of women, in terms of affirmative action. As he knows from the responses of farm women, 15 per cent of federal appointees to 160 agencies—that is, 181 out of 1200—are appointed to farm-related boards. In the United States, 33 per cent of federal appointees are women. Is the minister "on board" with affirmative action, given the direction of the Speech from the Throne with its four references to women? Where is the action? The minister has been in his present portfolio for ten years.

I should have liked to speak to the minister about unemployment insurance opportunities and the fact that of 15 categories, farm women are among those who are being discriminated against and are unable to claim unemployment insurance in the event of losing their jobs through separation or marital discord.

I wanted to ask the minister if he had discussed this matter with the Minister of Employment and Immigration. Can the farm women of Canada expect to be included with other working women as beneficiaries of unemployment insurance?

I regret that I cannot ask these questions, Mr. Chairman, because my time has run out and that I cannot get a response

from the minister on these issues so important to the women of Canada and to the viability of farming in this nation.

Progress reported.

• (2200)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

THE CANADIAN ECONOMY—TAX INCENTIVES FOR INDUSTRY LOCATING IN SLOW GROWTH AREAS

Hon. J. Robert Howie (York-Sunbury): Mr. Speaker, I feel that an investment tax credit of 100 per cent would be an excellent incentive for development of the Atlantic region which suffers from regional disparity. It would create taxpayers and simply defer their tax payments until their investments in new industry or expansion are recouped with no loss and, indeed, a net gain for the federal treasury. The government's subsequent decision to offer the lower 50 per cent investment tax credit in parts of the region only tends to contemplate competition within the region instead of strengthening the region as a whole so it can compete fairly with other regions of Canada.

I suggest that the real debate is not whether one locates in a part of a province, but whether resources in one region or another are more attractive for manufacturing or processing. Here DREE can and should operate to equalize an unfair imbalance based on development, transportation, infrastructure, financial resources and training.

I have to confess that I find it very confusing to attempt to rationalize the minister's program. The stated objective is to promote industrial development in those parts of Canada most adversely affected by economic disparities. I find it very difficult to rationalize this approach with the application of the program spread over every province and territory in Canada instead of concentrating on regions which suffer from disparity.

I am not clear whether it is a requirement of the program or only a general target that only 40 per cent of a province qualifies for this benefit and, in either case, why, if more than 40 per cent of a province qualifies under the other program criteria should these areas be excluded from the program. While these discrepancies remain unclear, a quick reference to the areas that are identified in relation to those that are not, raises other questions.

Take the province of Quebec for example. The areas identified range from Bonaventure through to part of Saguenay and nouveau Quebec. The average incomes in these areas related to the latest Revenue Canada figures available range from $8,115 to $10,756. The unemployment rate ranges from 8.2 per cent to 20.2 per cent. The employment to population ratio runs from 37.2 per cent up to 53.3 per cent. These are the areas that are included.

In the same province a quick reference to figures for Maskinongé shows an income figure of $7,883, an unemployment rate of 11.3 per cent and an employment to population ratio of 46.6 per cent. In Charlevoix the income figure is $8,689. The unemployment rate is 13 per cent and the employment to population ratio is 41.5 per cent. L'Islet has an income rate of $7,780, an unemployment rate of 9.3 per cent and an employment to population ratio of 44.3 per cent. These are the areas not included, and they appear to be worse off. There are others.

In another part of Canada, a designated area has an unemployment rate of 7.7 per cent, an employment to population ratio of 62 per cent and an income figure of $11,399. It is included.

There must be little wonder why I asked to have the data base and any related information that was used in arriving at these designated areas tabled in the House.

In the case of New Brunswick I can only say that I have no quarrel with the areas that are included because the segment includes Kent county which has an average income per family of $6,736 to Restigouche county which has an average income of $8,442. But the question becomes more complex when I try to understand why counties such as Queen's county, which has an average income of $7,453, Carleton county which has an average income of $7,397, and Victoria county which has an average income of $7,205, are excluded. So, too, with Charlotte county where the average income is $8,239. The incomes of families in these counties is certainly in the same bracket as those which are included, and as hon. members can see they are lower than some of the ones which are included.

• (2205)

When I look at these discrepancies and note the fact that every area in the Atlantic provinces that is included, with one small exception—part of Guysborough county in Nova Scotia—is represented by a member of the government caucus, questions arise in my mind and there are questions put to me by other people which I simply cannot answer. I would, therefore, like to have the statistical information upon which this program is based.

Generally, the attempt to touch every province and apply an arbitrary rule limiting the benefit to 40 per cent of the population of any one province and excluding the farming, logging and mining sectors, has diminished the value of a basically good idea with serious contradictions caused when the minister spreads DREE too thin and too far and fails to focus on regions of disparity.

My strong recommendation based on the information available to me is that all of the Atlantic provinces should be identified for purposes of this tax benefit and that the 40 per cent rule, if indeed it is a rule, be abandoned.

The Minister of Finance (Mr. MacEachen) has indicated to the Senate finance committee that the revenue foregone would be held to $15 million. The senator from the Miramichi in New Brunswick referred to this amount as "minuscule". This being the case, the need to focus on those areas most in need is all the more apparent.

Mr. John Evans (Parliamentary Secretary to Deputy Prime Minister and Minister of Finance): Mr. Speaker, at the time of his April 21, 1980, statement, the minister indicated that he would be reviewing the need to provide further tax incentives of the type suggested in the December 11, 1979, budget for industries locating in the slower growth regions of Canada.

In the period between that time and the budget of October 28, this review did indeed take place within both the Department of Finance and the Department of Regional Economic Expansion. The result, as announced, has been the establishment of a new, very generous, investment tax credit designed to promote growth in those areas of Canada which are in greatest need of economic aid.

The new incentive provides a tax credit of 50 per cent of eligible expenditures. This credit may be deducted directly from the other federal taxes payable by the company making the investment. This level of credit compares to the current investment tax credits of 7, 10 or 20 per cent depending upon the region of Canada in which the investment is made. Expenditures which qualify will be for new plant and equipment in most manufacturing industries in those regions which represent the 5 per cent of the population with the lowest per capita income, and the highest rates of unemployment.

This is a very generous measure. It acts to reduce the cost of the capital equipment in a new installation to one-half of what would otherwise be the cost to the company.

As it is a deduction against other taxes payable, the credit will provide a substantial incentive for successful firms to expand their operations into regions of high unemployment and low incomes. Thus, the incentive will attract firms which will provide a stable employment base of long-term economic benefit to these regions. The measure is experimental in nature. It represents an additional weapon in DREE's arsenal of programs to address regional economic disparities.

With regard to the hon. member's second question concerning the timing of the legislation for the small business development bond, the detailed description of the measure is in the public domain, and will be tabled in Parliament shortly. In addition, in order to allow firms a greater opportunity to take advantage of the measure, the deadline for making such loans has been extended three months beyond the original expiry date until the end of the first quarter in 1981.

● (2210)

NATIONAL REVENUE—INCOME TAX DEDUCTIONS FROM WAGES OF SPOUSES IN UNINCORPORATED BUSINESSES

Mr. Maurice Foster (Algoma): Mr. Speaker, on December 1 I put a question to the Minister of National Revenue (Mr. Rompkey) asking him if in fact the government was going to allow wages paid to a spouse working in an unincorporated business as a deduction for income tax purposes. The Minister of Finance (Mr. MacEachen) in his economic statement last April indicated this would be the case. Since then there has been some concern expressed by small businessmen, at least in my district, as to this deductibility.

Small business is a very important part of the Canadian economy. Some 95 per cent of Canadian firms can be considered small or medium-sized businesses in this country. They account for something like 24.5 per cent of the total sales in the country and represent about 42 per cent of employment in Canada. Also, they contribute around 30 per cent of the business gross national product of the country.

I am told that in 1980 there are some 600,000 unincorporated small businesses in Canada, many of them very small. However, many of these small businesses are proprietorships and are unincorporated for one reason or another. Often the spouse works in the small business as a partner or associate. Certainly this arrangement has made many small businesses successful working on this basis and has contributed in a mighty way to the strong position of these business enterprises.

Naturally, I was delighted when the Minister of Finance announced in his April statement that wages paid to spouses working in a small unincorporated business would be deductible for income tax purposes. Lo and behold, during the past few weeks I have had small businessmen coming to me indicating that the income tax department is refusing to accept the contributions deducted from the spouse for income tax purposes. When I put the question to the Minister of National Revenue he indicated that there were problems with the legislation because income tax amendments apparently have to be passed in the House before the bill becomes effective.

I should like to reiterate to the Minister of Finance and the Minister of National Revenue that I believe it is absolutely imperative that the government honour this commitment made in April by the Minister of Finance. Because of the importance of small business, whether it is a farm situation where the spouse works making the business a success, or whether it involves working professionals who are not incorporated and their spouses work along with them, perhaps not full-time but certainly part-time, those concerned are entitled to wages and are entitled to have those deductions for income tax purposes. I hope the Minister of Finance will be able to clarify this situation for the benefit of the 600,000 or so unincorporated small businesses across the country which are assuming the new tax provision will be implemented and will be in effect for the 1980 taxation year.

Mr. John Evans (Parliamentary Secretary to Deputy Prime Minister and Minister of Finance): As you know, Mr. Speaker, under the present income tax rules and as the hon. member has pointed out, a taxpayer who employs his spouse in his unincorporated business is not allowed to deduct as a business expense any remuneration paid to that spouse.

● (2215)

Concurrently, any remuneration received by the spouse, who is generally the wife in her capacity as an employee of her husband, is also excluded from the spouse's income. Similarly, where a taxpayer is a member of a partnership which employs his spouse, a proportional part of his spouse's remuneration relative to his share of the partnership business is deemed to be received by him and is not included in the spouse's income. That is the current situation under the existing law.

These rules were meant to prevent income splitting between spouses so that the total income between them would effectively be subject to lower income taxes than if received by only one. However, because the recipient spouse is usually the woman who, through the rules, is denied income and the attendant Canada Pension Plan coverage, various women's groups made strong representations for the removal of these provisions.

The December 11, 1979, budget of the former government included a proposal to remove the rules applicable to the remuneration paid to the spouse of a taxpayer who is an employee in his or her unincorporated business or partnership. This proposal was reintroduced in the April 21, 1980, financial statement by the current Minister of Finance (Mr. MacEachen), and the ways and means motions were presented to this House. The related draft legislation was released to the public in August, and proposed consequential amendments to the Canada Pension Plan, which would allow the spouse to receive income coverage under the plan, have also been prepared.

Amendments to both the Income Tax Act and the Canada Pension Plan are intended to be effective retroactively to January 1, 1980, and await enactment into law. The bill including these amendments will be introduced in Parliament shortly. As previously mentioned by the Minister of National Revenue (Mr. Rompkey), taxpayers have been advised to govern themselves by the proposed amended legislation, and the Department of National Revenue will be accepting the source deductions in anticipation of the enactment of the legislative amendments which will be applicable to the 1980 taxation year.

I think the points raised by the hon. member with regard to whether this legislation will be introduced in time for this tax year and whether it will apply retroactively to January 1, 1980, have both been responded to. In fact, the answer is yes to both those questions.

NORTHERN PIPELINES—EXPROPRIATION OF LAND IN BRITISH COLUMBIA

Mr. Sid Parker (Kootenay East-Revelstoke): Mr. Speaker, I rise tonight to discuss a problem related to the expropriation of lands by Foothills Pipe Lines to build a pipeline to carry natural gas to the United States. On November 21 I posed a question to the Minister of Energy, Mines and Resources (Mr. Lalonde), and the following was his answer:

It was not possible to find time, but nonetheless we have succeeded in reaching a situation whereby the private companies building the pipeline agree to be bound by the particular bill introduced by Senator Olson in the Senate. So in effect, the people concerned can benefit from the provisions of the bill which unfortunately has not yet been passed by the House.

The land has already been expropriated under the Railway Act. If the recommendations of Senator Olson's bill were to be followed as the minister indicated, the next procedure would have been to allow public hearings so that the people's voices could be heard. That was not done.

Second, the minister would have appointed a negotiator to negotiate a settlement between the company and the owners. This also has not been done. Third, if that could not be carried out according to the senator's bill which was passed in the Senate but not in the House, arbitration would have been the next step, which would have called for three arbitrators to be appointed to hear the case and make the final decisions. That also has not been done. Instead, an injunction was arbitrarily obtained and police force was used to carry out that injunction. These people were told that an arbitrator would be appointed and their case would be heard. What happened is altogether contrary to what the minister said in this House on November 21. I ask that the minister carry out the procedures laid down in the senator's bill.

● (2220)

Also I want to express a few more concerns because I asked personally, before the Alberta natural gas company was allowed a permit to export natural gas to the United States, that public hearings be held in my portion of the riding.

I want to speak for a moment, Mr. Speaker, about some of the people whose land may not be expropriated but who could be affected along with other people. I should like to comment very briefly on what was said by Senator Olson when the bill was being discussed in the other place. He said:

At the committee hearings one of the senators advised us that there were certain mortgage companies—and I think he mentioned CMHC in particular—which would not favour advancing a mortgage on a dwelling that was less than 600 feet from a high pressure gas line—and that, of course, would be 600 feet on each side. There are regional planning boards in certain parts of the country which have rules as to what they will approve, and give a building permit for, with respect to distances from high pressure gas lines.

I want to say that 107 miles of this pipeline will go through my riding and many people could be affected, even though their land will not be expropriated. They might find, a year from now, that they do not qualify for a CMHC loan because they live within a certain distance of that line. I think it is imperative that hearings be held now to give an opportunity for these people to express their concerns.

I want to criticize my fellow members from Alberta who are faced with the same problem because this pipeline will cross through Alberta properties. I want to say that if we are going to start using the 1919 Railway Act in order to build a gas pipeline to export natural gas to the United States at the expense of Canadians, then it is time this government started to realize that there are some serious problems out there and they had better deal with them.

I think it is indicative of something that four small land owners in Yahk, British Columbia should be the ones to bring

forth this problem and have it presented here in the House. I think the Liberal Party of Canada should be ashamed of itself that it allowed Foothills Natural Gas Pipeline to expropriate property and provide such a small amount of money for the land it is expropriating. I think it is time that the minister and the people involved got together and solved this problem.

Mr. Roy MacLaren (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, as the hon. member knows, neither the Northern Pipeline Agency nor the National Energy Board, under their respective acts, has any authority regarding compensation for land required for pipeline purposes. I understand, however, that the Northern Pipeline Agency has used its good offices in the past to explain the law as it stands to land owners. In previous instances, the agency has been instrumental in a satisfactory agreement being reached between land owners and the pipeline company. Unfortunately, in spite of their best efforts, officials of the Northern Pipeline Agency did not meet with much success in the case involving the land owners in southern British Columbia.

The company, in the first instance, seeks to reach an agreement by offering a certain sum of money to the land owner. This may be subject to further negotiations. When the pipeline company and the land owner cannot come to an agreement, the company must then act under the provisions of the existing law, which is the National Energy Board Act and the related provisions of the Railway Act. In these circumstances, the compensation paid to the land owner is not arbitrarily determined by the pipeline company. Under the arbitration procedures set out in the Railway Act, the company establishes, through the services of an accredited appraiser, a current market value for the lands required. The land owners may also seek the services of an appraiser. The ultimate decision as to the compensation to be paid is made by a presiding judge of the county or superior court, depending on circumstances.

The hon. member may argue that the expropriation of land under provincial legislation is more satisfactory than under the Railway Act. While the procedures for expropriation differ, there is no evidence to show that one law is more advantageous to either the land owner or to the company than the other in terms of compensation paid. Further, it must be understood that in the case of the Alaska Highway Gas Pipeline, we are dealing with a federally regulated pipeline which is bound by the provisions of the Canada-United States Transit Pipeline Treaty. Under this treaty, compensation for lands taken for pipeline purposes must be paid on a non-discriminatory basis. Further, Foothills cannot be expected to pay a higher compensation than is the prevailing rate in similar circumstances for other pipelines.

• (2225)

The government is well aware of a need to revise the present legislation to deal with all aspects of compensation. It was Senator Olson, then chairman of the Special Committee on the Northern Pipeline, who introduced Bill S-12 in the Senate in 1978. Senator Olson, since becoming the minister responsible for the Northern Pipeline Agency, along with the Minister of Energy, Mines and Resources (Mr. Lalonde) have both expressed their general support for the provisions of this bill. When the legislative timetable permits, the bill will be brought forward for further consideration.

Finally, the Foothills Pipe Lines Company has indicated that if Bill S-12 should be passed into law at some point prior to the completion of the Alaska Highway Gas Pipeline project, it would be prepared to make adjustments which further reflect the new approach provided for under Bill S-12.

Mr. Knowles: What about the minister's promise?

[*Translation*]

Mr. Deputy Speaker: Order, please. The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 2 p.m.

Motion agreed to and the House adjourned at 10.27 p.m.

HOUSE OF COMMONS

Wednesday, December 10, 1980

The House met at 2 p.m.

● (1405)

ROUTINE PROCEEDINGS

[*English*]

CONFERENCE ON SECURITY AND CO-OPERATION IN EUROPE

CASE OF RAOUL WALLENBERG TO BE RAISED WITH SOVIET DELEGATION—MOTION UNDER S.O. 43

Mr. Walter McLean (Waterloo): Madam Speaker, I rise pursuant to Standing Order 43 on this important and widely recognized International Human Rights Day. I wish to draw the attention of this House to the plight of Mr. Raoul Wallenberg, the Swedish diplomat who disappeared at the end of World War II after helping to save the lives of at least 20,000 Hungarian Jews. Mr. Wallenberg was taken into custody by the Soviets on January 17, 1945. Reports that he is still alive and being held in the Soviet gulag have come from various sources, most recently from Soviet jews who have emigrated to the West. Since both the Secretary of State for External Affairs (Mr. MacGuigan) and the Minister of State for Science and Technology and Minister of the Environment (Mr. Roberts) have clearly stated their support for further investigation of Raoul Wallenberg's case, I move, seconded by the hon. member for Kingston and the Islands (Miss MacDonald):

That the government give priority to raising the plight of Mr. Raoul Wallenberg with the Soviet delegation during the first session of the Conference on Security and Co-operation in Europe being held in Madrid.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Madam Speaker: Does the House agree to the said motion?

Some hon. Members: Agreed.

Motion agreed to.

FISHERIES

CALL FOR PROGRAM OF ECONOMIC ASSISTANCE—MOTION UNDER S.O. 43

Mr. Thomas Siddon (Richmond-South Delta): Madam Speaker, in view of the fact that the Minister of Indian Affairs and Northern Development (Mr. Munro) has announced the establishment of a $4.2 million program to assist native fishermen on the west coast because of limited fishing time, a poor season, intense competition in the industry and other factors, and since non-native fishermen have also suffered economic hardship during the past fishing season, I move, under the provisions of Standing Order 43, seconded by the hon. member for Surrey-White Rock-North Delta (Mr. Friesen):

That this House recognizes the severe economic hardship faced by many west coast fishermen this winter and therefore directs the Minister of Fisheries and Oceans to seek advice immediately from his colleague the Minister of Indian Affairs and Northern Development, who has responded too expeditiously to this serious problem, in order that together they may devise a fair and equitable program of economic assistance for all deserving fishermen, whether they be native or non-native.

Madam Speaker: Presentation of such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

PUBLIC SERVICE

EQUAL PAY FOR WORK OF EQUAL VALUE—MOTION UNDER S.O. 43

Mr. Rod Murphy (Churchill): Madam Speaker, in light of the fact that today is International Human Rights Day, since this Liberal government has refused to take any concrete action to settle the case of the 3,000 employees, mostly women, who are members of the general service component of PSAC, even though the government lost this case at the Human Rights Commission over six months ago, and since Treasury Board spokesman John Campbell has been quoted, in referring to the delay, as saying, "It's a sign that we don't want this case to become a dangerous precedent", and has further indicated that the government will not make a comprehensive proposal on this matter for several months, I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That, in the spirit of International Human Rights Day, the government reverse its regressive and sexist position and establish a "precedent" that would not only accept the principle of equal pay for work of equal or comparable value, but would also demonstrate that the government is willing to become a positive influence in establishing human rights among its employees.

S.O. 43

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1410)

HOUSE OF COMMONS

CALL FOR INVESTIGATION INTO METHOD OF ANSWERING QUESTIONS—MOTION UNDER S.O. 43

Mr. Tom Cossitt (Leeds-Grenville): Madam Speaker, I rise on a matter of urgency concerning the answering of hon. members' questions by cabinet ministers and with particular reference to a Privy Council document, a copy of which has come into my possession, headed "Secret. Not to be photocopied or reproduced". I intend to raise this matter as a question of privilege at three o'clock this afternoon. I move, seconded by the hon. member for Winnipeg-Assiniboine (Mr. McKenzie):

That in view of the fact that highly questionable, vicious, suspicious, surreptitious subterfuge is being secretly used by the government to deal with legitimate questions asked in this House, as evidenced by a Privy Council document, the House respectfully requests Madam Speaker to order an immediate investigation into the situation with particular reference to any parts played therein by Michael Pitfield, the President of the Privy Council and the Prime Minister. Finally, that an order be issued that all files in existence at this moment which will shed light on this matter be sealed and placed under guard to avoid the possibility of deliberate, diabolical destruction of evidence.

Madam Speaker: For presentation, such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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SPORTS

CONGRATULATIONS TO CANADIAN SKI TEAM—MOTION UNDER S.O. 43

Mr. Joe Reid (St. Catharines): Madam Speaker, I rise under the provisions of Standing Order 43 to move a motion which should meet with the approval of both sides of this House.

Canadians everywhere rejoiced with the Canadian ski team as it took four of the top five placings and had five racers in the top seven. In effect, they stole the show at the opening downhill event of world cup skiing held in France earlier this week. I move, seconded by the hon. member for Western Arctic (Mr. Nickerson):

That this House extend a message of congratulations to the coach and members of the men's ski team that has brought credit to themselves and in so doing has done much to encourage the sport of skiing in Canada and to enhance the reputation of Canadians in international competition.

Madam Speaker: I am reluctant to consider that it is urgent and pressing to send congratulations, even to a wonderful ski team. I am afraid we will have to restrict ourselves with regard to sending congratulatory messages to people.

* * *

EXTERNAL AFFAIRS

NAMIBIA—CALL FOR PROTEST AT SENTENCE OF MARKUS KATEKA—MOTION UNDER S.O. 43

Mr. Bob Ogle (Saskatoon East): Madam Speaker, I rise under the provisions of Standing Order 43, on a matter of urgent and pressing necessity. On October 13 of this year an illiterate farm worker, Markus Kateka, was sentenced to death by a South African court sitting in Windhoek, Namibia, on a charge of aiding African nationalist guerrillas. In view of the fact that the accused was not involved in any act of violence, and in view of South Africa's illegal occupation of the international territory of Namibia, I move, seconded by the hon. member for Winnipeg-Birds Hill (Mr. Blaikie):

That this House urge the Canadian government to protest to the South African government the illegal sentence against Mr. Kateka, and further pressure South Africa to commute that sentence and to end its occupation of Namibia in compliance with United Nations appeals.

Madam Speaker: For presentation, such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

NATIONAL CAPITAL

EXTENSION OF BOUNDARY TO EAST—MOTION UNDER S.O. 43

Mr. René Cousineau (Gatineau): Madam Speaker, I rise under the provisions of Standing Order 43 to ask for the unanimous consent of the House and introduce a motion dealing with an important matter of pressing necessity.

In view of the fact that the construction of the Hull-Masson highway is jointly financed by the federal and provincial governments on a 50-50 basis; considering that the eastern limit of the national capital area is situated in Masson; considering that the Quebec government has stated its intention not to extend that highway to Mirabel; considering the importance of that highway for the economic development of the Ottawa region, I move, seconded by the hon. member for Pontiac-Gatineau-Labelle (Mr. Lefebvre):

That the federal government consider the opportunity of extending the eastern limits of the national capital area to make sure at least that this new region will

be entitled to a federal contribution, since it is perhaps at present the only way to meet the economic needs of the area, because the Quebec government, instead of increasing the funds earmarked for its road system, is reducing them.

Madam Speaker: The presentation of such a motion under Standing Order 43 requires the unanimous consent of the House. Is there such consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*English*]

PENSIONS

CALL FOR INCREASE IN OLD AGE SECURITY PENSION—MOTION UNDER S.O. 43

Hon. Stanley Knowles (Winnipeg North Centre): Madam Speaker, under the provisions of Standing Order 43, and seconded by the hon. member for Oshawa (Mr. Broadbent), I move:

That the Prime Minister cease and desist from telling older people to do without things they already do not have in order to pay higher prices for their food, and that instead he agree to an increase in the amount of the old age pension so that Canada's senior citizens can have a decent Christmas and happy New Year.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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● (1415)

WELFARE

PROBLEMS OF SINGLE PARENT FAMILIES—MOTION UNDER S.O. 43

Mr. Peter Elzinga (Pembina): Madam Speaker, I rise on a matter of urgent and pressing necessity, under the provisions of Standing Order 43. In view of the increasing magnitude of problems facing the ever-growing number of single parent families, and in view of the fact that 9 per cent of all Canadian families fall into the category of single parent families and about 50 per cent of them have incomes below the poverty level, I move, seconded by the hon. member for Athabasca (Mr. Shields):

That the government give the highest priority to solving the ever-increasing problems of single parent families and make efforts to solve these problems as soon as possible.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

[*Translation*]

THE ECONOMY

MONTREAL ECONOMIC SUMMIT, 1981—REQUEST FOR MEETING OF GOVERNMENT OFFICIALS—MOTION UNDER S.O. 43

Hon. Roch La Salle (Joliette): Madam Speaker, pursuant to Standing Order 43, I seek the unanimous consent of the House to move a motion on a matter of urgent and pressing necessity.

In view of the fact that the economic development of the Montreal region is tremendously important, and that the city of Montreal, as well as the Quebec and Ottawa governments, have shown considerable interest in various projects, being aware of the conflicting views of the Quebec and Ottawa governments on the economic summit to be held in Montreal next summer, and of the need to favour the interests of metropolitan Montreal residents, I move, seconded by the hon. member for Kingston and the Islands (Miss MacDonald):

That the House unanimously urge the Minister of Regional Economic Expansion to call as soon as possible a meeting of all Quebec and Montreal officials in charge of economic development, to obtain their co-operation and make this summit a tremendous success.

Madam Speaker: Pursuant to Standing Order 43, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

THE ECONOMY

PROJECTIONS OF ECONOMIC COUNCIL OF CANADA RESPECTING WAGES AND SALARIES

Hon. John C. Crosbie (St. John's West): Madam Speaker, my question, which I hope will not be too exciting or frenzied, is addressed to the Minister of Finance. It is in connection with the annual report of the Economic Council of Canada made public today. That body, of course, is an independent agency of the government set up to give objective forecasts and estimates. In their report, they project that this year real wages, after discounting for inflation, will be reduced 2.2 per cent for working Canadian men and women. Their real wages will be down 2.2. per cent in real terms this year as a result of inflation and other factors. They forecast that in 1981 they will be down 2.4 per cent and in 1982 they will be down 0.1 per cent. In his budget, the minister forecast a decrease this year of 1.5 per cent, an increase next year of 0.4 per cent and an increase in 1982 of 0.9 per cent.

At the time he made these objections, the minister said they were cautiously optimistic. Of course, in light of what is happening, they were recklessly optimistic. Will the minister tell us whether he will be changing his projections? Does he agree with the projections of the Economic Council of Canada? What action is he going to take to try and reverse this loss in purchasing power and standard of living for the average Canadian wage and salary earner in this country?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I am grateful to the Economic Council of Canada for providing a further set of projections which can be useful for the purpose of analysing onward trends in the Canadian economy. On the basis of the projections to which the hon. member refers, and which I have not yet had a chance to examine, I have not decided to launch any new programs or change any budgetary measures.

Mr. Crosbie: Ten months of inactivity, Madam Speaker. Let us not talk of trends. Let me give the minister present facts. At the moment the Canadian dollar is trading at 83.33 cents to the U.S. dollar. We are approaching our all-time historic low. Retail sales seasonally adjusted for October were down 1 per cent—not up as they should be around Christmas—led by autos. There is a drop in sales of automobiles of 7.7 per cent in real terms. We have a situation where the Conference Board of Canada reports that 47 per cent of businessmen expect price inflation in the next six months and 49 per cent expect the same inflation rate. Obviously the government is not impressing anybody with its inflation battle. Do not get excited or frenzied, gentlemen; just wait for me to finish my questions.

● (1420)

Some hon. Members: Hear, hear!

Mr. Crosbie: In view of these facts—not trends but actual facts which the Canadian people are becoming frenzied and anxious about—what action is the minister going to take to reverse this deplorable economic condition?

Mr. MacEachen: Madam Speaker, the hon. gentleman has listed a whole series of economic indicators, each of which require considerable analysis to reply sensibly to the question. Let me make two points. It is a fact there is pressure on the Canadian dollar because of the very wide differential which exists between short-term interest rates in Canada and in the United States. Today, for example, the prime rate in the United States is up to 20 per cent and the equivalent rate in Canada is about 15.5 per cent. In those circumstances, and in view of the relationship which exists between our respective capital markets, it is not surprising there is considerable pressure on the Canadian dollar.

The hon. member asks me what I intend to do at the moment. I certainly do not intend to bring in any form of controls, which is the only direct approach one could take to overcome the influences from the U.S. capital market.

Mr. Crosbie: Madam Speaker, the minister is a perfect illustration of the fact that misery loves company. The only comfort he can give is that interest rates are higher in the United States. Well, ours will be higher later in the week. By the way, there are solutions other than wage and price controls. For instance, we could have a government the people are convinced intends to fight inflation. That is one example. The famous American economist, Otto Eckstein, has said this:

The collision between a stubborn inflation and moderate money supply targets is producing interest rates that will stop the economy's growth in early 1981.

Mr. MacEachen: Who is Otto Eckstein?

Mr. Crosbie: He was the chairman of the council of economic advisers to the U.S. president. Naturally, the minister would not have heard of him. Who has he heard of? Otto Eckstein said this collision is producing interest rates that will stop the economy's growth in early 1981.

Some hon. Members: Oh, oh!

An hon. Member: Take your time, John. Wait till those yahoos quiet down.

Mr. Crosbie: Would the minister please ask his colleagues to be quiet?

Would the minister advise the House whether he agrees with this general forecast of economists and whether the economy's growth will be stopped in early 1981 by high interest rates? Does he agree or not agree?

Mr. MacEachen: Madam Speaker, it is not my practice to be put in the position of agreeing with every possible opinion expressed, even by a former famous economist in the United States—

An hon. Member: To a former president.

Mr. MacEachen: —and especially a question addressed by a former finance minister. There is too much "former" in all of that for my taste. It is much too early to accept the hon. member's source or his question, because nobody at this time can foretell with any accuracy or precision the movement of interest rates over the next several weeks, let alone the next several months.

● (1425)

INQUIRY RESPECTING ASSISTANCE TO LOW-INCOME CANADIANS

Hon. James A. McGrath (St. John's East): Madam Speaker, I can assure the House and the government that this is no laughing matter. I would like to direct a question to the Minister of National Health and Welfare. Last Friday the Prime Minister advised Canadians that if they wanted to maintain the same amount of food on the table, they should cut their spending in other areas. According to the latest Statistics Canada figures, low-income earners in this country spend 82.6 per cent of their income on food, shelter and clothing, which is significantly higher than the definition of poverty of Statistics Canada, which is 62 per cent of one's income spent on food, clothing and shelter.

In the midst of this economic crisis which the minister knows will lean heaviest on the poor, the working poor, the unemployed and the old age pensioners of this country, and given the minister's statutory responsibilities as minister of welfare for this country, what steps does she propose to recommend to her colleagues so that low-income Canadians will at least have enough money to spend on heat and food?

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, I was not in the House on Friday, and I have not read the context of the answer, but everybody knows, especially those people mentioned in the answer of the Prime Minister, about the commitment of the Prime Minister and the government to them. The last increase we obtained of $525 million in July of this year taken through the surtax on corporate profits has been translated into a $35 increase per month in addition to the usual indexation every three months. We have decided to maintain indexation the way it is. That is the best way we have every three months of catching up with the exact increase in the cost of living. I think that is a very serious response to a concern which is felt by all at this time.

Mr. McGrath: Madam Speaker, I do not know on what food basket the minister bases her assertions. Given the escalated rise in the price of food, estimated at anywhere between 15 per cent and 20 per cent—and that includes increases in the prices of eggs, bread and milk—because increased energy prices, fuel oil prices and food prices have all but eaten up the $35 increase in the guaranteed income supplement, and given the projected one million unemployed next year, is the minister at least prepared to tell the House that she will give consideration to entering into discussions with her provincial colleagues to see what help the Government of Canada can provide to low income earners, the working poor, the unemployed and the old age pensioners of this country who will suffer because of the actions of this government? The minister has the power to do that under the Canada Assistance Plan. I ask her if she will at least take that into consideration.

Miss Bégin: Madam Speaker, I have just completed a two-day federal-provincial meeting with my colleagues, the ministers of social affairs of Canada. Some of them told me that they do not accept my raising the GIS by $35. I do not know if they will say that publicly. Our stand is still that as soon as the economy permits we propose to increase the benefits of single pensioners to put them just above the poverty line in order that all seniors in the country will be above the poverty line.

The hon. member asked what food basket we used to calculate indexation. I have gone through theoretical exercises to analyse the food basket and to see how it affects seniors. Other proposals put to me would leave seniors worse off than the actual indicators we use. The Conservative party has the philosophy that indexation of social programs feeds inflation. We will retain the full indexation of social programs.

Oral Questions

PROJECTED INCREASE IN FOOD PRICES

Mr. Edward Broadbent (Oshawa): Madam Speaker, having heard the last part of that answer, which was quite laudable, we will see what the Liberal party is prepared to do about the poor in general. Last weekend the Prime Minister suggested to Canadians that, because of the increase in food costs, they should change their priorities. The Agricultural Outlook Conference which concluded yesterday stated that food prices will go up as much as 20 per cent next year. Low-income earners in general—not just pensioners—spend some 31 per cent of their income on food.

My question is directed to the Prime Minister. Will he say today that the government will take special measures now for all low-income Canadians so that they will be able to continue to eat the things they need? Because they cannot afford to change their eating priorities unless they stop eating entirely.

• (1430)

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, as the Minister of Finance said in answer to an earlier question, we cannot predict with certainty what the situation will be in the course of next week. The hon. member is asking a question based on his assumption of what the figures will be next year. He is like the former minister of finance who is basing his questions on the assumption that there will be one million unemployed next year.

An hon. Member: That is your minister's assumption.

Mr. Trudeau: The Minister of National Health and Welfare has just answered the question asked by the Leader of the NDP by indicating that the policy of this government was to help first those who need it most, and that will be our policy in the years to come.

Mr. Broadbent: Madam Speaker, the Prime Minister's own Minister of Finance made a forecast of the rate of inflation for next year which was just as bad as the inflation in the current year and, as everyone knows, if the forecast is going to go anywhere, inflation is going to be marginally worse, if not substantially worse, rather than better than the forecast. Therefore, the Prime Minister's answer is no substitute for programs to meet the food needs of the poor in the country.

I should like to ask him the following question on a related matter. Since the spread between what the farmer is getting for what he produces and what the consumer pays, according to the most recent data, has actually increased, providing good grounds or good cause for profits for companies such as Loblaws, which went up by some 30 per cent recently, and IGA, which went up by some 33 per cent, will the government demonstrate its concern, at least at this level, for food prices by having a fair prices commission which would have the authority to investigate price increases and, where they are unjustified, order rollbacks?

Mr. Trudeau: Madam Speaker, had the Leader of the NDP listened to the answer given by the Minister of National Health and Welfare he would have had the answer to his

question which, no doubt, he was busily preparing. The minister just went through answering the concern of the hon. member as it concerns inflation in the year to come by indicating that this government had indexed old age pensions and other pensions so that they follow the rate of inflation as it goes up and compensate people on welfare for the higher rate of inflation by providing a higher rate of pension.

So far as the other part of the question regarding rollbacks is concerned, I have urged the hon. member before to explain how the federal government under the present constitution could roll back prices which are essentially under provincial jurisdiction.

Mr. Broadbent: As I politely explained to the Prime Minister before, he could use the same constitutional authority he used to bring in wage and price controls.

An hon. Member: That is right; he never listens.

Mr. Broadbent: What was good to control wages is obviously not adequate for the Prime Minister to control prices. We understand that well on this side of the House.

Some hon. Members: Hear, hear!

Mr. Broadbent: I should like to ask him another question, because he has rejected two approaches. In order to maintain the purchasing power of low-income Canadians in particular, will the Prime Minister at least consider announcing before Christmas an income tax reduction for middle and low-income Canadians so that they can continue to eat the essential foods?

Mr. Trudeau: Madam Speaker, I am sorry to say this, because I know that on another constitutional matter I have the support of the hon. member—

Some hon. Members: Oh, oh!

Mr. Trudeau: —but I must point out to him that his knowledge of the constitution apparently does not extend to the areas which permitted us to apply wage and price controls.

An hon. Member: Sit down.

Some hon. Members: Oh, oh!

An hon. Member: And these are your friends?

Madam Speaker: Order, please.

Mr. Trudeau: I wish the member in the second row would learn to control his sphincter; it would be easier then to get an argument across in this House.

Some hon. Members: Oh, oh!

An hon. Member: Heaven hath no fury like an NDP member scorned!

Madam Speaker: Order, please.

Mr. Trudeau: Madam Speaker, the leader of the NDP will remember that when we brought in wage and price controls, it was after two years in succession that the provincial premiers had urged the federal government to take some firm and drastic action to control inflation, and even then, when we appealed—

An hon. Member: You took no notice of the provincial premiers in the constitutional talks.

Some hon. Members: Oh, oh!

Mr. Trudeau: What I said about the member in the second row applies also to members in the back row of the Tory party.

Some hon. Members: Oh, oh!

An hon. Member: Come on, answer the question.

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EXTERNAL AFFAIRS

POLAND—INQUIRY REGARDING CONTEXT OF PRIME MINISTER'S NOTE TO CHAIRMAN BREZHNEV

Mr. Benno Friesen (Surrey-White Rock-North Delta): Madam Speaker, my question is addressed to the Right Hon. Prime Minister who, two weeks ago, met with Mr. Giscard d'Estaing and Chancellor Schmidt. I should like to ask the Prime Minister whether, in his note to Chairman Brezhnev last week, he included a briefing regarding the discussions he had held with Giscard d'Estaing and Chancellor Schmidt.

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I would ask the hon. member to understand that correspondence between heads of state and heads of government sometimes is privileged, and I consider this particular correspondence as privileged.

Mr. Friesen: Madam Speaker, I am simply asking the Prime Minister about what is apparently established protocol, and I should like to refer to his news conference of November 7 at which he spoke of the friendship protocol which he signed with the Soviet Union in 1971. At that time the Prime Minister said:

> We would do the same if I were to visit the United States, or something, or see a leader of some other country, we would have the Russian ambassador informed of the discussions.

In view of the fact that the Soviet Union has already shown its true colours in Afghanistan and is apparently preparing for a repeat performance in Poland, I wonder if the Prime Minister would show the firm resolve of the Canadian people to the Soviet Union by renouncing the friendship protocol which he signed in 1971 and cutting off that source of briefing which apparently Chairman Brezhnev has been getting.

Some hon. Members: Hear, hear!

Mr. Trudeau: Madam Speaker, I think the sentiment of the Canadian people with regard to the situation in Poland was

expressed by this House a few weeks ago when a member of the Liberal caucus moved a motion in this House, which was unanimously supported, indicating the concern of the Canadian government and people regarding events in Poland. I think any further comment must be made while keeping in mind the single most important enjoinder which we are getting from Polish leaders of various sorts, that as this time the West would be wise to show restraint in its political and military posturing.

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SCIENCE AND TECHNOLOGY

INQUIRY RESPECTING FUTURE FUNDING OF RESEARCH PROGRAMS

Mr. Gordon Gilchrist (Scarborough East): Madam Speaker, I should have liked to address my question to the Minister of State for Science and Technology but in his absence I will address it to the Right Hon. Prime Minister. It is a serious question involving, not patchwork payments today for the unemployed and for people below the normal income standards, but rather a long-range approach to job creation through science and technology research spending.

The National Research Council has made a clear point of having every dollar spent on research into true job creation being returned 20 times. I wonder if the Prime Minister would tell us what plans he and his ministers have after almost a year in office for research spending of a specific nature into such things as rail transportation and the other things at which we are good, which will result in true job creation for young Canadians on whose behalf I ask this question.

• (1440)

Mr. Roger Simmons (Parliamentary Secretary to Minister of State for Science and Technology and Minister of the Environment): Madam Speaker, the government has already made known its intention to encourage the increase in spending on research and development to 1.5 per cent of the GNP by the mid-1980s. I am pleased to report to the House that it is the intention of the Minister of State for Science and Technology and Minister of the Environment to indicate early in the new year a more comprehensive framework policy which will guide our actions in that particular direction.

SUGGESTED CHANGE IN RESPONSIBILITIES OF MINISTER

Mr. Gordon Gilchrist (Scarborough East): Madam Speaker, I guess we are reassured by that, but the future seems to be put off from week to week and from month to month, and we will be waiting anxiously to hear the specifics of this policy early in the new year.

Would the Prime Minister recognize that after only four months the last government realized the need to separate the two hats of the minister so as to give full attention to research and development, the most important matter to which we can address our minds in the country today? Would the Prime Minister consider changing the responsibilites of this minister, to give him full-time responsibilities rather than diluting his efforts in other areas like the environment, which is important, but also in some lesser roles, such as running to Her Majesty with rather less important things like constitutional matters?

Some hon. Members: Oh, oh!

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I will consider the representations of the hon. member, but I hardly think that the success of the previous government is an encouragement for me to organize my ministers in the way they did.

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SUPPLY AND SERVICES

F-18A FIGHTER AIRCRAFT—TOTAL COST OF PROGRAM TO CANADA—COMMITMENTS RESPECTING OFFSET PROGRAM

Mr. Terry Sargeant (Selkirk-Interlake): Madam Speaker, my question is directed to the Minister of Supply and Services. Last Friday in the House I tried to learn from the government how recent events had affected the cost of Canada's fighter procurement program. Two days ago the minister told the House that he had no intention of renegotiating the contract with McDonnell Douglas. In light of this, could the minister confirm that, using per aircraft costs supplied by the United States navy, the total cost of the Canadian program now exceeds $5 billion? Further, will the minister confirm, if the United States purchase of F-18s is reduced to 1,044, which is very likely, that the Canadian program costs will then exceed $6 billion?

Hon. J.-J. Blais (Minister of Supply and Services): Madam Speaker, I should like to indicate to the hon. member that his figures are completely askew; they are completely inaccurate. In effect, the number of aircraft which will be purchased by the Americans in the 1981 fiscal year has been increased from 48 to 60 aircraft, and every indication is that the aircraft which will be ordered by the American navy for the 1982 fiscal year will be superior to that initially envisaged. There is no difficulty in the American McDonnell Douglas company meeting its obligations under the contract. I point out to the hon. member as well that a ceiling is contained within the signed contract, and that ceiling will be met.

Mr. Sargeant: Madam Speaker, I wish I shared the minister's optimism. Last week I also tried unsuccessfully to determine whether McDonnell Douglas was living up to its obligations as set out in article 34 of the contract between Canada and that company. In the last couple of months, over 500 workers have been laid off at McDonnell Douglas in Toronto because there is no demand for DC-10s and DC-9s. Could the minister tell the House if McDonnell Douglas is living up to its commitment of $83 million worth of work on these aircraft in 1980 and a similar amount of benefits in 1981? Further, could he tell us in what other areas McDonnell Douglas might be falling short of its offset promises?

Mr. Blais: Madam Speaker, there is every expectation that the obligations under the contract relating to the offsets will be made. The milestones identified to date have been satisfied. There will be an announcement on Tuesday of next week relating to one part of the offset package. Unfortunately, I will be in British Columbia and will be unable to participate. I am aware of two other specific areas where there will be investments directly related to the offset package, and those are meant for western Canada as well. In next Tuesday's package, an announcement will be made relating to an offset within the province of Quebec.

In terms of the lay-offs in Toronto which the hon. member properly identified, those are related directly to the softening of the civilian market in terms of the product of McDonnell Douglas, namely its DC-10 and DK-10.

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IMMIGRATION

INQUIRY RESPECTING MEASURES TO ASSIST VICTIMS OF AZORES EARTHQUAKE

Miss Aideen Nicholson (Trinity): Madam Speaker, my question is directed to the Minister of Employment and Immigration. In view of the fact that the minister now has under consideration a special plan whereby victims of the Italian earthquake would be admitted to Canada as visitors for three years with permission to work, will the minister say whether he is also prepared to consider special measures for victims of the Azores earthquake, many of whom have been living in tents since last January?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, we have closely examined the situation in the Azores. We have asked our immigration officers in Portugal to visit the area and report back to us any serious changes. At this point in time they report that rebuilding is taking place in a very effective manner and that the government of Portugal is making every possible effort to correct the problems which resulted from the earthquake. If there are continuing problems, we would be prepared to look at the representations of the government of Portugal, or of members of Parliament such as the hon. member for Trinity, to see if any further actions are required.

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RESEARCH AND DEVELOPMENT

JOB-CREATION PROGRAMS—POLICY OF DEPARTMENT

Mr. Bob Corbett (Fundy-Royal): Madam Speaker, my question is directed to the Prime Minister. On November 17 there was a press release from the Department of the Environment which said, in part, the following:

> Mr. Roberts pointed out that Canada faces a similar energy dilemma to that of the United States. "We, like our neighbours to the south, have to achieve energy self-sufficiency . . . We too are looking for alternatives to our dependence on foreign oil which will involve increasing our use of domestic coal . . . The political will to do this in Canada is strong and we must demonstrate this to the United States."

In support of the minister's statement, I moved a motion under the provisions of Standing Order 43 on November 19 that the House support the Minister of State for Science and Technology and the Minister of the Environment in his efforts. I stated that the House should express its unanimous support for the principle which had been stated, "that the political will to do this in Canada is strong and we must demonstrate this to the United States". The Liberal caucus, the party of the minister, turned down my motion.

In view of the fact that the minister is repudiated by his own party, can the Prime Minister tell us who is speaking for the Department of the Environment and the Ministry of State for Science and Technology in this country? Who can we expect and anticipate will develop a meaningful program for research and job creation? Who speaks for the department, the minister or the Liberal caucus?

Mr. Roger Simmons (Parliamentary Secretary to Minister of State for Science and Technology and Minister of the Environment): Madam Speaker, to the degree that the question was coherent, let me attempt an answer. In response to an earlier question, I indicated that the minister intends early in the new year to inform the House of a comprehensive policy in terms of research and development; he will be doing that.

In so far as the question relates to alternate forms of energy, the Minister of Energy, Mines and Resources is on record, as is the Minister of Science and Technology and the Minister of the Environment, as saying that any coal conversion which we encourage and foster in the Atlantic area will require the observance of the strictest environmental controls.

Mr. Corbett: Madam Speaker, the coherence is quite simply that the minister has been repudiated by his Liberal colleagues and the government; that is the coherence of the question. I assume the Prime Minister will adopt the suggestion of the hon. member for Scarborough East of splitting that particular ministry, because obviously the minister is not competent to wear or capable of wearing both hats. I ask this question in order to ensure that jobs are created in this country and in order that the Prime Minister ensures that both of these departments, under new ministers and new direction, are funded properly so that job-creation opportunities are available in this country under a comprehensive and competent program of research and development.

Mr. Simmons: Madam Speaker, we will.

● (1450)

INQUIRY RESPECTING FUNDING OF FUSION PROGRAM

Mr. G. M. Gurbin (Bruce-Grey): Madam Speaker, in the absence of the minister my question is for the Parliamentary Secretary to the Minister of State for Science and Technology and Minister of the Environment. My question arises out of a position which the minister took approximately five months

ago with regard to fusion research in this country. At that time he expressed reservations about the research and development program for fusion in Canada. In the interim I would have hoped that the minister would have had an opportunity to view some of the advantages which there might be for Canada in the areas of metals, fuels, fuel handling and in laser development for industry and medicine. In the meantime what we have had is a continuing program, with $2.1 million dedicated to fusion research. That is only enough to stall the programs in the situation they are in now—

Madam Speaker: Order, please. Science and technology seems to be a marvellous pretext for long preambles to questions. Could the hon. member come to his question?

Mr. Gurbin: Madam Speaker, is the parliamentary secretary able to give this House an indication whether or not the government is prepared to support a research and development fusion program which will allow Canada to maintain its presence in an international atmosphere?

Mr. Roger Simmons (Parliamentary Secretary to Minister of State for Science and Technology and Minister of the Environment): Madam Speaker, first of all, I say with kindness to the hon. member that he has very badly misrepresented the position of the Minister of State for Science and Technology as he expressed it in the estimates committee some months ago. At no time did the minister suggest, either to the press or in committee, that he was against fusion research. What he did say is that there are a number of questions which need to be addressed. He said there are a number of cautions which need to be kept in mind.

I suggest to the hon. member that he avail himself of the opportunity later today to go to the special task force on alternate forms of energy, of which, I believe, he is a member, and put his views forward there. We will look forward to receiving them.

Madam Speaker: A short supplementary from the hon. member for Bruce-Grey.

Mr. Gurbin: Madam Speaker, that will be difficult. The continued amount which is dedicated to that fusion research program is $2.1 million. That is the testimony we have from the minister. I ask this question in view of the International Atomic Energy Agency's representation that Canada is not spending enough, in view of what the minister of energy has said, that he is prepared to see the advantages for Canada, and because Edward Kitner, the head of the program in the United States, is prepared to write Canada into the program. Will the minister through the Ministry of State for Science and Technology dedicate the $2.4 million extra which is required to open the window for Canada into the technology of the world?

Some hon. Members: Hear, hear!

Mr. Simmons: Madam Speaker, we have heard the member's representation and we will certainly take it under advisement.

IMMIGRATION

PROCESSING OF VICTIMS OF ITALIAN EARTHQUAKE

Mr. David Orlikow (Winnipeg North): Madam Speaker, my question is for the Minister of Employment and Immigration. I understand that representatives of the minister's department met recently with members of the Congress of Italo-Canadians with respect to the earthquake disaster in Italy. I understand that the members of that organization made certain proposals to representatives of the minister's department with respect to speeding up the movement of the victims of that earthquake to Canada. I wonder if the minister has had an opportunity to look at those proposals and does he have anything to report?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, we have been concentrating primarily on the first wave of applications under the family class to make sure that those applicants could be brought to this country as quickly as possible. The latest report we have is that about 700 to 800 applications have been made at our embassy in Rome. We are processing those applications right now and the first of the victims of the earthquake are coming to Canada.

In the meantime we have had meetings with representatives of the different organizations in this country as well as keeping in touch with the Italian government to see what other kind of assistance we might be able to provide. My department is presently examining some of those proposals and alternatives. As soon as we discover how they might be applied effectively, we will be prepared to make an announcement to hon. members.

Mr. Orlikow: I understand that among the proposals discussed with representatives of the minister's department there was a proposal that as many of the earthquake victims as possible who could come to Canada as visitors at the present time be permitted to come. The proposal is that after they are here and after the situation has settled somewhat in Italy, those who would like to stay in Canada permanently be permitted to be processed here in Canada. In this way they would be given permission to stay in Canada permanently rather than having to return to Italy in order to apply. I wonder if the minister would give consideration to that proposal from the congress of Italo-Canadians.

Mr. Axworthy: Madam Speaker, I wish to make a slight correction. The proposal he speaks of was a proposal which came to us from the Liberal leader of Ontario, Mr. Stuart Smith. I believe it is a proposal which has a great deal of merit. It would provide the opportunity for those who are displaced or homeless in the earthquake area to come here and receive temporary residence rather than staying in a refugee camp. I told the Ontario Liberal leader that we would be prepared to consider that proposal and endeavour to see if we could also provide some opportunity for those who fall under that plan to work and go to school while they are here. Again, it is something which is presently under advisement and we

will report as soon as we have made a careful calculation of that very excellent proposal of Dr. Smith.

Some hon. Members: Hear, hear!

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AGRICULTURE

REPORTED REDUCTION IN DAIRY QUOTA

Mr. Leonard Hopkins (Renfrew-Nipissing-Pembroke): Madam Speaker, my question is for the Minister of Agriculture. As the minister is aware, the national dairy policy ended on April 1 of this year and has not yet been renewed. An extensive interdepartmental review of Canada's dairy policy is under way, which has given rise to many serious concerns among dairy farmers. One report which has been gaining considerable momentum among dairy farmers is that their market share quota might be reduced by one-third. Can the minister say whether or not there is any truth to this particular statement? Will the minister state what the government's attitude is toward the future of Canada's national dairy policy, which is the best in the world according to one famous Canadian?

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, as far as I am concerned there is not one bit of truth to what the hon. member says is being circulated. It is a bad rumour concerning our very healthy dairy industry. I cannot add any more to my reply at this time.

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LABOUR RELATIONS

DE HAVILLAND AIRCRAFT OF CANADA, LIMITED—POLICY RESPECTING FEMALE EMPLOYEES

Mr. John Bosley (Don Valley West): Madam Speaker, in the absence of the minister responsible for de Havilland Aircraft of Canada, Limited, I address my question to the Minister of Labour. It is with regard to that corporation's practices. The chairman of local 673 of the United Auto Workers at de Havilland Aircraft last week charged very seriously that de Havilland is ghettoizing its female workers by refusing to allow them to apply for work on the factory floor with the effect that one-tenth of 1 per cent of the female workers at de Havilland work on the floor, at the same time requiring factory experience if a promotion is to be granted. Given that de Havilland is a federally-owned corporation, could the Minister of Labour assure me that he will be taking action immediately to correct this very unhappy practice of a corporation which should be setting an example in the Canadian workplace?

Hon. Gerald Regan (Minister of Labour): Madam Speaker, the hon. member will realize that the charge has been made by one party to a collective agreement and is not the basis upon which action of the type he suggests can be taken. If, indeed, there has been any discrimination against women workers in the assignment of work or in relation to their application to work on the floor, the remedies under the Canada Labour Code are quite clear, action can be taken and a proper adjudication made on whether or not there has been such discrimination. I suggest to the hon. member that that is the appropriate action in such a circumstance.

Mr. Bosley: Madam Speaker, the minister appears to be suggesting that in a company which the government owns workers should have to rely upon the law and not upon the owner of the company—their government.

Will the minister undertake to investigate this matter, given the seriousness of this allegation, given that it is a federally-owned company, and given that I presume the minister believes that companies we collectively own should set an example? If the allegations prove correct, will he advise de Havilland to correct their practices by setting an example, rather than making those people go to court?

Mr. Regan: Madam Speaker, I am sure the hon. member as the labour critic for his party would be fully aware that Labour Canada can only continue to fulfil its role, either to government-owned corporations or privately-owned corporations, in the same way; that is, by remaining an independent party between the two. Obviously, in that sense the remedy for any such breach is clearly provided. If the hon. member wants to make a representation as to what management should do, then I am sure he is cognizant of the fact that I am not the minister responsible for the operations of the company. He should make those representations elsewhere.

* * *

● (1500)

NATIONAL UNITY

WESTERN SEPARATISM—ATTITUDE OF PRIME MINISTER

Hon. Steven E. Paproski (Edmonton North): Madam Speaker, I wish to thank you for recognizing me; it is very kind. My question is to the Right Hon. Prime Minister, if I may have his attention.

Mr. Trudeau: I am talking to Gene.

Mr. Paproski: The Prime Minister can either answer from where he is or from his seat, it does not really matter. He can talk to Whelan later.

Mr. Trudeau: I have to choose between two big guys.

Mr. Paproski: Over the past couple of weeks I have wanted to direct a couple of supplementaries to the right hon. gentleman. My question has to do with the Prime Minister taking shots at Quebec and Alberta. Since the separatist campaign is gathering pace, fuelled by the fear that Ottawa will in time turn the screws even tighter and change the face of the west, its economy and its politics, is the Prime Minister playing

down western separatism as a minor replay of the Quebec game?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, in spite of the fact that the hon. member has taken several weeks to prepare his question, I wonder whether he has not changed the subject for the object. I am not taking shots at Quebec and Alberta; they are taking shots at me. If the hon. member will travel to these two provinces, he will see that this is the case.

Mr. Paproski: Madam Speaker, we have just had another perfect example of the Prime Minister being glib and misbegotten.

Some hon. Members: Oh, oh!

Mr. Paproski: The Prime Minister's view of western separatism is as accurate as his pronouncement that Quebec separatism was dead. Is this what he is saying about western separatism? It did not take me two weeks to prepare that one.

Mr. Trudeau: Madam Speaker, I wish that the hon. member had taken two weeks to prepare that one. When I said Quebec separatism was dead, it was on the eve of the 1976 election—

Mr. Paproski: November 16.

Mr. Trudeau: —when the Quebec separatist party did not have the nerve to run as a separatist party, because it agreed with me that separatism could not win.

Some hon. Members: Oh, oh!

Mr. Paproski: That is why they got 14,000 people at the Forum last week.

Mr. Trudeau: I see that the political experts in the NDP are guffawing at that one. I wish they would answer my allegations. If separatism was a winner, why did the separatist party not run on a separatist plank and hold its referendum on the separatist plank? Because it knew that separatism was a loser, Therefore, I was right, and I believe that the same thing is true for Alberta.

Some hon. Members: Hear, hear!

Mr. Paproski: We will wait and see, Pierre.

* * *

BUSINESS OF THE HOUSE

Madam Speaker: Order, please. I would like to make a statement in relation to today's supply proceedings. As hon. members are aware, the special order passed by the House on Tuesday, April 29, 1980, states that today is the last allotted day for the supply period ending December 10, 1980, and that all questions necessary to dispose of the Appropriation Act based on the main estimates shall be put at twelve o'clock midnight without further debate and amendment.

However, the special order does not cover the Supplementary Estimates (B). Pursuant to special order, the House will be sitting today from two o'clock to twelve o'clock midnight without interruption. It would be the Chair's intention when twelve o'clock midnight is reached to interrupt the proceedings in progress and put every question necessary to dispose of all the remaining stages of Bill C-47, the Supplementary Estimates (B), and the bill based thereon, without further debate or amendment.

As was the practice in the past, the supply bill based on the supplementary estimates will be distributed to hon. members as soon as possible. Is it agreed that this will be the procedure which will be followed tonight?

Some hon. Members: Agreed.

* * *

PRIVILEGE

MR. COSSITT—ALLEGATION OF EXISTENCE OF GOVERNMENT GUIDELINES RESPECTING ANSWERS TO WRITTEN QUESTIONS

Madam Speaker: I have notice of a question of privilege from the hon. member for Leeds-Grenville (Mr. Cossitt). If hon. members will bear with me, the hon. member for Leeds-Grenville has given me a notice of his question of privilege but has not included a statement on what that question of privilege will involve. It is quite clear in our Standing Order 17 that the Chair requires a notice and a written statement on the object of the question of privilege.

Recently in the House another hon. member failed to give me a statement on his question of privilege, and upon my making a similar remark, he offered to co-operate with the Chair and give the Chair a written statement. He raised his question of privilege the following day. I point this out to the hon. member for Leeds-Grenville, and I regret that he has not submitted a complete statement on his question of privilege.

I do want hon. members to be on notice that the Chair in the future will require statements on the object of a question of privilege.

Mr. Tom Cossitt (Leeds-Grenville): Madam Speaker, I admit that in my notice I named the subject but did not go into a statement of detail, the reason being that on previous questions of privilege I have raised in this House in the eight years that I have been here, I simply said that I would like to raise a question of privilege at three o'clock, or whatever time, and named the subject. This procedure has never been questioned before. I am aware of the Standing Order, but I felt that it had become the custom of the House—rightly or wrongly, as the case may be—to indicate my intentions as I have done in this case.

I would certainly be glad to meet with the Speaker afterwards and present the evidence which I feel pertains to this subject if I could be permitted to proceed now.

Madam Speaker: I will hear the hon. member. I was merely putting hon. members on notice that in the future I would require that the procedure be followed. One of the advantages of being new is that one does not fall into different habits, and reads the standing orders as they are. It is quite clear to me that a written statement is required, and I will require a written statement.

Mr. Cossitt: Madam Speaker, for some time there have been a number of us in this House, including myself, who have wondered about and questioned the peculiar delay on the part of the government in furnishing information to the House, particularly with regard to answering questions on the order paper, the answers to which might be embarrassing, or considered to be embarrassing to the government. We have frequently been assured that everything is being done as speedily as possible, that there is no political interference, that honest answers are always given as soon as they are available and, in short, that the government is doing the very best it can to be co-operative with the House.

I have always doubted such assurances and expressed such doubts in the House in the past. But now the matter becomes one of a most serious nature that infringes on the privileges of members of the House, because of the existence of strange and peculiar guidelines of a top secret nature laid down by the government in regard to the answering of questions by cabinet ministers, which indicate that this House may have been duped, misled, or cheated by a possible government attempt deliberately to withhold truth from the members of the House and consequently from the Canadian people.

As evidence of what I have been saying, Madam Speaker, I possess a copy of a document originating in the Privy Council office and apparently known to the Prime Minister's office which is marked "secret—not to be photocopied or reproduced". The document is headed "sensitive topics" and also gives the information that the topics listed were in effect to be treated as sensitive when questioned during the second session of the Thirtieth Parliament, that is, up to the defeat of this government on May 22, 1979. I have determined from sources beyond reproach that the same instructions have been reintroduced by the government in this session of this Parliament and they have applied since this government was returned to office after the election of February 18, 1980.

● (1510)

I hope you will permit me, Madam Speaker, to read the document as it would be impossible to judge my question of privilege without the contents being known, on which my question of privilege is based.

At the outset may I say that I realize when something happens outside the House it is usually ruled not to be a question of privilege inside the House. In this case, however, I draw specific attention to the fact that, while the document was issued outside the House, its provisions have been applied inside the House.

The sensitive topics listed by the government for the attention of ministers include items numbered A to Z in this document. In most cases it can be clearly noted that questions on the order paper asking for information on matters mentioned have either never been answered or have been treated with non-answers, which adds proof to the fact that the list has been applied to the method in which the government has acted.

First, in regard to myself as the member for Leeds-Grenville, the document contains a direct interference with my privileges by instructing cabinet ministers as to the sensitivity of, and I quote directly, "any question in the name of the hon. member for Leeds." In other words, this government, presumably on the highest authority of Michael Pitfield and/or the President of the Privy Council (Mr. Pinard) and/or the Prime Minister (Mr. Trudeau), and perhaps others, has circulated secret instructions to ministers which, in effect, tell them to hamper and tamper with legitimate questions asked in this House by myself and others. I submit, Madam Speaker, that this interferes directly with my ability and that of others to conduct our duties as members in this House in the manner that we should and, therefore, is a breach of privilege.

Some hon. Members: Shame!

Mr. Cossitt: The other subjects listed in this startling document are as follows, and each speaks for itself as to where it interferes with our privileges. I should therefore like to quote the document exactly. It is marked "SECRET—Not to be photocopied or reproduced"—with the heading "Sensitive Topics." These are as follows: travel by the Prime Minister, ministers or public servants by plane, train or taxi; official residences; all expenditures by the Prime Minister, ministers, public servants, departments or agencies for goods, buildings or services; all expenditures for government programs; loans, grants or tenders awarded by any agent of the federal government; Prime Minister's, ministers' or public service establishment or salary figures; regional offices of ministers or departments; possible or alleged conflicts of interest; consultants, consultants' studies or contracts for consulting; lawyers retained by departments or agencies; government mailing or publication lists; advertising or publications; former Liberal candidates or office-holders; former public servants; Statistics Canada; CBC Radio-Canada and Radio-Canada International; Crown companies; relocation of departments or agencies; ports or railways; payments to provinces or municipalities; Dominion-provincial relations; bilingualism-official languages policy; invasion of privacy; freedom of information; individual, non-continuing items that might be identified—whatever that might be—and, finally, as I said earlier, any question in the name of the hon. member for Leeds.

To summarize, Madam Speaker, questions on these topics, if answered forthrightly, would indeed be sensitive and embarrassing to the government, and the document clearly illustrates that the government is not approaching the making public of information from a standpoint of proper disclosure but, instead, on the basis of political considerations.

There is no question in my mind that this situation interferes with my privileges and with the privileges of all members in the House of Commons in that it limits our ability to operate as we should in our capacity as members.

I ask, Madam Speaker, that all files of the Privy Council office be sealed and placed under guard, pertaining to this subject, to prevent any possible deliberate destruction this afternoon for the purpose of hiding evidence. I also realize, Madam Speaker, that it may be necessary to reserve judgment for a day—or even two days, I do not know—on the point that I have raised because you will no doubt wish to examine a copy of the document, hear other argument, and consult precedents. Therefore I ask to be permitted to reserve my right to move a motion that this be referred to the Standing Committee on Privileges and Elections in the event that it should be decided that I have a prima facie case of privilege.

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, I should like to say a few words in reply to the hon. member for Leeds-Grenville (Mr. Cossitt) so that you may consider the point he has raised. The hon. member apparently has quoted from a document which he cannot table under the rules of this House, although I suppose he could append it to *Hansard*. It is a document whose veracity has not been determined so we are not sure what he is reading from, or who wrote the document. We are not even sure of the origin of the document.

As I have pointed out before, Madam Speaker, the government tries to answer all questions of all hon. members. In particular, the hon. member for Leeds-Grenville and I have been talking about this on the floor of the House for a number of weeks. I should like to point out that we have answered about 56 per cent of the questions posed by the hon. member. He asked 242 questions out of the 1,854 on the order paper. I grant that we have answered 69 per cent of all questions, so his proportion is slightly less, but I can assure him that we do not discriminate between members.

I can categorically deny that any instructions have been issued to me, or by me as the person responsible in this House for tabling these questions, concerning the answers, the form of answers, or the people who should be answered or in what priority. I categorically deny that. This is a wild allegation of the sort we are used to hearing from the hon. member for Leeds-Grenville.

An hon. Member: Right on!

An hon. Member: Shame!

Mr. Collenette: It does concern me that there are some questions on the order paper that have not been answered for a long time, in particular questions Nos. 1, 4, 5, 15, 22, and a few others in the two digit range. It is true that they are all in the name of the hon. member for Leeds-Grenville but he should not imply that there is any conspiracy afoot. It so happens that many of the questions he asks are so complex that it takes a lot of work and a lot of money to get the answers. I think I have proven by what I have just said that we have done a reasonably good job of answering his queries over the last few months, and I undertake to achieve even better results for the hon. member.

It is my contention that the hon. member does not have a question of privilege. He is being treated in the same way as all members of the House; that is, we try to answer his questions along with those of other hon. members without bias or limitation.

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, the hon. member for Leeds-Grenville (Mr. Cossitt) has informed me that he would be prepared to agree to append the document that he dealt with, to *Hansard*. I hope the government is agreeable that this be done. Let us start right there, so that this Privy Council document to which he referred is available. I trust there will be agreement by the government.

The issue is not the number of questions that have been answered; the issue is not the cost of answering questions; the issue is not even the right of a member to ask questions, and the issue, I must say, is not whether instructions have been given to a parliamentary secretary. The issue, Madam Speaker, is the existence of a document that is now on record in the House, whether the parliamentary secretary knows about it or not, which makes special reference to a special kind of question and which, because the answer may be inconvenient, gives special instructions from the government or a senior public servant within the government, or within the Privy Council office.

The question, therefore, is not how good the government has been about answering questions in terms of numbers; it goes far beyond that. We are really talking now about whether, as a result of a statement, a position, a document or something that exists, the right of the member of Parliament has been impeded not just to put questions on the order paper but to have some expectation of answers to those questions.

The allegation made by the hon. member for Leeds-Grenville is quite clear, and it cannot go unanswered, that there is a special instruction—the parliamentary secretary has indicated only that he does not know about it—that exists within the Privy Council. That is the allegation, and that allegation must be answered.

I do not know how one can argue that this is not a question of privilege. I refer to Beauchesne, the fourth edition, page 59, citation 70, as follows:

> Points of order are questions raised with the view of calling attention to any departure from the Standing Orders or the customary modes of proceeding in debate or in the conduct of legislative business and may be raised at any time by any member, whether he has previously spoken or not.

● (1520)

I am sure that in every free Parliament anywhere in the world it is not customary to have a government direct an injunction that questions cannot be answered against a particular member of Parliament whom they do not like. I think the issue is quite important. It is not an issue of costs. The hon. member for Leeds-Grenville is prepared to stand and tell his constituents: "Of course, it costs money to answer questions."

But as a member of Parliament he has a right to have answers to those questions. The people of his constituency will make a judgment as to whether or not those questions ought to be answered. They have made that election in favour of the hon. member for Leeds-Grenville who has been returned to this House on four separate occasions since 1972. The issue is not one of costs.

There has been an allegation by the hon. member for Leeds-Grenville that the document does exist. There has been a statement from a parliamentary secretary that he does not know about it. Therefore I think the matter must be held in abeyance. But certainly no member of this House, whether it is the hon. member for Leeds-Grenville or any member representing any constituency in the country, can labour under that kind of burden with respect to his right as a member of Parliament to have answers to questions that he has posed. This must apply to all members; to the hon. member for Vaudreuil (Mr. Herbert) who asks an equal number of embarrassing questions of the government. He is the best questioner on the government side in terms of the numbers of questions he has on the order paper. He has that right to ask those questions, and both the hon. member for Vaudreuil and the hon. member for Leeds-Grenville have the right to answers.

I think there is a question of privilege. I want to reserve the right on behalf of the House to argue the point further, if it is necessary, to convince you of that, Madam Speaker. We cannot operate if that document exists. The first step with respect to dealing with the question of the authenticity of the document is to have that document affixed to today's *Hansard*. Then perhaps the investigation can begin by you, Madam Speaker, and by other officials.

Hon. Stanley Knowles (Winnipeg North Centre): Madam Speaker, I rise simply for the purpose of making a suggestion. It seems to me that if this document exists—the one to which the hon. member for Leeds-Grenville (Mr. Cossitt) has referred—and if it is an authentic document, then there is a pretty serious question of privilege. At the moment, he is the only one who has it. It seems to me that either the document should be appended to *Hansard* so that we can all see it—we have to follow that route because being a private member he cannot table it—or provision should be made for copies of the document to be supplied to Your Honour and to representatives of the parties so we can all see it.

As I say, we should have a chance to look at it so as to make a decision before we proceed. The suggestion made by the hon. member for Nepean-Carleton (Mr. Baker) that it be held in abeyance is a good one. I underline that by making the suggestion that the matter be held in abeyance until at least party representatives and the Chair have had a chance to see the document or copies of it.

Madam Speaker: I cannot hear the hon. member for Leeds-Grenville (Mr. Cossitt) twice on his question of privilege.

Mr. Cossitt: Madam Speaker, I simply want to confirm what my House leader has said. I have expressed my willingness to make the document available and to have it appended to *Hansard*. I know that as a private member I cannot table anything, but if that procedure is acceptable to the Chair and to the House, I will be glad to make the document available to the Table at this time. The only other point I might make—

Madam Speaker: Order, please. The hon. member cannot make another point.

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, if we accepted as a matter of principle that private members table any document they want when they want, we would risk becoming submerged, and I believe that in this case I have every reason to object to the request of the hon. member to table papers which, more often than not, I am sure, would come close to being—I shall not use the expression I had in mind but everyone knows the hon. member for Leeds-Grenville (Mr. Cossitt) and I am afraid that if I gave consent today on behalf of my party we would risk being flooded by an ocean of more or less relevant documents on his part.

Madam Speaker, I do not object if he wants to show the document to his friends. He is quite free to do so. This does not bother me, but as far as the House is concerned we are not here to examine every question raised by the hon. member for Leeds-Grenville. There are already a great number of questions in his name on the order paper. My parliamentary secretary gave a very appropriate reply when he said that we are dealing with his questions on the same basis as any other query. A great many of the questions on the order paper are in his name. We do not complain about this. On the contrary, he is the one who complains and every time he does so we take the opportunity to remind him that we reply to a large number of his questions, even though they often refer to nearly every department.

We do not criticize him for the fact that these questions cost the taxpayers a lot of money. We could do so, Madam Speaker, but to be fair to the House as a whole, it is quite normal that when we try to provide answers, we also try to achieve some balance and use the time at our disposal to provide replies to the greatest number of members possible. However, the hon. member can be assured that as far as I am concerned and as far as the government, my parliamentary secretary and the public servants are concerned, no instruction has been given not to reply to the questions asked. On the contrary, instructions are to try to provide to the hon. member the most complete answers possible to as many questions as we can.

Having said this, I would like to refer to the fifth edition of Beauchesne concerning the very important issue of questions. On page 129 of the fifth edition, it is noted that there are two types of questions asked in the House. There are, of course, the oral questions which we all know and which are asked when

the subject matter is urgent, and there are also the written questions when there is no urgency. The only difference between the two types of questions, Madam Speaker, is that when they are asked orally, it is because, in principle, they concern an urgent matter. What occurs in practice is another matter but I do not want to debate the point. Second—

[*English*]

Mr. Cossitt: On a point of order, Madam Speaker, this has nothing to do with the question of privilege I raised. I do not know why we cannot stick to the subject, and not who has how many questions on the order paper and what percentage has been answered. The question I raised is basic. Is this government dishonest? Has it been instructing cabinet ministers to tamper with answers to questions on the order paper? We are getting sidetracked by the parliamentary secretary and by the President of the Privy Council about how great they are and that only as many questions can be answered. But there have been no answers to questions about Goldfarb for about four years, and that is getting a bit ridiculous. If they want to argue and debate, and that is what they are doing, then I should be allowed to do that too. But that is not the point; that is irrelevant. I know from the sources that this document came that it is accurate. If they deny it, then they have destroyed it this afternoon since I raised the matter in this House. I have asked that it be added as an appendix to *Hansard* because I am quite willing to do that.

[*Translation*]

Mr. Pinard: Madam Speaker, please excuse the hon. member. As I was saying, there are two kinds of questions: oral questions and those that are put on the order paper. Furthermore, Beauchesne gives a whole series of criteria on the basis of which questions are acceptable or not; in the case of written questions these will be found on pages 129-131 and in that of oral questions, on pages 131-133. Were those criteria applied rigorously, the question periods would obviously be much shorter, and the order paper would be much less crowded.

Setting aside that remark, Madam Speaker, because I do not want to start a debate at this point, I should like to point out that Beauchesne goes on detailing the criteria that apply to questions on page 133, he edicts the principle that:

> Ministers may decline to answer any question whatsoever.

Once again, at the beginning of my remarks, I took great pains to indicate that generally we make considerable effort to answer the questions, all of them, and as completely as possible in theory on the basis of parliamentary practice; and according to commentators on the Standing Orders of the House, we are not obliged in any way to answer a question, whether it be oral or written. This is very clear in citation 363 of Beauchesne on the matter, and I quote:

> A minister may decline to answer a question without stating the reason for his refusal, and insistence on an answer is out of order, with no debate being allowed.

Madam Speaker, that cannot be expressed more clearly for the purposes of the question of privilege now before you.

If we were to follow to the letter our parliamentary procedure, the Standing Orders, the authors and the precedents, it is obvious that unless we wanted to we would not have to answer any question on the order paper or any question put during oral question period. Such a decision would not have to be justified on our part and indeed could not result in a debate.

So technically speaking the point I want to make, Madam Speaker, by referring you to page 133 of Beauchesne's fifth edition, is that the question of privilege should obviously be rejected if we do not have to answer, and that refusal on our part to provide answers, which is not the case here anyway but even if it were the case, cannot become the subject of a debate.

Once again—and I want to be quite clear, I do not want to be ambiguous—the member for Leeds makes a request for a document to be annexed to *Hansard*. On grounds of principle, at this time, I am opposed to such a move whatever the nature of the document. If he wants to show it to newsmen or to his friends, that is his problem. But as far as the House of Commons is concerned, we want the Standing Orders to be complied with. I have just referred to the relevant rules. You see how open we are on this side of the House, because we are not doing what the Standing Orders allow us to do, which is to refrain from answering. On the contrary, as indicated by the hon. parliamentary secretary, we do all we can to answer fully as many questions on the order paper as possible.

Therefore, Madam Speaker, I would ask you to consider that there is absolutely no prima facie case of privilege, and that the remarks made by the hon. member for Leeds and by his House leader are absolutely not in compliance with the Standing Orders, which do not provide for a debate when there is no answer.

• (1530)

[*English*]

Hon. Allan Lawrence (Durham-Northumberland): On a question of privilege, Madam Speaker.

Mr. McKenzie: On the same question of privilege, Madam Speaker.

Madam Speaker: Order, please. I am afraid I cannot hear that many members on the question of privilege. It is already difficult for me to see where the question of privilege lies since most of the actions occurred outside the House. I will listen to one further intervention on the opposition side, and then I will make a statement.

Mr. Lawrence: Madam Speaker, the one request that is immediately before you this afternoon is that the document in question be appended to today's proceedings. To be perfectly frank, I am not sure whether that requires unanimous consent. I believe it may be within the discretion of the Chair whether

to permit it or not. If that is the case, I hope the Chair will exercise its discretion in favour of the request.

I do not believe the Chair is capable of determining the real question here this afternoon. Frankly, I do not think any single member, or group of members, in this chamber this afternoon can answer the critical, climactic question. That question is whether the document alleged to be authentic by the hon. member for Leeds Grenville (Mr. Cossitt) is an authentic government document or not. That is the prime question which eventually has to be answered. That is the bottom line. With no disrespect to the Chair, I do not think the Chair is capable of making that determination. In fact I do not think the House is capable of that determination.

I suggest that the only body which can properly call witnesses and determine the authenticity or non-authenticity of that document has to be the body set up under the rules of this House of Commons, and that, obviously, is the Standing Committee on Privileges and Elections. That is the body to which this whole matter should be referred. The committee has the capability of calling witnesses. It can properly investigate whether such a document existed to the knowledge of any member of the government. We cannot determine that, nor can the Chair.

I suggest most sincerely that this not only affects the privileges of the hon. member for Leeds-Grenville, but the privileges of every member of this House. For three Parliaments now some of us have been disgusted with the procedure for answering questions on the order paper. Although I used to place questions on the order paper, I seldom do now. In the last session, of course, it was not possible for me to do that. However, when I did submit questions touching some of those subjects which the hon. member for Leeds-Grenville indicated are within the contents of the memorandum he has at hand, they were not answered. Either they were not answered at all or they were answered in an untruthful, evasive manner.

My experience as a member of this House since 1972 with this and previous Liberal administrations follows exactly along the lines of that memorandum. I suggest that the bottom line, the crunch in this whole question, is whether that document is authentic. The only body which can determine that has to be the Standing Committee on Privileges and Elections because we cannot call witnesses before the House. That committee can and, therefore, it should go to that committee.

On top of that argument has to be layered the argument that the only way we will know what we are talking about is to have more information about that document, and certainly to have it appended to today's proceedings of this House. If it is an authentic document, or even if it is not, the members of the House deserve to have it included in today's *Hansard*. Obviously the matter has to go to the committee because, with all due respect, if it is an authentic document, its contents very seriously and gravely affect the privileges of every member of this House.

Mr. Dan McKenzie (Winnipeg-Assiniboine): Madam Speaker, I rise on a point of order.

Madam Speaker: Order, please. Hon. members were granted the floor to intervene on the question of privilege. Are they now rising on the same question of privilege or on a point of order?

Mr. McKenzie: My point of order is that the precedent for appending letters to *Hansard* was established last Thursday when the Parliamentary Secretary to the President of the Privy Council (Mr. Collenette) had a letter regarding transportation appended to *Hansard*. When talking about railroads, he referred to a letter received from an official of one of the railroad companies in Canada and asked to have the letter appended to *Hansard*. If we can have that kind of letter appended, surely an important document like this can be appended, particularly when the precedent was established last Thursday.

• (1540)

Madam Speaker: I would point out to the hon. member that the letter was appended with the unanimous consent of the House. That does make a difference. If we get unanimous consent, a lot of things can happen. Until now I do not have any indication that we do have unanimous consent of the House, but on the question to which the hon. member refers, if my memory serves me well, it did happen with the unanimous consent of the House.

Hon. Elmer M. MacKay (Central Nova): Madam Speaker, my point of order arises out of something my friend, the government House leader, said with respect to this point of privilege. As I understood him, he pointed out quite properly that with respect to the answering of questions by the government, whether written or oral, there were certain rules applied and if the government did not wish to answer certain questions, it had that option. What disturbs me about this is that in his remarks I do not think he dealt with something that is of the utmost importance, because it appears at this stage that the member from Leeds has been singled out so that his questions are dealt with differently.

That goes really to the foundation of what we are all to expect as humble members of this House. If we are to be treated in one way, then we should all be treated the same, excluding, of course, members of the cabinet or officers of the House who have special privileges. Perhaps my friend neglected to deal with that important question. Assuming he is correct in what he said, and I have no quarrel with the particular procedural point he put forward, it still does not deal with the very important point raised as a grievance by the member from Leeds that he alone, according to his evidence, apparently has been singled out for special treatment.

Madam Speaker: I will make a few remarks before making a definite statement on this question of privilege. I wish to point out to the hon. member for Leeds-Grenville that I have no authority to seal archives or documents or files pending whatever decision might be taken on this particular question. I cannot comply with that request made to me.

As for the document itself, I would hope the hon. member would send me a copy of it. I cannot rule on this question without having seen the document.

As for other members of this House needing to see the document, that may be so in an absolute way once I have ruled whether a prima facie case of privilege is found in the question raised by the hon. member. If the hon. member wants his document to be seen by a number of members, he has many ways at his disposal in order to do so. He may use the distribution services of the House of Commons or he may hand it out to members around him who may have an interest.

Concerning his request to have it appended to *Hansard*, I am in the hands of the House and that requires unanimous consent. From what I heard from the hon. President of the Privy Council (Mr. Pinard), I do not suppose the House would give unanimous consent. Therefore, I am unable to act on that request.

In regard to the total question as it was presented by the various hon. members, I hope to see the document. Members raising a question of privilege can refer to documents and they usually make these known to the Chair. I should like to take this question of privilege under advisement.

MR. SARGEANT—CANADA COMMUNITY DEVELOPMENT PROJECTS IN MANITOBA—MINISTER'S STATEMENT

Madam Speaker: I have a question of privilege in the name of the hon. member for Selkirk-Interlake (Mr. Sargeant). Before the hon. member rises, from the statement he made to me it seems he wants to discuss a ruling I made yesterday. He refers to the answer given by the hon. Minister of Employment and Immigration (Mr. Axworthy), and that is what the question of privilege he raised yesterday was all about. However, if the hon. member is rising on something else, I will hear it.

Mr. Terry Sargeant (Selkirk-Interlake): Madam Speaker, my question of privilege today arises out of a charge made by the minister in his comments yesterday when he said my allegations were "dead wrong." I contend that by saying this he has violated my privileges as a member of this House. He further went on to say as reported on page 5536 of yesterday's *Hansard:*

> The projects for Manitoba constituencies were approved well over a week ago and sent to the regional office for distribution. There was no hold-up in my office.

Upon further examination yesterday I find that as of three o'clock yesterday afternoon Eastern Standard Time the Winnipeg regional office had only received the 12 project approvals—

Madam Speaker: Order, please. The hon. member is discussing the ruling made yesterday. Having taken a look at *Hansard*, this is precisely the point discussed yesterday during the course of that question of privilege. I am afraid I cannot hear him if he continues in that vein.

Mr. Knowles: Madam Speaker, may I request you listen to my friend for a moment or two. Your Honour will find he wants to report something which happened after the ruling was made yesterday. It concerns something he learned from Winnipeg after the matter was raised in the House.

Mr. Sargeant: That is correct, Madam Speaker. I wish to bring forth further information which might indicate the hon. minister did not give us a correct answer in the House yesterday. He said the projects for the Manitoba constituencies were approved well over a week ago and sent to the regional offices. However, as of three o'clock Eastern Standard Time yesterday, the Winnipeg office had only received the 12 projects to which I referred in my question. Subsequently, at approximately 3.30 Eastern Standard Time, a matter of a few minutes after I brought the subject up in this House, the Winnipeg regional office received a phone call from the minister's office indicating that project approvals would be sent later that day, not a week ago. At about four o'clock Winnipeg time, five o'clock our time, these approvals were being transmitted by telecopier or telex to the Winnipeg office. The staff at the Winnipeg regional office was required to work late yesterday to transfer this information. I really think at this point my case can rest.

I contend that my privilege was violated when the minister charged that I was dead wrong. I think this is especially so since we now learn a different set of facts than those put to this House by the hon. minister. A great disservice is done when a minister of the Crown makes such inaccurate charges against an opposition member. With all due respect, I would request that the minister be asked to withdraw his charge against me, that he apologize, and that he set the record straight for this House.

[*Translation*]

Mr. Dennis Dawson (Parliamentary Secretary to Minister of Employment and Immigration): On the same question of privilege, Madam Speaker, I remind the hon. member that the minister admitted yesterday that not all projects had been completed in this $137 million program. He clearly stated that as far as Manitoba was concerned the projects had been approved. He made sure that if there were delays in the correspondence, which leads to a question of privilege in the House—he made sure that this had left the minister's office. When you are dealing with a $137 million program, with I do not know how many projects, with 282 MPs to satisfy and 282 advisory committees, it is difficult to ensure that all ridings are at the same stage. The minister therefore asked me in my capacity as parliamentary secretary to make sure that the decision for all projects was sent as quickly as possible to the officers in charge. But he stated unequivocally that he had approved the Manitoba projects. That, Madam Speaker, is the main issue, I believe: the projects were approved even though the hon. member claimed they were not.

Point of Order—Mr. Hawkes

● (1550)

[*English*]

Madam Speaker: Does the hon. member for Churchill (Mr. Murphy) wish to speak to this question of privilege?

Mr. Murphy: Yes, Madam Speaker.

Madam Speaker: I do not think I want to hear another hon. member on this question. Would the hon. member please resume his seat?

The question as raised by the hon. member for Selkirk-Interlake and as stated in his letter to me giving me notice, was in fact a bit misleading. I am not saying this was deliberate, but I will quote from the hon. member's letter. He said that he would raise a question of privilege "arising out of the answer given me yesterday in the House by the Minister of Employment and Immigration". When I heard the hon. member's first remarks it was therefore quite clear to me that he was speaking about what was said in his letter. Subsequently he began to discuss the fact that he had a grievance about the way in which certain actions of the government become known in his constituency, or in constituencies around his.

I repeat that this is not a question of privilege. It is a grievance. It is a matter of debate. It is a difference of opinion. It is all those things, but it is certainly not a question of privilege, and that is the reason I will not hear the hon. member for Churchill.

* * *

POINTS OF ORDER

MR. HAWKES—OFFICIAL REPORT—INVESTIGATION OF ERRORS AND OMISSIONS

Mr. Jim Hawkes (Calgary West): Madam Speaker, I have notified the Minister of Employment and Immigration (Mr. Axworthy) of my intention to raise this point of order, and his parliamentary secretary has remained in the chamber.

An examination of page 5459 of *Hansard* for December 8 at approximately four o'clock in the afternoon would indicate an omission of a significant exchange between the minister and myself. There are at least two questions and two responses involved. They are totally absent from the record for that date.

The content of at least one of those questions involved my asking the minister if he could explain the discrepancy in the debates as recorded in *Hansard* for Friday, December 5 in which, during the question period, the minister provided me with certain information in response to my question. The blues record that accurately, but the final copy of *Hansard* for Friday was not consistent with what happened in this House on Friday. I asked the minister if he could explain how that came about. In his response to me he indicated he would look into the situation and respond. However, that exchange between us on Monday is totally absent, other parts of the debates of this House on the eighth are also absent, and I wonder if I could call on Your Honour's good offices to explore that situation and perhaps to provide us with an explanation of it.

[*Translation*]

Mr. Dennis Dawson (Parliamentary Secretary to Minister of Employment and Immigration): I have checked *Hansard* both in French and in English to see if there was an omission. The hon. member started his questioning at four o'clock and went on till 4.20 so it is possible that a question asked by the hon. member at that time was missed. I think that House staff will easily be able to check the electronic *Hansard* to see if one of the hon. member's question was omitted. But I think I could refer the hon. member to page 5456, when he started his questioning, right after question period. There I think he will find the answer to his question.

Madam Speaker: It is indeed the responsibility of the Chair to ensure that *Hansard* faithfully reflects the discussions in the House, and if there has been an omission, as the hon. member for Calgary West (Mr. Hawkes) claims, then I shall look into the matter and try to listen to the recordings. I think that these two sources should enable us to set the facts straight. I thank the hon. member for bringing this to our attention.

[*English*]

MR. TAYLOR—PROCEDURE GOVERNING THE TABLING OF DOCUMENTS

Mr. Gordon Taylor (Bow River): Madam Speaker, I rise on a point of order. I would like to request that Your Honour make a special search of Beauchesne and the rules regarding the necessity for unanimous consent to table anything in the House. If there was that necessity, a minister could be stopped from tabling by one dissenting voice. I know of nothing in Beauchesne which requires unanimity for the tabling of any matter.

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, I am sure you could deal with this, but since this point reflects upon what we were discussing earlier I point out that there was no dispute about the ability of a parliamentary secretary or a minister to table a document. We are talking about the long-established practice whereby private members do not have the ability to table documents but can request unanimity on the part of the House to have documents appended to *Hansard*.

Madam Speaker: I stand to be corrected if I am not interpreting the rules properly. A minister of the Crown, or a parliamentary secretary acting on behalf of his minister, can table documents in the House. In other circumstances unanimous consent is required. I think that is what I stated, but I will look into the rules in light of the remarks of the hon. member. However, I think I am correct in interpreting the rules in that manner.

MR. McKINNON—POSTPONEMENT OF ANSWERS TO QUESTIONS

Hon. Allan B. McKinnon (Victoria): Madam Speaker, I rise on a new point of order. We have some procedural difficulties, about which Your Honour is no doubt aware, when a member asks a minister a question and receives the answer that the minister is not able to answer the question at that time but will inquire and inform the hon. member later. All too often we do not hear of it again unless we raise it once more ourselves, thus using up one of our rare opportunities in question period.

Yesterday there was a different kind of incident. I asked the Minister of Supply and Services (Mr. Blais) a question he was unable to answer, and he said, "I will have to inquire and inform the hon. member". My question was about the fifth milepost report on the new fighter aircraft contract. I asked if a review was made, whether it was satisfactory and whether the milepost payment was made. I would like to put on the record the fact that the minister came to me after the question period and said that a review had been made, the report was satisfactory, and the payment had been made. I hope this example might prove catching and that some other ministers who have allowed similar questions to be outstanding for months might get the idea.

ROUTINE PROCEEDINGS

[*English*]

PETITION

MR. MAYER—CANADIAN PACIFIC RAILWAY—CLOSING OF MINIOTA SUBDIVISION

Mr. Charles Mayer (Portage-Marquette): Madam Speaker, I would like to present a petition on behalf of the residents of Manitoba who want public hearings held on the proposed closing of the Miniota subdivision of the CPR. A decision to abandon this rail line was made, I might add, a decision made without adequate consultation with those who will be most affected. I submit that new evidence has shown that this line is still an integral part of the grain transportation system in Manitoba.

On behalf of the petitioners I ask that serious consideration be given to their request that the Canadian Transport Commission hold a full and public inquiry before Canadian Pacific is allowed to close the Miniota subdivision.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 318, 1,010, 1,414, 1,453, 1,555, 1,686 and 1,687.

Order Paper Questions

[*Text*]

DRUG TESTING

Question No. 318—**Mr. Herbert:**

Does the government require regular testing to determine the comparable (a) purity (b) stability (c) pH (d) inert ingredients (e) mould or bacterial contamination (f) coating (g) absorption rate (h) deterioration of chemically equivalent drugs and, if so, are the findings made public?

Mr. Doug Frith (Parliamentary Secretary to Minister of National Health and Welfare): Before each lot of a drug may be sold in Canada, the pharmaceutical manufacturer is required to test that drug according to the requirements of the food and drug regulations. The types of testing required are dependent on the specifications of the product in question. Product specifications include requirements for potency, purity and identity of the product as well as other product related requirements such as testing to ensure stability. The adequacy of these specifications and the actual testing are both subject to evaluation by the health protection branch and action may be taken if either are found to be inadequate. The companies are not required to make the results of this testing public. However, when a drug is tested within the Quality of Drug Assessment program, results are provided to provincial and territorial departments of health, hospitals and, upon request, to health professionals.

AIR CANADA

Question No. 1,010—**Mr. Cossitt:**

1. With reference to the answer to question No. 593 which states in part: "Air Canada regards remuneration and other conditions of officers' and managers' employment as proprietary" (a) is Air Canada a Crown corporation (b) is Air Canada responsible to Parliament through a minister of the Crown (c) can Air Canada refuse a parliamentary request for information on remuneration of its officials and, if so, for what reasons?

2. Is it government policy to make more information available to the Canadian people and, if so, will this include information about Air Canada?

3. Is the government prepared to request Air Canada to reconsider making available, details on the pension, allowances or emoluments of any kind extended to the honourable member for Lincoln when he retired as chairman of Air Canada's board of directors and (a) if so, on what date (b) if not, for what reason?

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): The hon. member may wish to refer to Beauchesne's fifth edition, citation 357(1), which refers to Beauchesne's fourth edition, citation 171. In specificity he may wish to examine sections (a), (d), (h), (i), (j), (k), (m), (q), (r), (t), (w), and (ff), among others, of citation 171. The honourable member may also wish to put questions directly to the management of Air Canada when the company's annual report is before the Standing Committee on Transport.

NEW HORIZONS—GRANT CHEQUES

Question No. 1,414—**Mr. Cossitt:**

1. Did the Minister of National Health and Welfare state in part before the Standing Committee on Health, Welfare and Social Affairs on Wednesday, July 2, 1980, "so can we conclude that we will all meet your New Horizons group and give the cheques yourselves . . .", and, if so, is it government policy to forward New Horizons cheques to recipients through all members of Parliament regard-

less of their political affiliation and, if so, on what date will this system come into force?

2. Is it the policy of the minister to handle New Horizons grants on a strictly non-political basis?

Hon. Monique Bégin (Minister of National Health and Welfare): 1. See Minutes of Proceedings and Evidence of the Standing Committee on Health, Welfare and Social Affairs for July 2, 1980.

2. Yes.

Question No. 1,453—**Mr. Cossitt:**

With reference to the answer by the Minister of Supply and Services to a question by the honourable member for Leeds-Grenville concerning receipt of a request from the Minister of National Health and Welfare that New Horizons grants cheques be forwarded to recipients by members of parliament and the minister's statement that he would look into the situation, has the Minister arranged for this to be done and (a) if not, for what reason (b) if so, what are all the details?

Hon. J.-J. Blais (Minister of Supply and Services): Yes.

(a) N/A.

(b) According to Treasury Board guidelines, Supply and Services can dispatch cheques only to payees or the originating client department.

LANGUAGE PREFERENCE SURVEY

Question No. 1,555—**Mr. Wenman:**

What was the cost of the Language Preference Survey that was included in the various cheques sent out by the income securities program branch of the Department of National Health and Welfare?

Hon. Monique Bégin (Minister of National Health and Welfare): The cost of the Language Preference Survey included with the cheques to Old Age Security and Family Allowance recipients (approximately six million) in August, 1980, will be approximately $140,000 for material and $150,000 for return postage.

FLYING SCHOOLS—EXEMPTION OF SALES TAX ON AIRCRAFT

Question No. 1,686—**Mr. Wenman:**

Will the government consider exempting flying schools from paying sales tax on aircraft, parts and equipment purchased for use exclusively in flying training?

Hon. Pierre Bussières (Minister of State, Finance): Training aids for use by educational institutions, for example, typewriters for teaching typing, and equipment for training welders, auto mechanics, electricians and machinists, are all subject to the federal sales tax. It would be inappropriate to provide relief for aircraft used in flight instruction when comparable equipment used in teaching other skills is taxable. Nevertheless, student pilots do receive a significant benefit from the government as their tuition fees for ground school training and the cost of flying training under instruction both qualify for deduction from income for income tax calculation purposes.

EXCISE TAX ACT

Question No. 1,687—**Mr. Wenman:**

Will the government consider amending the Excise Tax Act, schedule III, part XVI, section 1(a) to include hydraulic tools in the list of construction equipment eligible for tax exemption?

Hon. Pierre Bussières (Minister of State, Finance): The Excise Tax Act now provides relief from the federal sales tax for a range of equipment which is designed for construction or demolition purposes, or for use directly in placing concrete mortar or asphalt. Equipment, for example, hydraulic tools, which have a wide variety of applications have never been extended exemption because of administrative concerns and the revenue cost. The government does not propose any changes in this policy at the present time.

[*Translation*]

Madam Speaker: The questions enumerated by the hon. parliamentary secretary have been answered. Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

* * *

[*English*]

MOTIONS FOR PAPERS

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, notice of motion for the production of papers No. 30 is acceptable to the government.

[*Translation*]

Madam Speaker: Is it the pleasure of the House that notice of motion No. 30 be deemed to have been adopted?

Some hon. Members: Agreed.

[*Text*]

CEIC—LABOUR MARKET DEVELOPMENT

Motion No. 30—**Mr. Orlikow:**

That an order of the House do issue for copies of all papers and studies done for the CEIC Labour Market Development Task Force with respect to employment and training problems in Canada.

Motion agreed to.

[*English*]

Mr. Collenette: Madam Speaker, I ask that the remaining motions be allowed to stand.

[*Translation*]

Madam Speaker: Shall the remaining notices of motions be allowed to stand?

Some hon. Members: Agreed.

[*English*]

VACANCY

ELECTORAL DISTRICT OF CARDIGAN

Mr. Tom McMillan (Hillsborough): Madam Speaker, if now is the time to do so, I hereby give notice, pursuant to section 10 of the House of Commons Act, that a vacancy has occurred in the representation of the House of Commons for the electoral district of Cardigan in the province of Prince Edward Island by reason of the untimely death of the Hon. Daniel J. MacDonald, the member for that district.

[*Translation*]

Madam Speaker: Pursuant to Standing Order 54, I do now leave the chair for the House to go into Committee of the Whole.

• (1600)

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

APPROPRIATION ACT NO. 2, 1980-81

The House resumed, from Tuesday, December 9, consideration in committee of Bill C-47, for granting to Her Majesty certain sums of money for the Government of Canada for the financial year ending March 31, 1981—Mr. Pinard—Mr. Blaker in the chair.

DEPARTMENT OF AGRICULTURE

Vote No. 1

The Assistant Deputy Chairman: I understand that the hon. member for Waterloo had the floor when debate in Committee of the Whole on Bill C-47 was concluded yesterday. I believe I am correct in indicating that the hon. member did not utilize the whole time he was allowed and that he has about ten minutes remaining. I will verify this in a moment.

I understand that the hon. member for Waterloo has now determined that he will not utilize the remainder of his time. Therefore, I will recognize an hon. member on my right. In this instance I understand the hon. member for Guelph will rise to speak.

Mr. Schroder: Mr. Chairman, I am grateful for the opportunity to address the House in Committee of the Whole while it is examining the estimates for Agriculture Canada. Of all the ministries of the Government of Canada, my constituency of Guelph is most intimately related to this one. At this point in time the people of Guelph are most concerned about the fate of the Canfarm Co-op. I will return to that subject in a moment, but first I would like to address myself to the broader relationship of agriculture to the nation at large and my own constituency.

In the House of Commons, we frequently talk about the importance of small business, private enterprise, and the importance of enhancing the business climate for the over-all betterment of the Canadian economy. Agriculture, too, is a business in Canada subject to most of the same risks as an ordinary business, consuming large amounts of capital investment, large cash flows, and facing many difficult conditions that many Canadians fail to appreciate. Early in our history the taming of the wilderness and cultivation of the soil laid the foundation for the economic development of Canada. No civilization in history has ever attained any measure of social and industrial development without first having an advanced agricultural sector.

I represent the riding of Guelph which has a strong and vibrant industrial base, and a great university of which we are extremely proud. The international recognition and prestige that this institution enjoys is based primarily on its contribution to agricultural science. The Ontario Agricultural College, established in 1873, and the Ontario Veterinary College, established in 1862, along with the MacDonald Institute, were founding colleges of what is now the University of Guelph. The contributions of these colleges to the science of agriculture is beyond calculation. The husbandry of soil, crops and animals has been advanced to levels unsurpassed anywhere in the world by the applied research of the University of Guelph.

However, we should never forget that the successful application of this specialized knowledge falls on the shoulders of the farmers themselves. It is a national blessing that most provinces in Canada are able to provide strong support for the agricultural sector which provides Canada and the world with its food supply.

I have a strong personal interest in the role of agriculture in Canada in that I have made my living for more than three decades as a professional veterinarian. Most Canadians fail to make the connection between such areas as animal pathology, which was my field, grain transportation, hog prices, an assortment of other agriculture-related areas, and the food on their dinner tables, and the cost of providing it.

Canadians still enjoy the lowest food prices in the world as a proportion of their income. Yet, this is possible because of two factors and two factors only. They are, first, an accident of birth and geography which finds us living within one of the biggest and most fertile agricultural zones in the world, and second, the amazing strides that the farming and agricultural community has made in exploiting these advantages. Canada has never had fewer farmers as a percentage of its population than it has today, yet they produce more in absolute and per capita terms than ever before.

At one point in time it would not have been necessary for a member of Parliament to stand up in public and argue the case for the Canadian farmer to ensure that he receives his due. Before World War II, about one-third of the population was classified as rural. Now the urban population has climbed to a staggering 95 per cent of all Canadians. The farmer is now a smaller minority but he continues to maintain this land as the

best fed in the world, and one of the fewer than half-dozen in the world which is still a net exporter of food materials.

I spoke a moment ago of the challenges and successes that the agricultural community has witnessed over the years. In my own area there have been many breakthroughs in animal health. Canadian farmers have developed many varieties of plants that are specially suited to our own environmental conditions.

Output per individual worker in urban industry has doubled since the 1950s. That is not a bad record, but we should all be grateful that the agricultural worker has done considerably better. He has quadrupled his output per capita in the same period.

All of these advances in agriculture did not just happen by accident. Aside from the time and the determination of the people required to reach these plateaus, there remains the question of money and finance.

In 1961, capital investment in Canadian farming amounted to $13.2 billion, rose to $57 billion in 1976, and it is estimated to be at more than $70 billion at this time, more than $120,000 per farmer. It goes without saying that to maintain high levels of output resulting from massive investment, sound and effective financial management is an absolute necessity. This is where Canfarm fits into the scheme of things.

The costs of operating a farm in 1980 are astronomical. Interest rates have proven to be extremely unpredictable and the low interest rates of the Farm Credit Corporation can only provide a partial escape. The federal government has a lot at stake in the farms of Canada in a very literal sense. Seventy per cent of all long-term farm debts in Canada is handled through the Farm Credit Corporation, with an additional load being carried through the Farm Improvement Loans Act. Also I have referred to the record of Canadian agriculture in holding down food costs through new and innovative technology. The over-all health of the farm sector is important in holding the line in the importation of food from abroad.

● (1610)

Canfarm is inseparable from the subject of a vibrant agricultural sector, given the scale of finance involved in modern farming. The Minister of Agriculture made the observation that the Government of Canada has put ten years of research effort and money into Canfarm. Without question, his ministry is now strapped for cash, as are all other ministries. But I do not for a moment disagree with the argument that much of the blame for the current situation of Canfarm rests on the shoulders of provincial ministers of agriculture and the farm organizations which have failed to promote Canfarm sufficiently and to recruit the members it will ultimately need to sustain itself.

Even so, I think the federal government has spent too much time, effort and money in the development of Canfarm to permit it to fold now, regardless of whether or not the present difficulties are the fault of other parties.

A significant portion of new farm loans is made to young farmers under the age of 35. The managerial assistance offered to them through Canfarm is especially valuable. One of the side effects of the high finance of modern farming is the tidal wave of record-keeping which must be maintained. Canfarm reduces this burden immeasurably for thousands of young farmers, giving them a clear idea of their financial positions. Many Canadian farm organizations have answered the call in supporting Canfarm. I urge all farm organizations to take a very close look at what is happening with Canfarm right now.

I offer the same advice to all ministers of agriculture, both federal and provincial. The collapse of Canfarm is an option which is totally unacceptable and should not be entertained by anyone for a moment. The Canfarm co-op is under the outstanding leadership of Mr. Peter Hannam currently and holds the promise of many years of productive service, if it can be preserved. Its loss would not merely be a loss to the agricultural sector, it would be a loss for all Canada, given the intimacy between agriculture and the rest of the economy. There is pressure to have Canfarm continue. Numerous blueprints for its continuation have been proposed, and we must agree on one which is feasible to all parties concerned. Is it really necessary for me to point out that it is far simpler for us to strengthen Canfarm now than it would be to try to recreate it at some time in the future? With all the enthusiasm and influence at my disposal, I strongly urge all parties concerned to go to the furthest extremes to come to an agreement on the preservation of Canfarm. We want it and we need it. The common ground is there. It is up to us to find it.

Would the minister explain where we stand with Canfarm now? What steps has he taken as minister to try to preserve this very necessary organization?

Mr. Whelan: Mr. Chairman, as the hon. member stated, it took a long time to develop the Canfarm organization. A lot of research was put into this program, mainly by Agriculture Canada before it was started. It has a lot of experience, but it has not enjoyed the support it should have from anybody other than Agriculture Canada over the period of time from when it started back in the late sixties.

Canfarm has not received the support it should have from the provincial ministers of agriculture, farm organizations or their leaders. Actually the support from some farm organizations has pretty nearly been nil, and from some provincial governments it has been less than that, if that is possible. Since the smaller provincial governments depend on Canfarm for services provided to them because they cannot afford to obtain them from anywhere else, it is important to the smaller provincial governments. They have received some lip service from some farm organizations and their leaders in the fact that they condemn the federal Minister of Agriculture and the federal government for letting down Canfarm. If I were a farm leader, I would do more than that: I would encourage the farm members of my organization to join.

We know the leaders of the UPA in Quebec. If it was not for this session in the House, I would be addressing them later

this afternoon in Quebec City; it would be a pleasure to do so. I congratulate them on their efforts and what they are doing at the present time. They are seriously considering buying Canfarm. They say that they can provide 10,000 members for Canfarm in short order.

When we look at the Ontario Federation of Agriculture which claims to have 24,000 members, they would not even require half of that membership to make Canfarm, along with UPA, the tremendous success it must be. As far as I am concerned we have lived within the agreement made to them. We hoped that enrolment in two years would be close to 10,000. If it was at that break-even point now, there would be no difficulty with its financing etc., but Canfarm has only 5,000 members.

There has been some argument—and perhaps it has been legitimate argument—that the number of members we turned over were not real members. We said that about 8,000 members would be turned over to them, and they have pointed out that less than 5,000 members really belong to Canfarm. We know those figures are argumentative.

The break-even point for Canfarm is 10,000 to 12,000 members, preferably 12,000. The Canfarm co-operative service is under the direction of Peter Hannam, as the hon. member stated. He has tried very hard to come up with the proper program. We have lived up to the intent of the agreement. The money received was $1.2 million in 1979-80 and $1.2 million in 1980-81 and depended on the need and the progress of the organization. This is what we said we would do. Presently the financial resources of the co-operative are virtually exhausted. It may be necessary to consider closing down Canfarm and to finish the 1980 farm accounts by March, 1981. The options would be to sell the business, restructure it, or close it down with the decision taken in March or April of 1981.

Those people who feel strongly about Canfarm can make representations to my colleagues in cabinet, to other members of my party and to the leaders of farm organizations to have them come forward. I must say that some of the farm organizations have been very quiet, even under the desperate conditions facing Canfarm at the present time. All options require the loan guarantees to be paid, and we know it could cost us a substantial amount of money to close down Canfarm. We know it will cost quite a bit of money, if we try to continue on operating it under the present conditions following any of these options. All options require Canfarm to operate from now until December 31, 1980, at an estimated extra cost, above the $300,000 we just put into it, if I understand it correctly, of $570,000.

● (1620)

In addition, the costs estimates are as follows: at December 31, 1980, the close down decision is $1.7 million, for January-March, 1981. The sale of business up to January-March, 1981, is $1.7 million. Restructuring or close-down costs decided for March-April are $1.2 million in January-March, 1981, to $1.3 million in April-December, 1981. Total cost estimates of the December, 1980, close-down decision could be $5.8 million. The sale of the business could be $5.8 million. The restructuring or close down decision for March-April 1, 1980-81, could be $5.3 million. For 1980-82 the figure is $1.3 million. The total cost is $6.6 million.

If we had that kind of support for this organization then I agree with the hon. member for Guelph that it does warrant it. I am sure that I, as Minister of Agriculture, can sell a better bill of goods to the economic people in the Government of Canada on where we could go and what we should do with Canfarm.

I personally support Canfarm. I think it is a unique organization. I do not know of any other group of agricultural producers who have this kind of organization available to them. But it is at the stage where we must make a decision in the next few days with respect to what we will do. Unless I get more support than I have at present I will be in no other position but to recommend a close down of Canfarm, either at the end of December, or possibly the end of January, in order that they can finish up the year-end business somehow with a skeleton staff.

Mr. Thacker: Mr. Chairman, I was quite alarmed with what the minister just said vis-à-vis Canfarm. While I hear him blaming the farmers, the co-ops and the provincial governments, I think he will agree, in all fairness, that the government has entered into a three-year agreement with respect to Canfarm and it is really pulling out the plug after two years. That affects the degree of confidence which farmers have with respect to getting into the program. It seems a shame that the government would pull the plug now when Canfarm has just gone through a very extensive advertising program and when they have had accountants and agents in place across the country.

If I understand the minister correctly, I think he is saying that he does not have support from his cabinet colleagues. That ties in with my comments which deal with the role of the department vis-à-vis the Canadian budget—the cheap food policy of Canada and its effect on agriculture and capital gains tax and how that is dramatically affecting our farm community. I believe the reality is that the Department of Agriculture is not receiving the respect and support which it deserves from cabinet. I believe the minister has to bear the responsibility for that. I know how proud he is of his eight-year tenure at the helm of that department, but I think the facts speak for themselves. The department is being systematically downgraded by the cabinet, and we would like to help the minister get that reversed because it is not right.

I notice in the 1980 main estimates that the department had 1.75 per cent of the budget. After the supplementary estimates were received, that dropped to 1.35 per cent in this year alone. I think the minister would agree that is a genuinely alarming situation. I know from estimates in previous years that the departmental percentage was as high as 2.7 per cent and, indeed, I think it was 3.2 per cent in 1969-70.

I also notice in his budget that only $140 million goes to research. That figure is taken from his Lethbridge speech. It is only .2 per cent of a $60 billion budget. When you contrast that with over $10 billion spent on the deficit on debt charges, without reducing the national debt, that is truly alarming. So I ask the minister to give us his specific personal plans to get the department back up to its traditional levels of over 2 per cent of the federal budget.

The second area which he might want to refer to is this cheap food policy. I was quite alarmed to read in a number of Liberal members' brochures which were sent out to householders that they were bragging about Canadians spending the smallest amount of money compared with a number of other countries for a 21-item food basket. They quoted these figures: Canada spent $55.58 for that food basket compared to $80.58 for Italy, $105.40 for Switzerland, and $135.10 for Japan. Those same brochures pointed out how proud the government was that Canadians work a shorter period of time to enable them to buy that basket as compared with the time people in other countries work. Surely the Minister of Agriculture should not be seen travelling around the country bragging about that. This means his department and the people who look to him for leadership are bearing the costs. That cheap food policy does have a cost—the cost is borne directly by our farmers.

Mr. Chairman, the farmers pay in a number of ways. The first major way is that this cheap food policy can only be maintained by smaller farmers dropping away. When we look at the statistics we see that there are over 100,000 fewer agricultural holdings today than there were only a few years ago. So the cheap food policy is only maintained by farmers dropping away and larger farmers taking up land and buying up larger equipment, theoretically achieving greater economies of scale. Presumably that could carry on until we had only one farm left. That would be disastrous.

There are examples of where effectively there is only one farmer—these are in centrally-controlled socialist countries. When you go through the list of them you see that they have all lost, even though at one point they had the ability to feed themselves. They have virtually all lost that ability now, whether it be in Poland, Russia, or even Mexico. At one time Mexico used to export sugar in hundreds of thousands of tons. The moment Mexico went into a highly centralized and controlled bureaucracy it lost that ability. Now it must import sugar.

The solution, of course, is to keep our farmers on the land. Otherwise the cost is too great in terms of the farm community and in terms of the way of life in those places. I submit it is the job of the minister to see that this is encouraged. I would like the minister to comment on why he is not out selling this policy to the consumers. I have read all the minister's speeches, and some of them are very good, but almost invariably they are given to farm communities. Our Minister of Agriculture should go to the cities, not to the farms, to convince people that they need to pay more.

The third area which is quite important deals with capital gains tax and the impact it is having. I believe it is a time bomb which will affect food production in this country far more seriously than anything else we have done. Mr. Chairman, up to 1972 there had never been a capital gains tax imposed on land. It was before that time that we developed the infrastructure in our agricultural community which made this country a vast exporter of grain. Canada is only one of four nations in the world which is exporting grain. But after 1972 a capital gains tax was imposed on farmland and there was a valuation date set at December 31, 1971.

Serious problems have arisen to the extent that in the December, 1979, Conservative party's budget some substantial relief was provided. It did not go as far as many of us would like, but it was a step in the right direction. Then throughout the subsequent election, the Liberal party gave the promise that it would extend the valuation date from 1971 to 1974, but in the October 28 budget nothing happened. That election promise was simply and purely broken. I am wondering what the minister has to say on that matter.

• (1630)

The November, 1980, white paper indicates that there would be no change. Indeed, if one reads the capital gains white paper carefully, it clearly indicates that the Minister of Finance and his officials are thinking of taking away the capital gains benefits which exist now. I know the minister will refer to other nations, but I submit to him that other nations are not the test because other nations which have gone to those types of policies are losing their capacity to produce food, and why would we do that?

As I say, the problem is a time bomb. The December 31 valuation day is simply too low. We know from the statistical records that the value of our land, at least in my constituency, was substantially higher in 1968-1969. But because of economic policy and other influences, land had taken a drop in 1971 and it was at a low point when the valuation day was set. So really the minister's election promise of 1974 values would be much more realistic, if one were to accept the principle of capital gains at all.

The second point on capital gains which is so dangerous is the inflation factor because it has increased the value of land without there having been any real gains. In short, what happened during that 1972 to 1974 period when the minister's government, albeit perhaps not with his permission, turned on the printing press, and created so much money that it had to settle on certain things. Unfortunately, that excess money supply settled on land. So the value of land went up but the real gain was not there.

In the past, retiring farmers had always been able to sell their land, buy a house in the city and have a small nest egg. We have all heard that farmers live poor and die rich, but they do not really die rich because the average size of a farm in Canada today is still only about 400 acres, really a small unit. When a farmer sells land to buy a home and have a little nest

egg on which to retire today this triggers the capital gains tax and he is unable to buy and retire to that home.

As a solicitor in southern Alberta, I can list dozens of examples of farmers who have sold farms and simply have been unable to purchase the homes which others had always been able to purchase before and retire. They are virtually forced to remain on the land or to take advantage of one of the rollovers. I know the minister has said that he is happy with the roll-over provisions and believes that they are generous. They are also a trap which is beginning to get the farming community into a very serious situation.

We all know that the spousal rollover is a deferral and that is a good idea to which nobody objects. The tax would be levied when the spouse dies. We also know that if there is only one child and the farmer wants to roll over his farm to that one child who is farming, it will defer the capital gains tax for another generation, and it goes on ad infinitum. If there is more than one child the same feature applies.

The problem arises if the farmer wants to transfer his farm to one child. At the 1971 value he can obtain a roll over of that sum but, as I pointed out earlier, the 1971 value is not enough money to buy a retirement home. But if the farmer wants to sell for more than the 1971 value, he must pay the tax. So, there is not a rollover. If the farmer sells to his son at greater than the 1971 value, the tax has to be paid. Or if the farmer takes from his son a sum greater than the 1971 value but they choose for tax purposes to roll it into the son's name at the 1971 value, ultimately when the son has to sell he must pay the capital gains, and he has already had to pay the cash to the father. So that is a very serious trap.

Because the value of land has increased so substantially, with no inflation factor, farmers are now finding that they are virtually forced to pay the tax so as to get cash in order to retire. It is a serious matter and I would appreciate the minister's comments on how he thinks that problem can be handled.

The most serious problem to which the minister must address his attention is the one where the farmer really wants the farm to go to a farming child, but there are other non-farming children whom he wants to treat fairly when the estate is settled. Most farmers today have daughters and sons who have left the farm. It is almost impossible to leave an equal value to the children who have left the farm. None of the roll-over provisions work under that condition, because if the farmer leaves it to the one farming child, he must somehow create equity for the other children. Invariably, they do not have enough cash to do that. The farmer does not want to leave the farm to these children because he wants it to stay intact as an efficient farming unit. What does the minister propose to do about that problem? It may seem to be a small problem at the moment, but one must consider what it will become in 50 years.

There is a solution. It is based upon an important principle which I hope the minister will embrace, and upon which I will appreciate his comments. We know that only 13 per cent of Canada's land has agricultural potential. We know that only 4 per cent of the land is class one or class two land. On a world scale, Canada has only 3 per cent of the arable land. Therefore, I submit, as a matter of principle, that it is immoral for us to be putting a capital gains tax on bona fide agricultural land. The basis of that principle is that we want to keep the land efficient to produce food. We want to retain the way of life of the agricultural community, and the world needs the food.

I submit to the minister that it is genuinely immoral for Canadians to be taxing agricultural land, just as it is immoral for us to be out in the world economy borrowing money which should be given to Third World countries. It is immoral for Canada to be buying oil on the world market when we could have our own policies for self-sufficiency. I submit that on a global scale it is immoral for us to tax the 3 per cent of the world's land which makes us an exporting country. And there could be a heavy tax.

The minister might want to consider that if the land goes out of agricultural production, then it is an appropriate time for the government to step in. This would lead to developers developing on class four, class five and class six land. It would tend to keep cities on these classes of land. But as long as the land is bona fide agricultural land, there should be no capital gains tax between the generations.

In order to give the minister some time to respond I now ask, why has the departmental budget dropped under the minister, why has the consumer paid less for food under this minister at the cost of the farmers who have had to leave the land, why has the minister permitted capital gains in the first place, and why has he permitted the Minister of Finance to break the election promise of the Liberal party concerning the valuation day date?

Mr. Whelan: Mr. Chairman, the hon. member has made many statements and some of them warrant comment. He has asked specific questions and he has commented on the laws which allow for the transfer of farm land from one spouse to another and from parent to child without taxation. No other country in the world has a law of this kind. It cannot be found in the United States, Great Britain, France, or in any countries on which we have checked.

● (1640)

I remember that Mr. Butz, when he was secretary of agriculture in the United States, said this kind of thing could cause a revolution in other parts of our society. I explained to him that the young man or woman who helped build the farm did not then have to buy it by paying taxes. That is a tremendous thing, Mr. Chairman. I know many people with families who farm who are not in a position to do that sort of thing—transfer the farm to a child.

In my own family, for instance, there were six sons on one small farm so there was no opportunity for the land to be turned over to anybody. We each purchased land on our own by doing jobs such as working in factories, share cropping and renting land.

I think our laws are wonderful. I would be surprised if people in the parts of southern Alberta that I know who have any size of holding at all, do not retire with some form of dignity, more dignity than would have been possible even ten years ago, from the return received for their farms. In that time farm values have increased by three of four hundred per cent. That means they have so much more money now although, of course, there will be capital gains tax to pay. As far as I am concerned, we have not finished with that yet. We have said that the valuation date should be 1974, but we can still have discussions on that. The matter is not finished as far as I and many other members of caucus are concerned.

Why is farm land selling at such high prices, Mr. Chairman? The real answer is because agricultural economics are good in Canada. Farmers are buying land because they want to farm it and because it is a good investment. We have one of the best systems in the world. We hear talk about large holdings, but it is still farm families who are buying the land. Two or three members of a family often combine to buy a quarter, half, or a whole section of land in their neighbourhood. We hear a lot about foreign ownership, but over 95 per cent of farms in Canada are owned and operated by families. Not many countries in the world can make that claim. That is one reason why our farms are so productive.

There has been much talk about a Canadian cheap food policy. Mr. Chairman, there are many farmers who never apply to me for any assistance whatsoever. They do not get a penny of our tax dollars; they get all their money from the marketplace. I am referring to some of the people on marketing boards, my prize projects. Those people are paying their bills and taxes, they are making investments and are not receiving a penny of subsidy.

That is one of the reasons why I do not need so much money in my budget. I do not have to give out tremendous subsidies such as those given to the pork producers this year which will amount to $46 million.

Mr. Knowles: Mr. Chairman, I rise on a point of order which I have discussed with you and the appropriate persons in the government and the official opposition.

In accordance with the practice that has been employed three or four times in the last few days, each time the New Democratic Party is accorded 20 minutes we would like to split it into two ten-minute periods on the understanding that, if the first member goes over time, the second one is called at the end of a total of 20 minutes. I believe this is acceptable and, of course, we would agree to it if the other parties would like to do the same thing. In the next 20-minute period we would like to present the hon. member for Prince Albert, followed by the hon. member for Hamilton Mountain.

Mr. Collenette: Mr. Chairman, I understand from my colleague, the Parliamentary Secretary to the Minister of Agriculture, that this would apply to all parties. Is that agreeable?

Some hon. Members: Yes.

Mr. Collenette: The 20-minutes period accorded to each party in a normal rotation can be split into two ten-minute speeches by each party if they wish. Is that the agreement?

Mr. Wise: On the same point of order, Mr. Chairman, the hon. member for Winnipeg North Centre is correct. There has been consultation with us and we certainly agreed. We may not choose to divide our 20 minutes into two ten-minute speeches until, perhaps, eight o'clock. If it is the wish of the hon. member for Winnipeg North Centre and New Democratic members to divide their 20 minutes beginning now, that certainly meets with our approval.

Mr. Whelan: Mr. Chairman, I have a point of order. Hon. members opposite make all kinds of accusations and put questions and I have no opportunity to answer. How am I supposed to answer that kind of discussion unless you leave me about an hour at the end of the session to answer a hundred questions? There must be about 40 already that have not been answered.

[*Translation*]

Mr. Ostiguy: Mr. Chairman, on the same point of order.

The Assistant Deputy Chairman: The Parliamentary Secretary to the Minister of Agriculture on a point of order.

Mr. Ostiguy: Mr. Chairman, when the Leader of the New Democratic Party asked me whether it was possible, I said yes as far as the NDP members were concerned, but government members still want 20 minutes to make their statement and an opportunity for the minister to reply.

[*English*]

The Assistant Deputy Chairman: The matter now falls into two areas, the first being that proposed by the hon. member for Winnipeg North Centre who proposed that each party internally regulate itself to distribute the 20 minutes amongst its members as it sees fit. That is rather different from what we earlier had in mind in the last couple of days, where the time period was distributed evenly in two periods of ten minutes each. I know that the hon. member for Winnipeg North Centre made it clear that it is a 20-minute time-frame and it is not going to be the responsibility of the Chair to see to it that it is divided within that time.

In that case, as the hon. member suggested, when the first member of a given party sits down and his time period has not been entirely used, if the House now agrees—and I shall come to that in a moment—the Chair will then recognize the next member of that party until the 20 minutes have been used up.

I can see some difficult problems arising. We may get to the point where some hon. members suggest that two minutes remain, or one minute remains, and we will be going around at a fair clip. But if that is the proposal that the hon. member wants to put and if hon. members are satisfied with it, that is fine.

Before I put it to the House, however, there is the matter raised by the Minister of Agriculture. It requires unanimous

consent in order to move in the fashion proposed by the hon. member for Winnipeg North Centre. I do not have an answer for the Minister of Agriculture. It has been noted in previous proceedings that some hon. members apparently put questions to the minister or, as he says, accusations, and then there is not enough time for him to answer. As I said on Monday, that is the way the rules now read. I cannot do anything about that unless some hon. member wants to propose a new system.

I certainly do not want to frustrate the will of the House. I think it is fair to point out that if the hon. minister is not satisfied with the proposal made by the hon. member for Winnipeg North Centre, he only has to withhold unanimous consent and the matter will not go forward.

Mr. Knowles: Mr. Chairman, may I suggest that we try it until nine o'clock tonight and if by that time the minister has not been able to get in, we can review the situation.

Mr. Crosbie: On the same point of order, Mr. Chairman, I have a suggestion for a new procedure. Instead of Liberal members, when they have their turn, occupying it with self-congratulatory statements and nonsensical support of the government, they could give the minister some time to do the exact same thing. He would feel better and everything would go along more smoothly. One out of every three members is a Liberal, unfortunately. That is something that the next election will solve.

Mr. Collenette: Mr. Chairman, as usual, the hon. member for St. John's West has injected a purely irrelevant note into the debate. All members are equal in this House, and Liberal members have every right to question the Minister of Agriculture, as do members on the other side. I think the conduct in this debate by members on this side of the House has been exemplary. The record will show that members on our side have not made 20-minute speeches.

● (1650)

They have been asking questions and probing the minister in the same way as members on the opposite side.

The reason I rise again is to say that we are very flexible on this side, as we are in all matters. If it is the desire of one particular party to have more members ask questions, we would be flexible on that proposition. Perhaps we could reserve the decision for a moment and consult with the hon. member for Winnipeg North Centre and the hon. member for Elgin so we can work out a system instead of using the valuable time of the committee. Perhaps we could come back in a few minutes with an acceptable formula which will not restrict the right of any one party to participate in the debate. The formula has been well established to allow members to use the time allotted to their parties.

Mr. Knowles: Mr. Chairman, could there be agreement to let the hon. member for Prince Albert and the hon. member for Hamilton Mountain have the next 20 minutes, and in the meantime we can review the situation about the rest of the day?

The Assistant Deputy Chairman: It is my impression that matters have proceeded far enough along the lines proposed by the hon. member for Winnipeg North Centre. The hon. member is reducing the time as originally proposed to the House. It is my understanding that hon. members are ready to proceed on a trial effort of no particular duration.

I just want to remind hon. members that there is the possibility that with one, two or three minutes left in any given time slot, there will be various members who will rise wanting recognition. We can see that might cause some distress. However, it has been proposed by the hon. member that we try this procedure. As I understand it, all members who have stood for recognition have agreed to try the procedure without any particular time limit. This is subject to discussion, as the parliamentary secretary indicated, to see whether he is satisfied and others are satisfied that it will work well.

Mr. Collenette: Mr. Chairman, we have not agreed to any particular formula. I have asked that we wait for a few minutes so we can discuss the matter outside the chamber and come back when there is an agreement on the way in which we should proceed.

The Assistant Deputy Chairman: As far I am concerned, that is exactly what I just said. We will proceed in that fashion and the Chair will be advised by hon. members in due course if a specific ruling is wanted. In the meantime, the Chair will recognize members in the normal way.

I shall now recognize the hon. member for Prince Albert. My apologies to him. The discussion was centred on the subject matter of his party so much so that I omitted recognizing the hon. member for Algoma, whose turn it is to speak.

Mr. Foster: Mr. Chairman, perhaps this will give hon. members a chance to work out the arrangement just discussed.

I believe the agricultural economy and the production of food is very important. In the next 20 years we will see acute shortages in many areas. Three commodities, minerals, energy and food, will be very important to the world. Food and the capability of a country to produce food will become ever more important. During the past decade we have seen great uncertainties for agricultural producers. These have waxed and waned in importance, but in my own district of Algoma-Manitoulin our agricultural producers have experienced periods of severe uncertainty. For example, the drought period of a couple of years ago and the very depressed prices for beef meant that producers and cow-calf operators suffered from 1975 to 1978. There have been tremendous increases in input costs which dairy producers are experiencing, including such things as the rapid increase in the price of land, fertilizers, fuel, machinery and help. These all add up to uncertainty about the future.

It is important that the Government of Canada and the associated provincial governments do their part in evening out these mountains and valleys for the agricultural producers. The Minister of Agriculture has visited my agricultural producing areas on a couple of occasions. He is always welcome

and well received. We are glad to see him because it puts a personal face to the agriculture department of the Government of Canada as far as the agricultural producers are concerned. I know this role he plays is not only applicable to my district but it is also applicable across the country.

Last July I had an opportunity to visit a community in Saskatchewan where I practised for a number of years as a rural veterinarian. I attended the seventy-fifth anniversary of the town of Carnduff. The Minister of Agriculture was there as a special guest as well. During that period much of Manitoba and Saskatchewan was in the midst of a very severe drought. It was certainly the worst drought I had ever seen in the years that I visited or lived in that part of the country. I must say that the minister's visit was a warm and friendly one and it provided an opportunity for him to see severe drought conditions which existed at that time. In Canada we have regionalization in the political parties at this time with Liberals in northern Ontario, northern New Brunswick, Quebec and much of Ontario, but no government members west of Winnipeg. The New Democratic Party was essentially wiped out east of Oshawa, and the Progressive Conservative Party have only one member in the Province of Quebec. It is, therefore, important for ministers of the Crown to visit these areas where we don't have MPs because information provided by provincial governments and local members is often adverse. The minister does an excellent job of meeting with agricultural groups and this enables him to outline his department's programs.

In Saskatchewan in early July the minister had a chance to outline the drought assistance program for the beef producers which will help them to maintain their herds during the next few years.

When the minister responds, perhaps he could let us know the amount of aid which was provided to Manitoba, Saskatchewan and to northwestern Ontario in drought aid this past year, or what the amount is that is anticipated.

I have mentioned the uncertainties which many agricultural producers face with the rapid increase in inflation and input costs. One of those, of course, is the increase in the costs for fuel.

People who are concerned about the rapid increase in the price of food are cognizant of the steps which were taken in the National Energy Program to moderate the price of input costs for fuel for farm operators. This was a major issue in the February 18 election. If we look at a typical agricultural producer in western or eastern Canada using some 6,000 gallons of diesel fuel a year, during the course of the next four years, 1981, 1982, 1983 and 1984, we can see the added costs of the former budget brought in last December 11.

● (1700)

The added cost of the Crosbie budget, if we compare the budgets for those four years, would be approximately $780 in 1981, $780 in 1982, $2,820 in 1983, and $3,840 in 1984. We therefore see that the average agricultural producer who uses 6,000 gallons of diesel fuel would have an added cost with the December 11 budget, compared to the National Energy Program, of $8,220. If it were just a simple case of that cost being passed on to the producer, it would have a drastic effect on the cost of food. However, it probably would not happen that way. In actual fact much of that cost would not be passed on to the consumer but would have to be borne by the agricultural producer. With all the uncertainties he already faces and an added cost of some $8,000 over a four-year period, or some $2,000 a year, my guess is a large percentage of that would come out of the producer's income.

At the same time, if we look at the National Energy Program we see that the cost of natural gas over that same period would rise dramatically, 13 per cent in 1981, 17 per cent in 1982, 65 per cent in 1983, and 71 per cent in 1984. Natural gas, of course, is a prime component for nitrogen fertilizer. Again we would see agriculture producers facing a much higher input cost for fertilizer as well as fuel costs under the former budget of December 11 than with the price and tax regime outlined in "The National Energy Program." It is important that the input costs of agricultural producers be reduced by that amount, so that the consumers ultimately benefit. I would be interested in knowing if the Minister of Agriculture has assessed the impact on the food costs and the pricing regime for diesel fuel and fertilizer, comparing the National Energy Program price and the pricing regime outlined in the Crosbie budget of December 11.

With regard to the renewable energy portion of the National Energy Program, how much and what kinds of research will be carried out by the minister's department? There should be a massive increase in research on renewable energy. What amount of research will be carried out and on what specific projects with regard to biomass, gasohol, ethanol and other manufactured fuels under the renewable energy portion of that program?

There is another question I want to raise with the minister. A letter was sent out by the Ontario Milk Marketing Board indicating that severe and drastic changes are going to be made in the Canadian Dairy Commission policy at the end of this year. Will the minister clarify this situation? Representatives on the Ontario Milk Marketing Board from some areas of the province at least are expressing concern to their elected representatives. I would appreciate it if the minister could clarify that situation. The Canadian Dairy Commission policy has been beneficial to our agricultural producers, both in stabilizing and improving their net back position. I want to leave time for the minister to respond to the three or four questions I have raised during this period.

Mr. Whelan: Mr. Chairman, I first want to comment on the supposedly drastic cuts for dairy farmers in the industrial sector. In an answer during question period I said that was not true. I say again it is nonsense, especially when we consider the requests coming to us from other parts of the world to supply more dairy products. Prices are increasing for these commodities. The over-all position of the dairy industry in Canada is probably one of the healthiest in the world. Not only is the industry healthy, but also the total national herd. We are

world leaders in exporting those great food machines, dairy cattle produced in Canada.

The hon. member asked what effect the extra energy costs will have on food prices for consumers. We have carried out some research which indicates that if we went to world prices for energy immediately, by 1985 food price increases to consumers will be as high as 35 to 40 per cent for that one reason alone.

Farmers face the same energy crises as other businesses. The 1980 prices for petroleum products paid by farmers increased by 17 per cent. Earlier the member for Elgin asked about energy costs. I was glad to hear the member for Algoma point out the savings in the period ending 1984 amounting to $8,220. I might point out it is not uncommon for farms to use 6,000 gallons per year. The hon. member for Elgin asked what kind of cushion we were providing. I say that is a pretty good cushion compared to what the Crosbie budget would have offered. We said we would attempt to cushion the rise in energy costs, and that is not a bad cushion.

There are other programs as well. Research is being carried out on renewable energy, biomass materials, the production of gasohol and alcohol from grain products. At the present time that appears to be uneconomic if other sources of energy are used to produce it, such as oil, stove oil, bunker oil, furnace oil or natural gas. If solar energy is used, there is some potential. The same applies to burning off gas, which is not presently being done.

Minimum research, or possibly more than that, has been carried out on farm tillage—for example, how much should be used on western grain farms. Fuel requirements can be reduced under proper conditions by over 30 per cent compared with conventional tillage practices. We know there are many areas where this can be done. Under the program announced by the Minister of Energy, Mines and Resources, we will be working very closely with his department on a national energy saving program for food and food processing. By working in many small ways, it can add up to a significant saving.

I would also point out that in the food sector there has been a saving of 15 per cent in a little less than two years. That is an amazing feat of energy conservation. We see savings in farming come about through improved farm machinery, motor vehicle maintenance, and the use of low temperature crop drying systems. A farmer in my area, the former chairman of the Soybean Marketing Board, has invented a unique grain drying system, probably the most unique in southern Ontario, which does not use gas or oil for drying. It has been viewed by people from as far away as China. He gets a premium on this grain because it is naturally dried grain. Usually the only system he uses is air but on some occasions he uses electric heat bulbs. It is one of the most unique systems of all. There can be a tremendous saving on grain drying using this type of system.

• (1710)

In livestock production fuel consumption is being cut by improved insulation, ventilation, by the recovery of heat from exhaust air, by controlling livestock housing temperatures in heated buildings, and in other ways. Much feel has been wasted in the past. We are very proud of some of the things people are accomplishing with all the conservation demonstration projects on many farms in different parts of Canada. Funds for these projects have been provided by the Ministry of Energy, Mines and Resources. We do not know how successful some of these will be, but the ingenuity and the initiative taken by some of the producers in coming up with new ways and new ideas to save energy are utterly fantastic.

Mr. Foster: Mr. Chairman, I asked the minister if he had an actual indication of the amount of funding provided to Saskatchewan, Manitoba and to northwestern Ontario for drought relief assistance in the past year. Does the minister have an actual figure on the cost of that assistance?

Mr. Whelan: Yes, we do have the figures. In the first instance we said we would pay $7 million for transportation of forage into northern Ontario, Saskatchewan and Manitoba. Those funds were not all used. We then announced we would use moneys for herd maintenance programs. We said we would use over $60 million. I do not have the actual amounts of money paid out because it is not finalized. It appears we would be paying out a total of possibly $67 million or maybe a little less.

The Assistant Deputy Chairman: Order, please. The parties have advised me that an agreement has been reached to permit any party, and in this particular case the NDP, to subdivide the 20-minute period into two ten-minute periods each. In order to do that it would require unanimous consent of the House. The parties have advised me there is unanimous consent of the House. Is that agreed?

[*Translation*]

Mr. La Salle: Mr. Chairman, I would like to take a few minutes to make some remarks and go over some questions that the minister has been asked. I realize the importance of agriculture in our economy. I listened carefully to some speeches that were made yesterday by members of my province. In fact, from time to time we probably share the same interests and the same problems when we speak of Quebec and agricultural measures.

Mr. Chairman, I would like to tell the minister at the outset that I will probably be less aggressive than I was five years ago when several of my colleagues shared my preoccupations and those of farmers, particularly in the dairy industry in Quebec. Yesterday, the parliamentary secretary explained the background of the agricultural development in Quebec and his comments about the direction of agriculture in Quebec and the rest of Canada were interesting and useful.

Still I would like to refer to the document that all members have received and question the minister, given the interest also shown by farmers in my riding, not to mention milk producers, potato producers, tobacco producers and horticulturists. So

agriculture plays an important part in the economy of my riding.

Many farmers are concerned about their future and they have made it known in the brief presented recently by the dairy farmers of Canada to the minister and the department. Yesterday the member for Champlain, I think, talked about a rumour to the effect that the government was intent on putting an end to these subsidies of $2.66 and the minister said that he was not aware of any such recommendation. I would have preferred him to say that no such measure was being considered and that milk producers would continue receiving these subsidies.

The minister said a few times since the beginning of this debate that he regretted not having time to give answers. I am going to try to give him time to answer for the official record. He may rest assured, Mr. Chairman, that I will convey his answers to the farmers of my riding and that Quebec farmers will also be interested to learn about them.

Could the minister tell us right now if these subsidies to dairy producers are not going to be maintained?

[*English*]

Mr. Whelan: Mr. Chairman, I have told two hon. members today, one during the question period and just recently the member for Algoma, there is no truth to that whatsoever. The Treasury Board has approved the program as of Monday this week for this coming year.

[*Translation*]

Mr. La Salle: Mr. Chairman, I should like to thank the minister for his reply.

The dairy farmers of Canada are also concerned. In 1975, the federal government announced the implementation of a policy to increase prices comprising a formula for adjusting the income of producers to production costs.

Can the minister tell us today whether or not this policy will be maintained over the long term, since the dairy farmers of Canada stress the importance for the government to commit itself to helping producers over the long haul? Can the minister assure dairy producers that formula pricing will be maintained? For how many years will it apply? I am not sure I can put the question to him in those words, but it does seem that the dairy farmers stress the need for a long-term commitment in that regard.

[*English*]

Mr. Whelan: Mr. Chairman, if only all agricultural producers in the world had been served as well as the dairy producers have been served under the Canadian dairy policy. I know of no other group of dairy producers in the world who have the kind of long-term dairy policy Canadian producers enjoy. It is one which has been there for many years. It is reviewed every year and unless there is going to be some drastic change they would be notified in due time. There is no suggestion by the dairy producers or by the government at this time that there be any kind of change. It is under review. It is an agreement we made when we established the long-term dairy policy that it would be reviewed from time to time and that is being done at the present time. They would have to go over all the workings and ramifications of this dairy policy. Almost everyone who examines the dairy program run by the dairy commission is complimentary.

We have had people from Japan, from France, from Switzerland, from West Germany come to see this program which is managed so well. I think we are the envy of the world. In practically every other part of the world where dairy production is of any significance there are problems which supersede ours. They are mismanaged in every way imaginable. Even Japan has dairy surpluses and does not know what to do with them. Ours is the best managed of any dairy program in the entire world.

• (1720)

[*Translation*]

Mr. La Salle: Mr. Chairman, the minister has said time and time again that Canada has the best system in the world. I am not in the mood to discuss that at this time; I am merely concerned with the interests of the dairy farmers of Canada. His colleagues, I am sure, agree with me and would like to know whether or not the government intends to maintain the formula pricing. I do not want the minister to tell me again that he has the best system in the world. We know things are working out reasonably well at this time. I merely want to know, for the benefit of the dairy farmers of Canada, which comprises all dairy producers in the country, whether the government intends to keep the formula. The minister did say "unless there is going to be some drastic change" so right away dairy farmers worry. So, I would like him to tell us whether or not formula pricing will be in effect for one, two or three years. That is the question of the dairy farmers of Canada; it is not mine, Mr. Minister.

[*English*]

Mr. Whelan: Mr. Chairman, as the hon. member knows, formula pricing has been here since 1975. I do not know if the hon. member is trying to create discontent, trying to start a rumour or what have you, but no one has suggested that formula pricing should be changed, not this minister nor any other minister in this government, as far as I know. There has been no suggestion that formula pricing be changed.

People in other parts of our society have a much more fixed situation than do the dairy farmers of Canada. When we give them formula pricing, it is not any greater than in many other parts of our productive society, nor even some parts of our society which are not so productive with respect to indexing the cost of living for senior citizens, people on disability pensions and others. The formula pricing we have for our dairy farmers is better than that in any other part of the world. The hon. member asked me not to repeat that, but I do so because other parts of the world do not have such a good system for their dairy farmers.

[*Translation*]

Mr. La Salle: Mr. Chairman, I can appreciate that the minister would give me the same reply as earlier. I do not want to alarm the producers or the Canadian population. My question is very simple. The dairy farmers of Canada hope and wish the minister will maintain this formula pricing. They said so, as the minister is well aware. I simply wanted to ask the minister if he could tell me what he will be able to do for them. Will he maintain this formula pricing this year, at least for some time? I do not know. However, I believe the minister could tell me.

I know that this formula has had good results since 1975. I know all that, but dairy farmers would like to know whether the minister can guarantee that this formula will be maintained and for how long, or at least, I imagine that they would like to be reassured that this formula will still be applied in 1981. If the minister can provide further reassurance, so much the better for dairy farmers. In other words, I am asking the same question once again. Can the minister tell us whether this formula will be maintained in 1981?

[*English*]

Mr. Whelan: Mr. Chairman, yes.

[*Translation*]

Mr. La Salle: This reply is very satisfactory, Mr. Chairman. I really like a minister who can provide such answers. I would like to note, Mr. Chairman, that after the contribution made by certain members yesterday, I also had the opportunity to ask certain questions of the minister about the subsidy for pork producers, who include pig fatteners and weaner pig producers. One of the members, I do not remember which one, either the member for Champlain or the member for Chicoutimi, mentioned the delays in receiving these subsidies. I do not want to ask any question of the minister about this, but I simply want to say that I have also received complaints in this regard and I imagine that, after hearing the comments made by my colleagues opposite, the minister will take some action to try to reduce the waiting period for pork producers as concerns the subsidies. Of course, I am happy that the minister has reacted to the representations made concerning the situation of pork producers.

There is another question I would like to bring to the attention of the minister, Mr. Chairman. I have read today in the newspaper that there is a surplus of maple syrup. Perhaps maple syrup producers would be interested in learning whether the minister is aware of this surplus, which is of particular concern to Quebec, as it seems that it could mean losses for producers who would have to store surplus syrup. Moreover, according to the international institute, there seems to be a budget problem for promoting maple syrup. Could the minister throw some light on the subject today?

Is the department prepared to increase allocations for promoting maple syrup? Could the minister tell us whether he would be willing to recommend a moderate budget for promotional purposes so that the producers and the association can dispose of this surplus and also of the maple syrup production they will have in a few months? Perhaps the minister could throw some light on the situation for the information of maple syrup producers.

For the moment, the one who is wasting the time of the House is the minister. He is robbing me of my allotted time.

[*English*]

Mr. Whelan: Mr. Chairman, we are aware that producers in *la belle province* had a very good crop of maple syrup last year. We are trying to find figures for the hon. member, but we give producers interest-free advance payments for their maple syrup so that they can properly supply the market. I am not aware whether there is a problem at the present time in marketing the product. I understand it was of high quality. It was on the market at a fairly good price. We advance the moneys so that the producers do not have to sell their product in a distressed market, so that the product does not have to seek a home on the market and so that speculators are not able to take advantage of the maple syrup producers.

We do not have the figure in front of us at this time, but I have received no representations from maple syrup producers in the last few months to my knowledge, so I am taking for granted that things are going as they had projected and hoped. If the hon. member has any information which is contrary to that, I would be pleased to have it, but I have not received any representations along those lines from the official organization representing maple syrup producers.

[*Translation*]

Mr. La Salle: Mr. Chairman, according to a press release I have here from the International Institute of Maple Syrup Producers—which the parliamentary secretary will no doubt provide him with—there is four times more maple syrup than usual for this time. Under the circumstances, it seems to me that that surplus creates a problem. Perhaps we should consider an advertising campaign and perhaps the minister could ask his officials to look into the possibility of selling a part of this maple syrup outside the country.

But my time is going fast, Mr. Chairman, and I also want to voice to the minister my main concern regarding this sector and that is the question of younger producers who are expected to carry on. We must recognize that this industry is healthier today than before and we have reason to be optimistic, but we must also recognize, as others have indicated, that considering the cost of farms, it is difficult nowadays, even though the lending facilities are there, for a young would-be farmer to buy a farm because of the interest rate, which is also true for other areas. Interest rates represent a prohibitive cost and jeopardize the future of farming for the younger generations. They can also discourage the young from going into debt because there are years when production is not so good. I do not have any solutions to propose to the minister but I would ask him to

consider seriously this concern by young producers, this reluctance on their part to go into debt to buy a family farm.

Today, because of their cost, farms are often sold to foreign interests. There has been a change in outlook and values such that the children have a harder time maintaining the family farm, because of cost and interest rates. The minister could therefore consider implementing a specific policy to help young producers become owners and keep the family farm, a policy dealing with these interest costs which are a terrible handicap for the young who are interested in farming.

The minister is perfectly aware of the long-term situation, in any case, and I think that here and now we must concern ourselves with the interest cost problems those young people will have. I could raise the same concerns about the present situation of small home owners. The industry itself is concerned. The subject being agriculture, let us not stray from it. I try to be very objective in my approach, Mr. Chairman, because those are comments we often hear from young farmers who are wondering where the obligation to borrow sums of $150,000 or $200,000 is leading us. At the same time, we cannot help but think that that will indirectly affect production costs, and consequently, the consumer will be directly affected. In the circumstances, I take this opportunity to invite the minister to consider seriously this problem and the future of our young people in agriculture. It is important that young people get increasingly more interested. Some are interested, but the opportunities are limited and right now, in view of the present economic difficulties we all know about, I think interest rates weigh heavily on the future of agriculture. I ask the minister to give the matter serious consideration and try in any case to bring forward a policy that will encourage young Canadians and help them choose agriculture.

I do not know, Mr. Chairman, whether I have a few more minutes—

An hon. Member: One minute.

Mr. La Salle: I have one minute left. I shall give that last minute to the dear minister who has too often complained he did not have enough time to answer. I hope he will seriously consider that last point I made, assistance to young farmers, the commitment to them, and funding is the way. I understand the minister's difficulties, but would he also understand the problems those young people face?

• (1730)

[*English*]

Mr. Whelan: Mr. Chairman, I just want to say that in different parts of Canada there are different kinds of agricultural production, but in *la belle province*, from which the hon. member comes, the production entity is there. There is only one which I can think of, perhaps two, which does not have some kind of cost-pricing formula. For every dairy farmer who wants to sell out in Quebec, there are three young farmers who want to enter the business, and they are protected with the cost-price formula for interest rates, etc. There is a subsidized form of interest rates for young farmers in Quebec.

To put the record straight, Mr. Chairman, let me say that we have more young farmers percentagewise in the business. The average age of young farmers entering agriculture is the highest since 1951, if I remember the figures correctly. I do not have the exact percentages but there are more young farmers in agriculture now than many people realize. Those are people who have graduated from agricultural schools and university agricultural courses. We have a higher percentage of those young people entering agriculture now because of the good programs we have established for them.

Mr. Hovdebo: Mr. Chairman, first I want to make a couple of comments, and then I will put my questions on a particular area.

Several times in the last three days I have heard it said that 20 years ago one farmer could feed 30 people. Now one farmer feeds 55 people and 20 years from now one farmer will feed 200 people. I am concerned about that approach because the implication is that farmers are becoming more efficient and productive. Possibly they are on an individual basis, but not a great deal more food is being produced per acre of land. I just wanted to make that comment to start with. I think we should watch what is happening so that we do not push too many of our farmers off the land, saying we have very efficient farmers because one farmer can feed 200 people.

Last year has not been a particularly good year for farmers. In the west we started out with a drought which lasted, in certain parts of the west, until the fall and which affected hay crops in particular. The result was that farmers did not have the kind of feed available to them that they had expected. Also, it pushed up the price of hay for feed in the west considerably, in some cases to twice the price it had been the previous year. Also, prices increased for other products and equipment, as was well documented at the Outlook conference last week. The price of fertilizer increased by 15 per cent. I am using ballpark figures because I did not take note of the exact figures which were given. Fuel and fuel-related costs increased by as much as 20 per cent to 24 per cent, depending on what was included in that category. Wages increased by 10 per cent, machinery increased by approximately 15 per cent, interest costs increased by about 20 per cent, and farm land, depending on the location, increased from 20 per cent to 50 per cent.

The effect of those increases was that the real income of farmers in the last year was reduced by 3 per cent. Actually, the reduction is greater than that because that included a certain reduction of inventory as well. We should put these increases in costs against the income of the farmer. The price of grain has gone up in the last little while but, owing to lack of attention on the part of the present government and the former Conservative government, the actual income to farmers from grain was considerably reduced. Also, the price of beef has not increased sufficiently to cover the cost of production, and the price of hogs dropped considerably.

On the whole, farmers have not been doing particularly well in the last year. although the Minister of Agriculture often says that he is in favour of orderly marketing, we cannot be quite sure of that. We seem to go to the free market and every time we do it does the farmer harm. For example, let us consider the embargo. If we had gone to world markets during the time of the embargo, the income of farmers from grain would have increased by a considerable amount in the last year. However, the embargo was imposed.

The principle of compensation for losses suffered by farmers as a result of the embargo has been established by the Conservative government and the Liberal government, and the Prime Minister even made a statement in that regard. Since the spring the government has been working on compensation studies. The minister said that the compensation document would be ready by the end of November, and November has long gone. I am just wondering what is the status of that document. Does the minister have any sense of urgency in this matter? I have referred the fact that costs have increased and incomes have gone down, partly because of the embargo maintained by the government.

● (1740)

On August 23 the minister reponsible for fitness and amateur sport announced that Canadian athletes who were barred from competing in the Moscow Olympics would receive:

—a program of assistance that will facilitate their further education, as well as the development of alternative career possibilities . . . The assistance intended will take the form of actual tuition fees pursuant to normal Canadian standards and related educational support of up to $200 per month during the academic year.

That commitment was specific. It indicated the level of support and delivered on the promise which the federal government made to the athletes of Canada. If the government can do this for the athletes, can it not do it for farmers by naming the crops to be covered and the range of compensation in dollars, so that farmers can make their plans, knowing the specific period of time they can expect that compensation? Can the minister give those specific undertakings now? I will give him an opportunity to answer before my ten minutes are up.

A lot of studies are being conducted, but I should like to ask the minister some questions dealing with the embargo. When will we hear about the embargo? How much will the compensation be? How did they arrive at the figures? If those figures are not adequate, may farm organizations make submissions to the minister in order to give their understanding of what compensation should be paid?

Mr. Whelan: Mr. Chairman, the hon. member talked about the incomes of farmers being down. We recognize that, and I have stated that. Their net incomes are down 3 per cent, but they are still in a very substantial net position. Also he talked about the price of beef not being high enough. Of course, the over-all production of pork had a depressing effect upon the price of beef, poultry products and every other meat product. Pork was sold on the market below the cost of production. It was distress selling and the sale prices had the effect to which I refer.

Also the member referred to the embargo and to compensation to farmers who may have lost income because of the embargo. The embargo was put in place by the previous government. The document which I hoped would be finished by the end of November is now ready for signing. It will be signed and submitted to cabinet for consideration in the next two or three days. I cannot tell the hon. member what the document indicates until it has been seen and considered by cabinet. As far as I am concerned, we intend to live up to what we have said. As I said the other day in the House, we do not intend to welsh on any agreement made by the previous government; this is one we said we would fulfil.

Mr. Deans: Mr. Chairman, I will hurriedly dash through my comments in order that the minister might respond. I am really looking for some support from the minister for the farm machinery industry. Those of us who are concerned about the health of the farm machinery industry well appreciate the difficulties of farmers at the moment in even replacing their machinery as this becomes necessary.

I had occasion to look at some of the statistics which have come out in recent months. The most recent were released last Monday and showed quite clearly that farm income is not keeping pace with inflation. In 1979 the cash receipts of farmers were $14.1 billion. In 1980 they had risen to $15.3 billion. Unfortunately they do not afford farmers the opportunity to maintain equality with their 1979 position. In 1979 the net real income of farmers was $3.61 billion, but in 1980 it was only $3.49 billion. In 1979 the interest on the debt load, which includes the debt load on land, was $1.33 billion, but by 1980 it had risen to $1.5 billion.

I have put those figures on the record because I think it is important to understand that in 1979 the amount paid by farmers on their debts for land and equipment equalled 36.1 per cent of their net real income, but by 1980 this had risen to 42.9 per cent, that is, the interest on the debts. Therefore, I well appreciate that Canadian farmers are facing serious problems in trying to plan their future purchases, as reflected in the downturn in the sale of agricultural machinery and implements.

The Canadian market is a substantial one. The 1981 market for farm machinery in current dollars is anticipated to be $2,068 million, which is a substantial sum of money. The Canadian demand in terms of North American production of farm machinery is 15 per cent, but Canadian production of North American farm machinery is only 9 per cent of the total North American production.

I suggest to the minister that we desperately need his voice in the efforts being made to resolve this dilemma. I do not deny for a moment that the farm machinery and implement industry—Massey-Ferguson in particular—is its own worst enemy. One of the primary reasons for the current position of Massey-Ferguson is poor management. It was not well-managed in the seventies. I think even its management today

will admit that that is true. However, certainly it would be to the detriment of Canadian farmers if we allowed that industry to disappear and fall by the wayside, because there is no doubt that the cost of imported farm machinery in Canada would be substantially increased if we were not manufacturing at all. While one might want to turn to Massey-Ferguson and say, "It is your own damn fault", the truth is that not only would the people employed in that industry suffer, but farmers across the country would suffer in the long run with no industry producing farm machinery in Canada for Canadian farmers.

Recognizing that poor management played a substantial role, we must also recognize that exorbitant interest rates faced by farmers, as well as by other people, are inhibiting when they attempt to plan purchases in coming years. It is also a severe inhibition to Massey-Ferguson to redevelop the company in a satisfactory and reasonable way.

• (1750)

Of course, what I said earlier about the decline in farm income is also an inhibition to planning for the orderly growth of the industry as it attempts to meet the needs of farmers. I think a farm machinery and implements industry is essential for Canada. There is no question in my mind that the contribution made by that industry to this country is substantial. I think the farmers of Canada need an industry here which can meet their needs. I believe farmers in Canada are concerned about what will happen, in terms not only of replacement of machines, but of replacement parts for the machines which they presently own. I am looking to this minister to accept that it is in our best interests as a country, and in the best interests of the farming community as a whole, to attempt to find a way to rationalize that industry, together with other similar industries, to try to come up with one rationalized, intelligent, competitive and supportable industry in Canada. I think it is also in the best interests of the economy of the country to attempt to do this.

I would therefore ask the minister if he has given some thought to what, if anything, the government might be prepared to do to be of assistance. I ask the minister if he would be prepared to support at this time a task force made up of parliamentarians and also of people from the farming community and the industry itself to take a look at the farm machinery industry in Canada. They should take a look at how it operates, whether or not there is the need, which I suspect there is, to see whether there is a rationalizing process which can take place and whether or not there is a way in which we can fund a newly developed farm machinery and implements company in Canada which will be able to meet the need of the farmers, while at the same time meeting the needs of the workers who are presently faced with difficult times ahead.

I wonder if the minister could indicate whether he would be prepared, as Minister of Agriculture, together with the Minister of Industry, Trade and Commerce and anybody else who is interested, to establish this task force now. I ask the minister if he is prepared to make this task force representative of this House of Commons, representative of the farm community, of the industry itself and of the financial community, and to set it a task. The task is to find a way to rationalize the industry in order that it will work in the interests of the farmer and of the Canadian economy, and to try to put together a package which will guarantee that we will not be paying exorbitant prices for imports in years to come for machinery which we could well have been, and ought to have been, manufacturing In Canada. Because of inadequate management over a number of years we have lost that manufacturing to foreign holdings.

Mr. Whelan: Mr. Chairman, I would like to say a couple of things, and I notice you are pointing at me indicating that I have only two minutes.

With respect to the farm machinery industry, when the hon. member for Winnipeg North Centre corrected me the other day he was right; all duty on farm machinery was removed and there was free trade on farm machinery in 1944. That then started the dislocation of the farm machinery industry in Canada.

Mr. Knowles: I was here for it.

Mr. Whelan: The multinationals moved in and decided they were going to centralize production here and centralize production there. As a result, we do not have a really good farm machinery industry in Canada. My colleagues and I have had discussions, such as the one the hon. member has talked about, and we have had discussions with our counterparts in the United States to the effect that this industry must be divided properly and proportionately, at least in North America. I believe it should be better than the auto pact is. But it must be that kind of thing.

We can point to some parts of the Canadian farm machinery industry which are pretty healthy, such as Versatile Manufacturing in Winnipeg. The hon. member asks how we have helped the farm machinery industry. It may not have been in a magnanimous way but we helped Co-op Implements who were not out of the bushes economically. We loaned them nearly $9 million and arranged other co-op credit societies to become involved to keep them going. They are on an upward trend but they are not out of the bushes as far as economic problems are concerned.

I agree with the hon. member about the problems which Massey-Ferguson has. The other day I was talking to some people and I said I could have done as good a job as the president of Massey-Ferguson. I believe his salary is $272,000 a year. I said I could have done as good a job for $252,000 a year, and I do not think that would be an exaggeration.

Mr. Deans: I could have done it for nothing.

Mr. Whelan: I am told that they did not even have a vice-president in charge of sales for Massey-Ferguson. Mr. Chairman, we do not sell farm machinery, farmers buy it. It is the same in the auto industry. The last Chrysler car I bought, I had to make an appointment to buy it.

Mr. Deans: Would you consider a task force?

Mr. Bossy: Mr. Chairman, as this is the first time I have risen to speak in this chamber, I would like to take this opportunity to make hon. members aware of the area I represent. I am pleased to participate in these discussions concerning the budgetary estimates for the Department of Agriculture. I represent a constituency which is the county of Kent in the most southern part of Ontario, in fact, the most southern part of Canada.

Kent is the most productive county agriculturally in all of Canada. In fact, some of the highest quality farm produce grown in the world is harvested in Kent. In the year 1979 Kent county alone produced agricultural goods worth $227 million. Farmers in Kent have achieved the highest average yield per acre of all farmers in Canada in the growing of many crops, including corn.

At this time I will state a few statistics which I have here. We average 100 bushels of corn, soybeans 38 bushels, winter wheat 62 bushels—hon. members from the west will be interested in that figure—barley 63 bushels, and oats 84 bushels. We also grow tobacco and many vegetable crops, such as tomatoes, sweet corn and cucumbers, which are among the highest quality grown in Canada. Much of this achievement must be credited to the research and development which has been conducted by the federal Department of Agriculture.

Since the world's population is ever-increasing, foodstuffs will become more scarce and more valuable in the future, I have great difficulty understanding why the budget for the Department of Agriculture is only 1.3 per cent of the total federal budget. We must be willing to commit larger amounts of money, especially in the area of research, to fulfil our obligation to feed Canadians and the needy peoples of the world.

The agriculture industry employs the largest number of persons directly and indirectly compared with any other industrial sector in Canada. Agriculture should be receiving a much larger percentage of the federal budget.

Mr. Chairman, I would also like to make a few comments on the importance of transportation to the agricultural community. Agriculture is an industry which deals almost entirely with perishable products, which includes livestock in transit. Having travelled across Canada this autumn with the committee on transport, it was made apparent to me just how inadequate our transportation system is with regard to the movement of these perishable goods. Certain functions of the Department of Transport should come under the guidance of the Department of Agriculture. This should occur particularly in such areas as the shipping of potatoes, wheat, cattle, corn, soybeans and so on. No one knows better than the Department of Agriculture what types of cars are needed, whether they should be grain cars or refrigerator cars, the number of cars, what effect freight rates have on the price of the product and the amount of the subsidies. This would mean a great deal to the farmer when competing with producers from outside Canada, such as those of the United States.

● (1800)

I want to say to the Minister of Agriculture that the formulation and implementation of a Canadian agriculture export corporation has been long awaited by farmers throughout Canada. Many countries of the world would be interested in buying our farm products and taking advantage of our technical expertise in the agricultural industry if there were only salesmen out there promoting us. I am positive that we are missing many sales because of the absence of this type of corporation. We promised this assistance in the election campaign and the farmers are asking for it now. Since it would be in the best interests of the country, I believe we as a government should deliver on that promise.

The Minister of Agriculture is owed a debt of thanks for impressing upon the Minister of Energy, Mines and Resources the necessity and importance of classifying primary food production under the category A rating of the Energy Supplies Allocation Board. This is the highest priority rating for the supply of petroleum products in the event of an emergency.

While farmers generally accept the fact that fuel prices will increase, they are hoping that much time and effort is being put forward in the development of alternative energy sources. I can think of such fuels as gasohol, which can be used extensively throughout the farming community. Canadians are expecting much to be done in the research and development of alternative energy.

I would emphasize to the minister that a great hardship has been put upon farmers by the current high interest rates. Farmers in my area are faced with extremely high input costs and they have large mortgages due to the unrealistic price of farm land which has been caused by foreign investment. The price for land in my riding of Kent at the present time is in the area of $4,000 to $5,000 per acre. Anyone connected with the farm scene knows that present prices and revenues derived from agricultural products would barely pay the interest and there would be very little left to pay for fertilizer, seed, sprays, fuel, equipment repairs and equipment replacement. I feel that the federal government should initiate a short-term relief program to enable the farmer of Canada to survive this interest rate crunch. The story has been told of the farmer who, when asked after winning a $1 million lottery what he would do with this winnings, replied that he would continue farming until it was all gone. We must not let that happen.

I think a few words of explanation are owed to the consumers of Canada. As was announced this week, food prices will be rising. I want to point out that the farmer should receive very little of the blame for those rising prices. Farmers receive a very small percentage of the market price for most of their products. It has been suggested that even if farmers gave away their wheat, the price of bread on our markets would not drop. As mentioned yesterday by the hon. member for Lambton-Middlesex, Canadians continue to pay the lowest prices for food in the industrial world. These low prices would not be possible were it not for the efficient and effective agricultural practices employed by the Canadian farmer. I am sure that if the industry which handled our agricultural goods was equally

as efficient and effective, food prices in Canada would be even lower.

I would like to ask a question of the minister concerning the Farm Credit Corporation. He indicated yesterday, I believe, that changes were in the works in regard to the amount of money which may be allocated to the corporation. At present there are very few loans being approved. Speaking on behalf of the farmers in my area, many of whom have indicated to me that they have had to refinance, the amount of money available through the Farm Credit Corporation is inadequate. Would the minister comment, please?

Mr. Whelan: Mr. Chairman, the hon. member for Kent and the hon. member for Hamilton West have mentioned the amount of interest which farmers must pay to borrow money. The Farm Credit Corporation's current rate of interest is 12.75 per cent. That is an enviable lending rate compared to what other people in society are paying. The highest rate of interest charged by the corporation was in the early part of the year when it was at 13 per cent. In 1979 the rate was 12 per cent and before that it was 10.75 per cent. It has been 10 per cent, and in 1959 it was 5 per cent. When one considers the earning ability and economics of agriculture, a 12.75 per cent interest rate in 1980, as compared to the interest rates that producers in other countries are paying, is not that bad.

I cannot deny what the hon. member for Kent has said about the need for more money within the Farm Credit Corporation. There seems to be a need for unlimited funds in that corporation, and I wish we were in the position where we had unlimited funds. But when one looks at the amount of loans made by the Farm Credit Corporation to farmers in 1980, one will see that they total $358 million. In 1979 we made loans of $349,262,000. The amazing thing about this is that the loss in 1979 was so small that it could hardly be measured. The record of payment was excellent; .002 per cent. It will be about the same for 1980. Such an insignificant loss on the operation of the Farm Credit Corporation indicates a profit on the lending aspect of its operations.

• (1810)

I was amazed, Mr. Chairman, as were some others, to learn that as a Crown corporation the Farm Credit Corporation pays income tax on its profits. It is one of the few Crown corporations to do so when it finds itself in that position from time to time. Originally the Farm Credit Corporation was set up as a lender of last resort—the lender who would advance money to people when all other lending institutions had refused.

An hon. member referred to the difficulty young people have in borrowing money. If we think back to when the interest rate was 5 per cent and remember that the average wage at that time was about one-quarter what it is today, we can see that the present interest rate has not been a factor in inhibiting the efficiency of farm operations.

I repeat what I said earlier, that the number of young people entering agriculture today is not as insignificant as some would have us believe. I hope that I will have more accurate figures available later this evening to show how many young people have entered agriculture in the last ten years. It is more than most people realize and I am happy to see it.

I know it is not as difficult to enter agriculture as it was when as a young man I tried to buy a farm. I did not have the advantage of the different types of programs that are available today, such as interest-free advance payments. The county of Kent and the county of Essex, where I live—it could be argued which county produces the highest quality food—together produce more food than some of the poorer provinces do, in dollar value. They have the heaviest concentration of agriculture of all kinds of nearly any spot in North America, except one place in California. When earning power was low it was difficult to pay even 5 per cent interest. Now that earning power is higher and interest is at 12.25 per cent, things are not as difficult with the help of the Farm Credit Corporation and interest-free advance payments, which mean that a commodity does not have to be sold when the market is low. It can be stored and sold when the market is right. The young farmer today is not faced with the disadvantage of distress selling.

The hon. member for Elgin, who is a former minister of agriculture, spoke about research. This is one of the reasons that Kent county is so productive. The hon. member mentioned that he had increased the budget for research but, Mr. Chairman, it is interesting to go over the figures and find when the biggest increase in the budget took place. There is not much difference but in 1976-77 $109 million was spent. I believe it was the hon. member for Lethbridge who said that $140 million was spent on research this year. Mr. Chairman, in 1979-80 $142.6 million was spent. The figure for 1980-81 is $155 million, an increase of $13 million. It was $117 million in 1977-78 and $133 million in 1978-79, which is the biggest increase for research in the past five years. So I can claim fame as well as the former minister. I increased it more at one time and then he increased it at another time.

We believe that research is important, Mr. Chairman. It is important that we have more money available for it and it is also important that we have more money available for farm credit. We hope to introduce new legislation early in the new year which will give the Farm Credit Corporation the authority to go outside government as they see fit to raise funds when the need arises.

Mr. Hargrave: Mr. Chairman, I want to say initially that I think this is the first time in the eight years I have been in the House that the Department of Agriculture has appeared before this rather unique Committee of the Whole House. I am sure we appreciate the attendance of the minister for these two long days with his support staff, both on the floor of the House and in the gallery. I think it is most appropriate that they are here and we do appreciate it.

I am sure I will not surprise anyone in this House when I say I would like to put some comments on the record that deal with my favourite area of agriculture, the Canadian beef cattle industry. I want to confine my remarks to the current year

which is just winding down, 1980. These are personal remarks, Mr. Chairman.

Let me begin by saying that 1980 should have been a good market price year—I emphasize should—if only because of the position of our beef cattle cycle. Our breeding herd numbers—cows and replacement heifers—are only now barely beginning to increase. This phase of the cycle was expected to begin two or three years ago. That extension of the low part of the cycle must have caused all kinds of problems for the statisticians and people who make projections for any industry, especially the cattle industry.

Beef supplies in 1980 were not burdensome. In fact, they were down, at approximately 91 pounds per capita, at least 22 pounds per capita below the peak years of 1977-78. But 1980 was not a very good year for most cattlemen, both producing cattlemen and feeders. In fact, it was disappointing for five contributing reasons or factors.

First, and perhaps most important, we had an all-time record of supplies of competing pork and poultry. For the first time in our history, Canadian pork production exceeded, or will exceed, Canadian beef production. When that statistic came to my attention for the first time, I found it rather hard to believe. It is an indication of what supplies can do. For a while, live hog prices were as low on a per pound basis as one-half, and sometimes even less, of live fed steer prices. It is no wonder that pork consumption jumped and beef prices failed to respond to lower beef supplies as they traditionally do.

The second factor was the western agricultural drought. The minister has heard me comment on this many times both in this House and in committee, so I shall only say that it was very severe for the first six months of this year throughout most of western Canada. This followed the previous winter drought that produced none of the snow moisture that is so needed in western parts of this country in order to start spring growth and, in my own case, to start grass and begin the growth of hay crops. During April, May and June significant numbers of short yearlings, steers and heifers, had to move into feedlots. Normally they would not move until the fall of the year. Six months earlier than is the normal practice a lot of them had to be moved because of the drought situation. Even cows and calves were beginning to move to the market. That is most unusual in the early part of the growing season. There was no incentive whatever to hold back additional replacements.

When the rains finally came they were too late to make a hay crop. I am referring now to the traditional source of hay on cattle ranges that comes from flood schemes, small irrigation projects and so on. They had no moisture from snow to start the hay crop. There simply wasn't any; the rains came too late. In my own case, we put up about 5,000 bales, not the new big ones but the traditional small bales, when a year ago we put up about 45,000. That is an indication of what the half drought year did to us.

● (1820)

The third factor is interest rates, which have erupted twice this year. The first time they went from about 11 per cent to 18 per cent; that was last spring. Now they are back up to 15½ per cent. The realization is apparent, that they are still rising. It was these record high interest rates which caused cattle feeders to sustain their heaviest losses ever. No wonder they are gun-shy now.

Fourth, the beef cattle industry reflects the North American recession. I hate to say it, but I suggest we are still in it. We have high and rising unemployment, double-digit inflation and a very real slowdown in consumer incomes resulting in weakened consumer demand.

Fifth, we have steadily rising feed grain—especially barley—prices in Alberta and corn prices in central Canada. That, along with those interest rates, made the first half of 1980 a disaster cattle feeding period. Not only is that true in central Canada, but certainly in the west. They had a terrible half year in the feed lot operation. I doubt if they will completely recover by the end of this year.

Those five contributing factors have combined to shake our confidence as producers and feeders in our total cattle industry in 1980, and this is happening soon after that four-year price disaster of the mid-1970s in our cattle industry. In my opinion, the most visible and serious implication of the lack of cattle industry confidence is the two to three-year delay in the beginning of the breeding herd build-up across Canada. I refer now only to the beef cattle breeding herd.

Only last Friday in Calgary, at a one-day agricultural task force conference sponsored by the Canada West Foundation, when dealing with the ten-year outlook for Canadian agriculture in the 1980s, Jake Brown, the University of Saskatchewan dean of agriculture, a very highly regarded man, made the statement that it is highly unlikely that Canada will be able to move away from a net import base for beef by 1990 because of the lack of confidence in the future of our Canadian beef cattle industry.

The Minister of Agriculture was at that meeting. He must surely be aware of this lack of confidence. The minister was luncheon speaker at that meeting, but he probably did not hear Dean Brown's comments. I commend them to him. I hope he carefully examines the complete task force report or at least requires his staff to do so, as it is a fairly big report. It is very current and deals with the outlook for the decade we are now entering.

There are a number of other moves the minister might consider to restore that needed cattle industry confidence. For example, there is some unfinished policy direction respecting the federal drought policy. The minister will recall that the $67 million drought program covering herd maintenance and livestock fodder procurement was to benefit the western drought regions and, to quote an earlier statement about the drought, "parts of Alberta" would be eligible for these benefits.

It now seems that in Alberta only the Peace River district and an area around Camrose qualify for the herd maintenance program. Under the federal fodder procurement program, by definition most of Alberta will not be eligible. I regret that very much. I say to the minister, don't tell me that we in Alberta should not qualify because the rains finally came a little earlier than they did in Saskatchewan and Manitoba, which indeed they did, or because we have our wonderful irrigation system. As already indicated, in southern Alberta those welcome rains brought life and growth back to our grass, but I repeat, they never made a bale of hay.

Partly because of the subsidized hay costs, mostly for transportation, our choice irrigated alfalfa from Brooks and Taber and many other irrigation areas sold at $100 to $150 per ton before trucking charges were added. I am making the case for federal transportation assistance in Alberta, at least on a cost sharing basis with the Alberta government. I remind the minister there is between $5 million and $10 million of unspent and unallocated moneys in these two programs. I also remind the minister that his cabinet colleague, the minister of state responsible for the Wheat Board, said in Regina on August 8 that all moneys allocated for drought assistance would be spent on drought assistance. He said and I quote:

> We're fully committed to pay the full amount . . . We will see what portion of the $60 million we have left and we will consult with livestock producers as to how we will pay out the balance.

The minister's new meat import bill should help stimulate some new confidence. I compliment the minister for bringing it in at this time. It is a program which we on this side have proposed for a number of years. We in the Conservative party have always supported the need for a beef import law in Canada. We chose to use that term. We fully support the countercyclical feature and the omission of live cattle, pork and canned meats.

I have some personal concerns about such things as some of the ministerial discretionary powers that are proposed, and with respect to the usefulness and make-up of the proposed advisory committee. However, I urge the minister to bring in the bill for second reading debate as quickly as possible. It is important that we have a good short second reading debate and get the bill into committee so that we can have the benefit of solid input from Canada's beef cattle industry.

There is one other most important and related item. I question the need for the GATT related requirement for the human population growth factor in the determination of meat import quotas. As I understand its operation, it is applied every year. The removal of this requirement would be a clear signal to our cattle producers that the minister does indeed care, and at least some long range incentive would be returned to us to get out and produce enough cattle and beef to be self-sufficient in Canada. We are not in that position now.

Further, this is the time of year for the annual calculations of our beef import quota levels for 1981. It is my understanding that the current year levels which were determined a year ago assumed a breeding cattle herd for 1980 that was too high since, as we know now, our breeding herd build-up has not really begun, at least in significant numbers, as I indicated earlier in these remarks.

• (1830)

Will the minister make a correction for the 1980 formula level in calculating the 1981 quota levels? On this basis, the Canadian Cattlemen's Association indicated the new quota level would be in the neighbourhood of 146.6 million pounds. This level also agrees very closely with the traditional one-tenth relationship to the United States beef import level. One-tenth of their figure of 1.45 billion pounds comes to 145 million pounds.

However, the basic criteria that we should be following in Canada, and one which would be acceptable here, would make our protection equivalent to the offshore import protection of the United States. That is the important guideline. One-tenth of the American level would indeed do that and would be acceptable to our industry.

I have reviewed the Canadian beef cattle situation for the current year only and have cited evidence of and reasons for lack of confidence in both the short and the long-term outlook. I can assure the minister these are very serious concerns.

In closing, I submit most emphatically that our free market system for cattle in Canada is not a factor or part of the problem I have outlined, even though there may very well be some newer producers in the cattle industry who may feel that way. I want to remind the minister about my specific question concerning western drought and the portion of it dealing with the eligibility of parts of Alberta. His comments on that would be appreciated at this time.

Mr. Whelan: Mr. Chairman, on the drought situation mentioned by the hon. member, we have made provision for the funds we said we were going to provide. The total funds we are going to provide for drought relief, I believe, are $67 million and this money will go to the people in need. At the present time, for the herd maintenance program there are 35,000 applications. What the hon. member is asking is if we would consider transportation costs in the province of Alberta. One of the predicaments we ran into on that is that when we first talked of drought assistance, the minister of agriculture for the province of Alberta said they had no drought and needed no assistance.

An hon. Member: Not true.

Mr. Whelan: I am sure the hon. member remembers that later he said we did not provide any assistance for Alberta. I told the hon. member they have the right to appeal on any of these programs we have. The appeal board is being set up at the present time but how quickly it will get into operation, I do not know. We are setting up an appeal board with representatives from Alberta, Saskatchewan, Manitoba and northern Ontario. The herd maintenance program is administered by another ministry, not by mine.

The transportation cost of fodder in Manitoba was not nearly as high. At one point we had allocated $1.6 million for

Manitoba. The accumulated amount of money spent to date is only $368,766. For transportation of fodder into Saskatchewan we had allocated over $1 million, and it has now cost $435,163. In northern Ontario the allocation was $400,000 and they did not use anywhere near the amount of money for the transportation of fodder.

The hon. member referred to the beef import law. I do not pretend that that law is the answer to all the beef producers' problems. He mentioned earlier the price of beef and the price of hay. That was a free market system probably working at its worst and not its best. It made some operations uneconomical and they were in a position where they had to purchase barley and hay at exorbitant rates.

Mr. Hargrave: It's the weather.

Mr. Whelan: There was not a great dispersal of cattle according to our figures. I do not have the total figures past the end of September, 1979. There has not been the dispersal of cattle that people said there was going to be on account of the drought. Because of the programs we initiated we did instil some confidence in them. The hon. member answered his own question when he talked about the low price of beef because of overproduction of pork. Pork was sold at distressed prices and depressed the price of beef. Again, that is a free market system which is ill-managed, ill-supplied to the market and sold on the market at distressed prices. Beef did not resume a position where it would get a price which would afford a proper economic return to the beef producers. So we had high stocks of poultry, high stocks of pork and reasonable stocks of beef in Canada.

[*Translation*]

Mr. Gingras: If I may, Mr. Chairman, I would like to share my time with my colleague from Roberval. Since coming here I realize that my Abitibi constituents are interested in a number of areas. We have seen that energy resources like electricity, wood residues, mines and the tourist trade are part of everyday life in Abitibi. Obviously, farming has been from the outset its *raison d'être*, and still is a very active industry. We have farmers in the beef industry, in the chicken industry, and in the dairy industry, producing either whole or industrial milk. Quotas for natural milk are regulated by the Régie des marchés agricoles, which means they are under Quebec jurisdiction. The milk goes to the pasteurizing plant and is thereafter consumed without further processing. The price is set by the Régie. Production is regulated to avoid possible overproduction that would drive prices below production cost.

I will not say anything further about whole milk, it being as I said under the Régie des marchés agricoles, to supply the province's domestic market. I would like, however, to deal with a matter of interest to this House, which is the production of industrial milk under the Canadian Dairy Commission. Mr. Chairman, in Abitibi, in Quebec, our cows produce two types of milk. I understand they are now changing not the cows, but the system under which some cows produce whole milk, a provincial type of milk, and others produce industrial milk that is under the jurisdiction of the Canadian Dairy Commission.

Some farmers, Mr. Chairman, have versatile cows. One day they give provincial milk and the next they give federal milk, when they have enough. I cheer up, Mr. Chairman, because I think they will soon be integrated. Mr. Chairman, I insist and say once again that the Canadian Dairy Commission system has proved to be essential for the stabilization of producers in Abitibi. Before 1963, the dairy industry was in pitiful condition. Following the suggestion of the dairy industry, the government set up the Canadian Dairy Commission which has been operating since then and is a vital instrument for the co-ordination of the dairy industry in Canada.

In July, 1980, Mr. Chairman, you stated the concern of the government about the allocation of quotas in some areas of the country. I know that several producers feel that their milk quota is an integral part of their heritage. It is normal that the milk producer should see in the allocation of quotas the only way to sell his product and he gives it a commercial value. We should not forget that to have obtained the assurance of selling his product is solely the result of a good and healthy national dairy policy. This is the first question which I would like to put to the minister: Following his press release of July 1980, could the minister specify his concerns about the fluctuations of those quotas?

• (1840)

[*English*]

Mr. Whelan: Mr. Chairman, the Canadian Dairy Commission sets a national quota with the market supply management committee. They set a national quota, and that is distributed to the provinces. How it is distributed in the provinces is up to each separate and individual province.

The hon. member says the quota is a valuable thing and that some farmers feel it is their heritage. That is right, but very few provinces have the same system for pricing valuations on quotas. Industrial products are distributed freely across Canada and marketed freely across Canada, and then they are marketed on the world markets by the Canadian Dairy Commission. Some provinces have one class of milk. The hon. member said there are two kinds of milk. I was glad he clarified that. He said there is federal milk and provincial milk. In the province of Quebec there is probably more of a distinction between producers in one class and the other, although it is intended that they be put into one class. We say they should all be first-class Canadian high quality dairy producers because we now have better quality milk produced in Canada than we have ever had.

All I can say about the quota value is that I am concerned—whether it be for dairy or whatever—that there must be better control. However, we at the federal level do not have the authority to say what the quota should be for a producer within a province. We can recommend and suggest, as we have done, to the dairy farmers of Canada from time to time.

I do not know what more I can say at this time. As I said, the provinces do not have this, but when we look at quotas within the commercial industrial society, we see the same thing with respect to a taxi licence. If one tries to establish himself in the taxi business in the city of Ottawa, he will have to pay a very high price just to get a licence. There would be a quota to have one taxi. We have to be fair to producers who have bought quotas also. However, I have told the Canadian Dairy Commission to ensure that quota values are examined very closely. The chairman of the Canadian Dairy Commission himself has made two or three representations about which I know, to the dairy farmers of Canada to try to make sure that these quotas are kept at a realistic level or, if they are above a realistic level, that they return to a realistic level. Somehow they must be managed so that too few people do not get control of them. When young farmers want to get into the dairy industry when other farmers sell out, quotas should revert to the provincial milk marketing boards, as is the case in some provinces. It is then reallocated at reasonable rates to young people entering the dairy industry, or to anyone entering the dairy industry.

[*Translation*]

Mr. Gingras: Mr. Chairman, at the convention of the dairy industry held on October 20, 1980, the chairman of the Canadian Dairy Commission estimated that the value of quotas would push the price of dairy products up by 10 to 15 per cent thus making them no longer competitive on export markets. The producers of the province agree with the present marketing policy. The chairman of the Canadian Dairy Commission suggested in his speech that unless the provinces implemented a new policy he would make it a point to recommend a different policy under which the value of quotas, as applied now, could no longer exist.

The minister assured the House this afternoon that the Government of Canada is willing to renew the stabilization program including a subsidy. Is the minister willing to increase that subsidy of $6.04 in 1975, seeing it is now really worth only $3.46, in 1980?

[*English*]

Mr. Whelan: Mr. Chairman, we have no intention of increasing the subsidy because the subsidy for dairy farmers has stayed constant. Under the pricing formula we use, money comes from the marketplace, and that is the place from which it is intended to come. I would like to be out of the subsidy business. There is no doubt about that. We were removing subsidies from the dairy industry several years ago until the world price of industrial products collapsed. We then had to move in and save the dairy industry by renewing subsidies. At one time the subsidy was down to $111 million for industrial milk producers in Canada. We took the stand at that time that we must receive the return for dairy products from the marketplace. Many people do not understand that there is no subsidy for the whole milk we drink, but there are subsidies for industrial milk producers who have to compete in world markets. Our subsidies are not high when compared with subsidies in other dairy-producing countries, and I refer especially to European countries.

I am well statisfied with the Canadian dairy policy. Our producers are about the best off in the world. I am sure our producers would like to keep the program the way it is since the formula price makes adjustments for changes in costs and for changes in the cost of living. Industrial milk producers know they are being fairly treated. I do not think it is necessary to index the subsidy, as some have suggested, as long as we have formula pricing. As I said earlier to another hon. member, I approve of formula pricing. This is the kind of system we have in many other parts of our society. If it is good for other parts of society, I do not see why it cannot work for dairy farmers.

[*Translation*]

Mrs. Beauchamp-Niquet: Mr. Chairman, as member of Parliament for the riding of Roberval, I accepted the responsibility of representing and serving the whole population of that riding which is located north of Lac-Saint-Jean, an area that also bears that name. The main industries in the riding of Roberval are primarily those which depend on our wonderful natural resources, our forests. Indeed, three pulp and paper mills and several sawmills belonging to companies of international repute are located there of which, Domtar at Dolbeau and Mistassini, and Donahue at Saint-Félicien. Also, in Desbiens, there is a Saint-Raymond Paper plant which is currently experiencing production and profitability problems. The second industry in Roberval is agriculture. I will therefore take the opportunity today to deal with a matter which is close to my heart.

All Canadian farmers are faced with the same problems and difficulties. My constituents are no exception. I suggest that most farmers would be even less successful were it not for the help, the encouragement and the knowledge of their wives. I am neither a farmer nor a farmer's wife, but I have had the opportunity, within many organizations, to meet people from rural communities, and I want here to pay a special tribute to the farmers' wives who are perfectly able to operate their own farm or that of an ailing or deceased husband.

According to a study conducted two years ago by the Canadian Council of Rural Development, a woman spends an average of 29 hours working in the fields and in the farm buildings, keeping books and doing odd jobs, in addition to the 53 hours she spends on housekeeping duties. She is working, therefore, the number of hours required for holding two full-time jobs, and for that, most of the time, she never gets paid. Because of the increasing number of men who are working full time or part time away from home, many women must replace them on the farm. Moreover, some of them, albeit a few, operate their own farms. Yet, the contribution of women to agriculture in Canada is not properly recognized.

As the Minister of Agriculture so eloquently stated before a large group of farmers' wives gathered for a convention here in Ottawa last week, and I quote:

I must recognize that men have not always been willing to give women a more visible place in agriculture. Also, we have not exactly encouraged women to seek management positions in national organizations such as the Canadian Federation of Agriculture and the Agricultural Union. It is high time the situation changed. Your participation in this convention is indicative of the fact that women want to be recognized as equal partners and have an input in the decision-making process, as they have the right to.

Mr. Chairman, I agree with the minister's statement and I should also like to remind the House that the AFEAS movement in Quebec has had a great part to play in the case which was brought before the provincial and the federal governments, namely, that of the right of women to a fair salary as partners with their spouses in the family business or farm.

I should now like to give a few statistics on milk producers in the western part of Lac-Saint-Jean. In my riding, there are 113 dairy farmers. Between August 1, 1979 and July 31, 1980, there were 21,937,476 litres of milk produced, 37.59 per cent of which was category 1 milk and the rest going to cheese factories. Mr. Chairman, when we speak of cheese in my area, we automatically think of Perron, from Saint-Prime, because this has been a family tradition for a hundred years now. As a matter of fact, the dairy industry started around 1880 in Saint-Prime, in the constituency of Roberval. At the beginning, they only made butter but in the last few years they added cheese making. That cheese factory received milk only four or five months a year. Then, cheddar cheese began to be exported to Quebec.

In those small plants there was no power supply and no electric lighting. Everything was made by hand. That industry developed slowly until 1955. Then because of centralization, 110 small plants had to close down in the area. Everything was centralized in Chambord for butter, cheese and milk powder. However, in 1963, Mr. Albert Perron, the present owner of the Saint-Prime cheese factory bought his father's plant dating back to 1895. In 1968, the plant was completely rebuilt, and in 1980 production reached the astonishing level of 15 million pounds of processed milk a year, which makes, 1.5 million pounds of cheese. I want to emphasize the fact that the Albert Perron Company Inc, won in 1970 the first world prize for cheddar cheese at the Royal International Dairy Show in London, England. In 1976 and in 1979, it won the Lys d'Or in Montreal and in Quebec City.

Mr. Chairman, I have given the historical background of that industry in my constituency because I sincerely believe that its administrators are serious and that they deserve support. Each year the plant faces a serious problem, namely, a short supply of milk, and consequently it cannot meet the demand of its customers.

Mr. Chairman, I would like some information on this subject. Is it because of poor milk quota distribution, and has the government considered developing an incentive program to encourage winter as well as summer production which would solve the problem, or has it considered subsidizing the cost of transporting milk from oversupplied to undersupplied areas? Of course, in addition to dairy and cheese producers, there are also pork, beef and cattle producers in Roberval constituency. As I know that my time is limited, I shall talk about these producers some other time. I am aware that the Canadian government provides assistance programs for these producers, and I shall come back to this matter on another occasion. I would like to congratulate the minister on the recent appointment of three women to senior positions on the Farm Credit Corporation advisory committee.

Some hon. Members: Hear, hear!

Mrs. Beauchamp-Niquet: I would like to add very briefly, Mr. Chairman, that these women will prove worthy of their appointment because of their ability and their qualifications and will contribute to the improvement of the quality of life in Canadian rural communities. I had two questions I wanted to ask the minister, but he has already answered them. First of all, as far as the subsidy is concerned—

The Chairman: I am sorry to interrupt the hon. member, but her time has expired.

• (1850)

[*English*]

Mr. Neil: Mr. Chairman, I have a series of questions for the minister, the first one of which has to do with the capital gains tax, a subject which was touched upon by my colleague, the hon. member for Lethbridge-Foothills. He spoke about the capital gains tax in some detail and he explained some of the problems which farmers were encountering when faced with this tax.

I might say to the minister that the capital gains tax has done a great deal to inflate the value of farm lands in the prairies. It is not uncommon for an elderly farmer to come into my office and ask me what it will cost him in capital gains tax if he disposes of his farm. He is usually very frank about it and tells me that what he will do is to add the amount of the capital gains tax to the selling price of the land. So not only do we have a situation where the ordinary inflation appreciates the value of farmland but we have, in addition, the capital gains tax which adds still further to the cost. In many cases this is quite a substantial amount per acre.

I recall that in the election campaign earlier this year a news conference was held in the city of Regina by the Liberal party, with a great deal of fanfare. It was indicated at the news conference that, if the Liberals were elected, they would be prepared to change the valuation day from 1972 to December 31, 1974. Every Liberal party candidate in western Canada went from meeting to meeting advertising the fact that this promise would be carried out if they were elected. Of course the promise was never carried out.

● (1900)

Mr. Whelan: Nobody in western Canada believed them because they did not vote for them.

Mr. Neil: They will have fewer people believing them because of broken promises. Recently the provincial Liberal party indicated that as long as farmland remains farmland, no capital gains tax should be levied on the sale of that land.

Bearing in mind the promise made in the last campaign, could the minister tell me what is his party's position at the present time with respect to capital gains? What is the minister's personal opinion? What steps is he taking to see to it that farmers will gain relief from this oppressive tax?

Mr. Whelan: Mr. Chairman, my opinion has not changed since the campaign that we should have valuation day from 1974. It is still under discussion. It is not too late to do it.

Mr. Neil: If such a change is made, could the minister indicate whether it will be retroactive?

Mr. Whelan: I cannot say that at this time.

Mr. Neil: Will the minister do everything in his power to see that it is made retroactive?

Mr. Whelan: The hon. member can be assured that I will make those kinds of representations.

Mr. Neil: I hope the minister will take steps at the next meeting of cabinet to impress upon his colleagues the importance of dealing with this subject.

Turning to the subject of the western grain stabilization plan, I believe the minister is jointly responsible for it. In the debates when the plan was proposed, when it went through committee stage and passed Parliament, I recall that the then minister who was putting the bill through indicated that it was the intention of the government to set up the plan in such a manner so that payments under the plan would be made in the spring of the year in order that farmers would have money available to start their seeding and spring work. As each year goes by, the decision on when a payment should be made under this plan becomes later and later in the year. For example, this year no decision was made until some time in November.

I realize the plan makes use of Statistics Canada to determine whether or not there will be a pay-out, and that the cost to the plan of Statistics Canada gathering this information runs at some $1 million. In committee a proposal was put to the government whereby the computer of the income tax department could be used to gather the information and to determine very quicky—perhaps within a month or so after the returns were filed—whether a payment should be made.

In view of the fact that each year the decision as to whether or not a payment is made becomes later and later, is there any intention on the part of the government to review the procedure by which information is gathered in order to determine what are the facts for the pay-out?

Mr. Whelan: All I can say is that we want to be as efficient as we possibly can. It is an embarrassment to the ministers concerned with the program that we are not in a position to say, within one month of the year end of the grain marketing season, that we are able to make a decision. We had hoped that it would be swifter, but it does not appear to be. I cannot answer the hon. member other than by saying that we will continue to try to ensure that it is swifter, because a continual delay is not to our advantage; it is a political embarrassment.

Mr. Neil: Certainly it is not to the advantage of producers not to know or not to get paid until some time in the fall. If the minister is concerned, certainly he must be taking some steps to determine the reason for the delay in gathering the statistics used to determine whether or not there is a pay-out. Would the minister ask some members of his staff to read the minutes of the Standing Committee on Agriculture when the bill was before it and to consider our proposal which was placed before the then minister, Mr. Otto Lang, to see whether or not it could be used to speed up the procedure with respect to the western grain stabilization plan? Will the minister undertake to do that?

Mr. Whelan: I will be meeting the minister in charge of the Canadian Wheat Board tomorrow, and I will discuss it with him at that time.

Mr. Neil: Turning to another subject, yesterday the hon. member for Kindersley-Lloydminster questioned the minister with respect to the sale of 30,000 tonnes of barley in the east earlier this year. I have read the comments of the minister as reported in *Hansard* of yesterday's date. A short time ago one of the commissioners of the Canadian Wheat Board, Mr. Forrest Hetland, was reported in a publication entitled "Land" as saying:

> "Look, we're shipping western barley into Ontario and Quebec to keep that market supplied, and we don't want their growers shipping barley out to the stronger markets." The board saw that starting to happen early in the summer but doesn't have direct control over marketing outside the prairies. It does, however, have authority to grant export and import permits for all Canadian barley, and it simply refused to grant any until domestic supplies were assured.

Then of course cabinet overruled the Canadian Wheat Board and the minister said yesterday that he was not in Canada at the time. He was out of the country, so he was not party to the discussions which took place. As reported in yesterday's edition of *Hansard,* the minister said:

> —because I do not know, and I cannot find out what the traders were able to accumulate as a profit. I am told if a profit was made it was not passed on to any of the producers.

Then he went on further to say:

> If the traders made an unwarranted mark-up on it, this is the kind of thing that makes one angry.

Could the minister tell the House to whom the special permits were granted for the export of this barley? If they were given to traders or grain companies, it would seem to me that the reason for doing that was because they had an oversupply of barley in stock; they did not want to lose money; and they prevailed upon cabinet to allow them to recoup some

of their loss. If this is what happened, in effect it was a subsidy by the producers of western Canada. To whom were these permits given, and for how much?

Mr. Whelan: Mr. Chairman, normal sales take place and even under the embargo normal sales took place. If you will check there has always been, for at least the last five years, normal sales of Ontario barley outside of Canada. They asked for a permit for 30,000 tonnes. They accumulated approximately 15,000 tonnes, which was just shipped out in the last week to ten days. We have no way of knowing at what price.

● (1910)

I know one of the companies was Cargill and I am waiting for the name of the other companies. You quoted Mr. Hetland of the Canadian Wheat Board as saying that they shipped and they must supply grain to that market. I want to make it clear that the Canadian Wheat Board has supplied no barley to eastern Canada since April. The barley which was shipped to eastern Canada came from off-board barley. There was no on-board barley shipped down east at that time. This is a matter which is of concern to us and to the barley producers in Ontario. It is of concern to the barley producers all across Canada. But we must look at the insignificant amount that it was compared with total barley production and barley sales. Mr. Hetland was right when he said that we must look after them because the biggest consumers of feed barley are Canadians—80 per cent of all feed grains are consumed in Canada. They are the biggest customers and the ones which must be looked after.

We know that long-term barley sales have been made. I am sure the hon. member knows that the long-term barley sales which have been made were not that high priced, but the Wheat Board and the people who made these long-term sales would have been condemned if they were not doing that type of thing. They could not foresee that there was to be a drought and poor crops in China and Russia. These conditions were putting unwarranted kinds of pressure on top of the marketing ability, for the supply of that product. This put a tremendous burden on the over-all program for barley. Mr. Hetland was right when he said that you must supply that market because it is your best and biggest customer. The other people in the world may move in and out of the market as it warrants.

Mr. Chairman, I am coming back to long-term sales because they will show that they have been sold at lower than current prices. The pooling will show there will not be a big final payment on barley because those sales were made over a long-term period, something in the order of three years, when barley and corn prices were not as high as they are now.

I want to say that hon. members made no comments about what I said yesterday about making those same kind of long-term deals with the Canadian Livestock Feed Board makes. They will not only serve what you call eastern Canada, but one of the biggest users of that grain is British Columbia, which depends on that kind of grain. We are not just talking about people in the eastern part of Canada, we are talking about people in the western part of Canada who depend upon that grain also under that same pricing.

Let us be fair. If it is to be good for somebody in the Middle East or in Europe to buy barley under those conditions then it should be good for the biggest consumer of all feed grain produced in Canada, the Canadian livestock and poultry producer. Let him or her have that same kind of agreement and that same kind of contract.

Mr. Neil: I would just like to say that the minister has indicated that one of the shippers was Cargill, and I assume that there may have been one or two other companies which obtained permits to ship. It would seem to me that, therefore, it was not the producers in Ontario who were making the money but it was the grain companies. In other words, Cargill and the other grain companies had a surplus of grain in Ontario. The price, undoubtedly, would drop because of the surplus they did not want to sell at a lower price, so cabinet went over and above the Wheat Board and allowed Cargill and others to sell it on the world market at the expense of the western grain producer. I ask the minister if that is not a fact.

Mr. Whelan: Mr. Chairman, I would say it is at the expense of the Ontario barley producer, who always receives less for his barley than the western barley producer; it is always $20 to $30 a tonne less than western barley, in Ontario. So if there was a mark-up, and we do not know that for sure, it is estimated it could have been anywhere from $40 to $45 a tonne. It was a conglomerate of grain companies. There were four I am sure: Cargill, Richardson, Continental, and Northern Sales.

I can say that the representation was made to me, not by any of those grain companies, but by the provincial ministry of agriculture in Ontario on behalf of their barley producers. Not one grain company made representation to me and I know of no grain company making any representation to anybody else. They may have been the ones which made that kind of profit. As I said yesterday, that is a very bad thing because producers would not make that kind of profit in two, three or four years of production. They would not make that kind of profit per tonne.

The marketing system we operate under seems to be the one which the hon. member's party condones, that is, a free market system working at its very best. If you do not want that system, tell us then that you abhor it and that you want us to put everything under the Canadian Wheat Board. That is what the Canada West Foundation said the other day. They said, "Have it all under the Canadian Wheat Board, or all on the free market system." Maybe that is what we should be doing. It seems to me no matter how fair you try to make this system work it just seems to add more confusion to it. They are complaining about what the Russians may have made under a long-term contract—maybe it was 100 per cent they were making profits on—but nobody seems to say that about the foreign buyer. They are talking about what has happened right within our own country and I come back, Mr. Chairman, to the fact that those people of ours who are feeding their stock

with that grain are our best customers. They have been there forever and they will be there forever. We can even improve things and make it better for them when we get Canagrex into operation.

Mr. Neil: That was quite interesting, Mr. Minister, but the fact remains that there was a profit made and it appears that it did not go into the hands of the producer.

One short question. The minister is aware of the Prairie Farm Emergency Fund which has some $9,066,000 on hand, which is producers' money. He is aware of the need for research. He has been given the means of using this money for research and I am wondering what his position is, because every day that goes by the producer is losing $3,500 in interest.

Mr. Whelan: Mr. Chairman, the hon. member knows I agree in principle with what he wants to do. I said so before I went on my sabbatical, when I was minister before the short sabbatical I took. Well, I have not changed my mind on that. I think that money should be for the benefit of western farmers, for western research. Lord only knows, the hon. member knows as well as I, that we could use that $9 million so well. We have a bit of a dispute as to whether we should just turn it over into a fund with a committee to administer it, etc. But we are ready to move on that very quickly. Whether we can make a proper agreement with the hon. member or whether he can accept my bill when it comes to the House is something we will have to see, but we will work for the good of the farmers on this, I know.

Mr. Riis: Mr. Chairman, I must say that the words of the minister of late are very interesting. I suspect that a number of us on this side of the House have become strong advocates of the sabbatical system and would certainly encourage him to continue with it.

● (1920)

The particular topic before us tonight has provided one of the most interesting debates I have read in *Hansard* and sat in on for a long time. It is a topic which touches all of us very closely. Indeed, it touches citizens right around the world whether they be young or old, rich or poor, living in eastern or western Canada or in any other part of the world. I suspect that people are very concerned as never before as to what the future holds with regard to the current trends in agriculture, food production, and the direction of the entire food industry.

Many people are wondering about Canada's role in this industry. One hears a great deal about petropower and nuclear power and the whole concept of agripower. The whole area will be of greater interest to us as Canada plays a greater role in feeding the world population.

Over the years Canada has been proud of its accomplishments in the area of research and development. Indeed, scientific inquiry originating in Canada has led the way in many areas. Many Canadian inventors and scientists are known around the world for their accomplishments in the world agricultural community. Yet the budgeted funds for research and development in agriculture are less today than in the past. It is important that Canada keep up in this ever-changing field where many people around the world are experimenting in such areas as new strains of grains, new types of beef production and new ways of growing vegetables. It is important that the government make a commitment to research and development, not for two years or five years, but for 25 years. Only then can we tell the scientific community that the commitment is there and young people can train in our institutions to participate in this research in the future.

My question to the parliamentary secretary is this. Is the Department of Agriculture prepared to make a commitment to more scientific research in the field than exists today? Is the government prepared to stand up and say, "Yes, this is in the best interests of Canada and its agricultural future so we will commit ourselves to increasing the budget for scientific research in agriculture?

[*Translation*]

Mr. Ostiguy: Mr. Chairman, in reply to the question of the hon. member opposite about the research programs, I would like to tell him that whatever the programs put forward by the Canadian government, the Department of Agriculture will definitely have its share, as we have seen this year, since the $140 million budget was increased to $150 million. In the future, research programs, and I am referring to all government departments, Agriculture Canada will definitely have its share.

[*English*]

Mr. Riis: Mr. Chairman, when one considers the cost of scientific equipment and of inflation, the government has added very little if anything to the budgets of past years, and even what it has added is recognized by all people in the agricultural sector as inadequate. I mean that as a positive criticism and I hope that the parliamentary secretary and the minister will give real consideration to increasing the funds to this most crucial area. The same case could probably be made for a number of other areas.

Strong leadership from the minister is required. As in the many sectors of the government, there is a lack of leadership. In agriculture we have seen the disappearance of first class land and growing monopolistic control over food production and distribution. In a sense it will mean the growing dependence of Canadians on foreign producers as we become more and more dependent on foreign suppliers in the food sector. We lack a buy-Canada policy and a grow-Canada policy. Is the parliamentary secretary able to stand up and say, "Yes, my department is prepared to take a strong position and make a commitment to encourage a buy-Canada policy and a grow-Canada policy in a rigorous way."?

[*Translation*]

Mr. Ostiguy: Mr. Chairman, first, as far as the funds for research are concerned, I would say to the hon. member that 20 per cent of the estimates of the Department of Agriculture are earmarked for research. As the minister explained it on several occasions this afternoon, it is the highest percentage of all funds spent throughout the world on agricultural research and I think that Agriculture Canada and all Canadians should be proud of such achievement.

With respect to land conservation, I would say to the hon. member that under the Canadian Constitution, the conservation of farm or arable land is entirely under provincial jurisdiction.

As for his third question, the department is very conscious of the problem raised by the hon. member and, as Agriculture Canada has always done in the past, we are trying by all possible means to provide better conditions to Canadian farmers while protecting the consumer.

[*English*]

Mr. Riis: Mr. Chairman, we heard earlier about the fact that the number of farms in Canada is diminishing as a result of more sophisticated machinery. There is also the fact that more energy is being consumed. One can make the case that Canada is the most inefficient food-producing country in the world when it comes to energy. To gather one calorie of energy from food requires four calories of energy using our system, whereas in other systems one calorie of energy results in four calories of foodstuffs coming back. Are we sensitive enough to the role which energy plays in our "efficient food production system"?

I was intrigued by a recent study conducted in the city of Vancouver which says that with the amount of arable land available in that city two million persons could be provided for under an efficient system. Has the parliamentary secretary given much thought to the utilization of the techniques of urban farming as a way of minimizing the amount of energy required to produce foodstuffs for Canadians, and as a way of minimizing the amount of energy required for the transportation of foodstuffs from California, Florida, Mexico or wherever?

[*Translation*]

Mr. Ostiguy: Mr. Chairman, I should like to tell the hon. member that Agriculture Canada, of course, is well aware of the calorie-costs problems involved in producing foodstuffs, and we try to save energy in all areas of research, whether in the use of greenhouses, nitrates, plants and crops of all kinds. Agriculture Canada is using all possible means to limit energy and oil costs in the production of foodstuffs. Quite recently, a committee was established for the sole purpose of studying the energy problems Agriculture Canada will have to face within the next decade.

● (1930)

[*English*]

Mr. Ogle: Mr. Chairman, I am happy to have a few moments tonight to speak to the Minister of Agriculture on this subject, to lay down a few principles on the whole question of food and international hunger, and the responsibility of food producing countries like our own in relation to the starving people of the world.

I had hoped that the minister would remain in the House during my remarks, but I appreciate that he might be hungry himself at this time. He has gone to supper. I thought that in the context of his own hunger we could have spoken more directly about this human problem that faces something like 800 million people on the face of the globe today.

During the last six months I have had what I consider the privilege of being a member of the North-South Committee on International Development. That committee will be issuing its report next week, probably on Tuesday, when it will make some specific recommendations regarding food, to the minister and his department.

The reason we approach the whole question of food was because of a common knowledge that this is a major international problem. The Brandt commission report that was produced about a year ago stated:

> This commission sees no more important task before the world community than the elimination of hunger and malnutrition in all countries.

On this whole question of hunger, I think it is important to realize that it is more than a lack of food. I have seen many cases where hunger not only produced the phenomenon of being hungry but also produced chronic diseases and illnesses, physical and mental retardation, as well as a lethargy which compounds the whole area of development and brings about non-productivity and early death.

Without a well-nourished population capable of working, a developing country will remain dependent on external forces for development, and a self-sustained and self-generated type of development will not be attained.

When we address the problem of hunger and the production of food, we are striking at one of the most profound problems underlying the whole area of underdevelopment. To put it simply—people starve to death because they cannot buy food. They do not have the economic base themselves to buy food. We rarely see a rich person dying from hunger. Although that sounds a too simple explanation, nevertheless when situations arise in which populations cannot receive enough for their labour, or whatever, to buy food, there is the problem of starvation.

I think it is extremely important that as we consider the whole question of international hunger and the production of international food, we be aware that the women of the planet produce the most food; that the women of the planet care for and look after food.

Many times when we get into discussions with the Department of Agriculture relating to quotas, wheat sales and so on,

we forget that, in most of the world, food production, care and preparation are in the hands of women. The solutions which lead to the elimination of starvation, it should be remembered, will probably come from women. This is a simple fact that is often forgotten when we talk about agribusiness and big farming. We forget that women using hoes are growing most of the world's food.

Many of the myths related to food have to be considered at this time as well. Some presentations made to the North-South Committee whose report will be ready for public scrutiny soon, contain matters of importance. People have traditionally been led to believe that hunger was the result of overpopulation, insufficient food production, or adverse soil and climatic conditions. The FAO and other international organizations such as the World Bank, the Commonwealth group of nations and so on, seriously question this simple explanation of that world problem.

We know that even in Bangladesh, one of the most densely populated countries in the world, enough grain is produced to provide a minimal diet for all its people. That follows a time of mass hunger. The FAO has also indicated that the earth as a whole produced enough grain to provide each of us with adequate protein and more than 3,000 calories per day, exclusive of all the fruits, vegetables and grass fed meats that are produced.

When we think about the fact that we have this technology and the resources and the possibility to feed all the world's people, we realize that it is a sin that 800 million people are starving.

Something is lacking, Mr. Chairman. Many things are lacking. One is the political will in many of the developing countries to see food as one of the primary necessities and to consider that the production of food must become one of the first political principles.

The report I have mentioned will discuss food aid, distinguishing very carefully between emergency food aid in situations where there is no other solution except aid or long-term aid, not in the form of food as such, but in a form which will enable people to produce their own food.

I should like to ask the parliamentary secretary about the philosophy or policy of the Department of Agriculture at this time, regarding the whole question of food aid.

[*Translation*]

Mr. Ostiguy: In reply to our colleague opposite, Mr. Chairman, I should like to say that the Minister of Agriculture (Mr. Whelan), in co-operation with the international organization FAO, has a very important role to play in developing agriculture. Canadians are indeed privileged in that they have land, technology and human resources to continue developing agriculture. We are already doing quite a lot to feed the hungry of the world, but we hope to do a lot more to feed them by the year 2000. Of course, also for the benefit of the Canadian economy, as I mentioned in my remarks yesterday, Canadian farmers should increase their productive capacity.

• (1940)

As I said a moment ago, Canadians are really privileged. We are aware that because of the high quality of our soil and farmers, we can do more for developing countries. The eighties will certainly be the decade of agriculture and food throughout the world. As I often say, the seventies have been the decade of energy. The eighties will be the decade of agriculture and food. To conclude, I should like to advise the hon. member that steps have already been taken to celebrate October 16 of next year as International Food Day, and that the Minister of Agriculture will actively participate in the ceremonies to help developing countries.

Mr. Leduc: Mr. Chairman, I should like to put a few questions to the Parliamentary Secretary to the Minister of Agriculture.

Before doing so, however, I should like to start with a preamble on the evolution of agriculture in Quebec and in Canada generally. Speaking of agriculture, not to go too far back, around the years 1789-1840, the evolution at that time—that was the subject of my thesis for a Master's degree—was much the same as that we are witnessing today in that, in order to increase agricultural production and have surpluses, man was forced into revolutionizing agricultural methods and techniques, naturally. The same phenomenon occurred in French Canada and English Canada, under the aegis of a Liberal government which, I might say, proceeded with an agricultural revolution while we went about our industrial revolution.

I remember when I was young back home, 200 farmers produced about as much as five farmers today in our area. That, of course, we owe to more sophisticated techniques and to the improvement in our agricultural schools. One can say that agriculture in Canada is at this point in time the most evolved and advanced in the world. Today, I heard one of the speakers say that the average farmer in Quebec or Canada today can feed about 50 persons. Those statistics are about 20 years old. Today a farmer in French Canada can feed at least 100 to 125 persons; we may even be ahead of the Americans on that score. Therefore, I am not ashamed, I am proud to congratulate our agriculture ministers and our governments for the great work they have done in feeding the Canadian people and others. We are now selling wheat to the Chinese and the Polish. I must therefore—it is my duty as a Canadian—congratulate the people who devoted themselves, who perceived and saw the future of agriculture in Canada. Now, I should like to put a few questions to the Parliamentary Secretary to the Minister of Agriculture.

In my area, along the shores of Lake Saint-Pierre, this year the corn crop was bad and life is pretty rough. I am therefore wondering whether the Department of Agriculture will be able to make up for the losses and help the farmers.

In the future will the Farm Credit Corporation allow young farmers to borrow money, at reasonable rates of interest, which was pointed out earlier today, and spread out over many years? Otherwise, debts strangle them, and they cannot take over the farms; we know how much they cost. So, is the Minister of Agriculture now willing to help the young buy a farm and go into business for themselves?

My third question has to do with Canada geese. For the past 50 or even 75 years this problem of Canada geese has been lingering, yet these birds are still there and will continue to be there while causing damage to our agriculture especially in my riding because that is where they stop over every year in the fall and on their way back in the spring. Are the Government of Canada and the Department of Agriculture prepared to compensate, under agreement with the provincial government of course, the losses incurred by farmers because of damage caused by Canada geese? My fourth question deals with pesticides. Every year when the corn fields are blooming, insecticides and pesticides are sprayed over them, so as a result bees that feed on cornflowers die.

I kept bees myself at one time, and I know what I am talking about. Beekeepers now lose about half of their hives because of pesticides sprayed on corn. There are about 60,000 bees in a hive during the season they gather honey from flowers. So, about 30,000 bees in each hive die each and every year and consequently do not produce honey because of those pesticides sprayed on corn. What is the government or the department going to do to make up for the beekeepers' losses?

Mr. Ostiguy: Mr. Speaker, I shall answer our colleague from Richelieu. If my memory serves me right, he asked four very good questions. First of all, in the case of the corn program, we are aware, of course, that in some areas, crops were more or less good this year. However, there is a crop insurance program and there can be no support payments by the Agricultural Stabilization Board based on the current price of corn. When the board steps in, it does so on the basis on the last five years. Since the price of corn grain has been rather high over the last five years, it is not anticipated that support payments will be extended for the year 1980, which is almost over. The producers will have to—and I would like to tell the hon. member that this situation is not general throughout Quebec or throughout Canada, because in certain areas farmers were able to harvest well ahead of time and fairly easily; that may be saying much, but they were able to harvest.

As far as farm credit is concerned, in his second question the hon. member talked about finding ways and means to help young people enter agriculture. First of all, the farm credit interest rate has now been set back to 12.75 per cent, which is lower than the bank rate. I would also like to point out to the hon. member that 75 per cent of Farm Credit Corporation loans are made to persons under the age of 35. So I think it is not all that bad. Of course, it remains to be seen what mechanism could be found to help young people aged 20 who do not have the necessary assets.

● (1950)

But on the whole I think that with all the services and facilities provided by the Farm Credit Corporation and other such agriculturally-oriented lending organizations the sons of farmers do manage to buy farms. As far as the goose program is concerned, the hon. member will recall that the minister, the deputy minister and myself met a few months ago with the people in his riding and we said at the time that they should go to the Quebec departments of agriculture and the environment. Afterwards, the department studied the matter, as usual, and published a press release indicating that it would help some western farmers whose crops had been damaged by migrating birds. I think the people we met at the time with the hon. member for Richelieu had built up a very solid case for themselves. I do not know if they presented their case to the Quebec departments of agriculture and the environment but if they did a study will be done by both levels of government, that is by the Quebec agriculture department and Agriculture Canada and the Quebec environment department and Environment Canada.

As for compensation for problems with bees this year, I will say this: farmers must use pesticides and herbicides. One is called Furoden. If it is sprayed from the air, it may cause damages. The label on the product warns against spraying it from the air. It must be applied at ground level. We will therefore have to establish how this herbicide or pesticide was applied and under what conditions. I think that pretty well answers the four questions put by the hon. member for Richelieu.

Mr. Tousignant: Mr. Chairman, there is no need for me to describe the geographical situation of my riding that rejoices in the name of Témiscamingue, the former stronghold of my famous predecessor, Mr. Réal Caouette. It encompasses the Témiscamingue area proper and part of the Abitibi area. La Sarre, for example, is a town in my riding located in northwest Quebec, quite close to the 49th parallel.

Farming in northwest Quebec started in the twenties and some 30 years sooner than in the Témiscamingue area. The whole area was an outlet for social unrest and unemployment during the depression years. In those years, we succeeded in clearing some 550,000 acres by hand, by the strength of our arms and with determination, and I would add, Mr. Chairman, with oaths, and those 550,000 acres, for farming purposes only, cost the government and the farmers themselves huge amounts of money.

What has happened in the last few years, I would say since the early sixties? I understand that agriculture, as any other sector of the economy, has been transformed and undergone an inevitable and necessary metamorphosis. This compounded the

difficulties that plagued the farmers of my area in the sixties. Difficulties that are undoubtedly linked to artificial rains.

Yes, Mr. Chairman, many will be surprised to hear me today talk in the House about artificial rains. But it is the honest truth. I have the evidence, the names of the companies that made the tests and the amounts of the contracts that were awarded. Those tests have purely and simply ruined farming in my area. I well remember a ten-year period of continually foul weather and steady rain. And it lasted throughout the summer season. How many times I have seen farmers who had to wait for the first fall frost to retrieve their machinery from the fields and it pull out "by the neck", as we used to say, with a chain and a tractor and, of course, the crop was completely lost. It is the plain truth, Mr. Chairman. Once again, without us knowing it, of course they had chosen the Abitibi-Témiscamingue area to carry out experiments in artificial rain. As I said, this was the death sentence of agriculture in my area. From 550,000 acres of farmland, there was a dramatic drop to some 200,000 acres. Of 11,000 farmers in the Abitibi-Témiscamingue area, there are only 1,400 left today.

The effects of this sharp decline in the farm population are inevitably being felt by the population as a whole, that is, the total population is growing older as the young people leave the area. There is an alarming decrease in population. What are we to do in such a situation? There is not much hope of attracting big companies such as General Motors or Ford or any other. Of course, those people are not very interested in building a plant in Abitibi-Témiscamingue.

Now, if we want to go on living in our area, what can we do exactly? Naturally, several responsible organizations and individuals have looked into the problem. For my part, I met with regional officers of the Quebec department of agriculture, with FPU officers and its president, Mr. Boulet. All those organizations, all those people agree that we must develop a beef cattle industry. First, we are far from self-sufficient in Quebec in beef production. Secondly, at the Kapuskasing experimental farm, in Ontario, which is close to our area, they have developed crops that are most suitable to our area. As ensilage is increasingly used, it is now quite easy to harvest crops, or should I say, to save crops. The artificial rain experiments stopped a few years ago, and I can assure you that as long as I sit in this Parliament, they will not be resumed unless, of course, the people make a formal request, which I doubt very much.

Fourth, in the past producers have suffered from price and market fluctuations. One year prices were good, but they were down the next year and producers went bankrupt. That does not happen any more thanks to the stabilization program.

Fifth, as I said at the beginning of my speech, we have an enormous reserve of agricultural lands which sell at ridiculously low prices. One never hears about lands selling at $2,000 an acre as it happens in the southern part of the province around Saint-Hyacinthe, for instance, or in southern Ontario or in the prairies. Back home land sells for a few hundred dollars an acre.

Since my time has expired, I wonder, Mr. Chairman, if I could urge the minister to have a study made in my region on this subject. If that study shows that it would be profitable to produce cattle, would the minister be prepared to help us through special programs?

● (2000)

[*English*]

Mr. Vankoughnet: Mr. Chairman, I welcome this opportunity to discuss agriculture with the minister and his officials. The topic of agriculture is a very important one in my riding of Hastings-Frontenac, in Lennox and Addington and, indeed, across Canada. It has been recognized that one out of every four Canadians works in a field related to the food and agricultural industry. In 1979, farm cash receipts totalled some $14 billion. This figure is multiplied as the money taken in by farmers goes through the Canadian economy. There is no question that a healthy growing agricultural economy contributes greatly to a healthy, growing Canadian economy. With record unemployment and inflation in Canada today, the economy needs all the leadership it can get.

There is no question in my mind that the Canadian farmer has been the real strength of this country. It has been the farmers ability to lead by example, to thrive on challenge and to increase efficiency which has built Canada.

I would like to look at some of the areas in which the federal government has shirked its responsibilities to the agricultural industry. The recent budget put forward by the government virtually ignored agriculture. There was no mention of allowing farmers to roll over tax-free the proceeds of the sale of their farm lands into registered retirement savings plans. The budget introduced by the hon. member for St. John's West last December would have provided this worth-while measure. In the latest budget there was no mention of updating the V-Day values used to determine capital gains tax, as promised in the election campaign. These measures concerning capital gains are very important to farmers across this country. As a farmer's retirement income lies in his land, the selling price of a farm has to reflect these high potential capital gains, and as a result the high start-up costs are prohibitive to many who would otherwise be entering farming.

I am happy to see that the present government has followed the lead of the Conservative budget of last December by allowing the deduction of income paid to a spouse in a non-incorporated business. This is good news for farmers who may now take advantage of this measure which, I understand, is to go into effect for the 1980 tax year. It also recognizes the hard work done by farm wives on farms.

The Canadian food system accounts for about 17 per cent of total energy use. Thus the agricultural sector will be hard hit by the government's misguided energy policy, which already appears to be creating more problems than it will solve. Energy self-sufficiency is already suffering.

There is no mention in the budget of exempting fuels used in food production from the federal excise tax, as the Crosbie budget proposed. There is no energy tax credit, as was proposed in the Crosbie budget, to help low and middle-income Canadians adjust to rising energy costs. How is the Canadian farmer expected to show leadership when the federal government shows little itself?

The Progressive Conservative government last year showed leadership in various provisions put forward in its budget and energy program. Several of the proposals in the Crosbie budget have been adopted by the present government, and I hope the minister and his government will also extend some relief to farmers to help them play their important role in the Canadian economy even better.

This past summer many farmers in Frontenac and Lennox and Addington counties supplied hay for the Manitoba emergency hay assistance transportation program. Under this program, Ontario hay was shipped interprovincially by rail to Manitoba farmers to help overcome difficulties associated with the drought conditions there last summer. I understand these rail shipments were subsidized by the railways and the federal and Manitoba governments. Many Ontario farmers were eager to help their Manitoba counterparts by supplying hay to dealers, who in turn shipped the hay west. As it turns out, many farmers in my riding have not yet been satisfactorily paid for the hay supplied. There appear to be conflicting stories about hay quality and weights and financial responsibility for these discrepancies. I would like to ask the Minister of Agriculture if he is aware of the problems brought about by this emergency hay program and what action he and his officials might consider taking to correct shortcomings which are a serious matter of concern to farmers of both Manitoba and Ontario.

The federal government has managed to break another promise through its recent cancellation of funding for Canfarm. As hon. members may know, Canfarm had been run by Agriculture Canada in co-operation with the provinces and universities prior to a transfer to a consortium of farm organizations and co-operatives in March of 1979.

Canfarm is a computerized farm record keeping and financial planning service with offices across Canada. The programs administered by Canfarm are very useful and help Canadian farmers become more efficient and competitive through computer analyses of their business operations.

The government tried to eliminate Canfarm in 1978 in a series of cost-cutting measures. Later, after realizing the full importance of Canfarm, it did agree to consortium bridge financing and loan guarantees. Canfarm was promised a $4 million loan guarantee and grants of $1.2 million by the federal government during its first three years of operation to help in a smooth transition to the private sector.

The Progressive Conservative government was honouring those commitments, but the present government has recently reneged on its funding by cancelling further bridge financing to Canfarm . This is just one more way in which the present government has failed in its commitments to agriculture. I have received letters and telegrams from constituents and organizations reflecting their concern about the government's stopping its funding to Canfarm. I share the concern of these people, who have found Canfarm a vital service and who feel they would face great difficulties without it.

Since becoming privatized, Canfarm has been working hard to organize and design its services to meet the needs of farmers. Officials are working to build up the number of farmers using its various services. In Canfarm's annual report for 1979 President Peter Hannam in his "President's Message" stated, and I quote:

> The stage has now been set to expand beyond the growing pains of 1979 and to take advantage of the opportunities in the 1980s.

He also noted that the founding members of Canfarm's co-operative services—some 14 farm organizations and co-operatives—have broken new ground in establishing Canada's first national farm management co-operative.

In light of the minister's decision to cut off further bridge financing to Canfarm it appears that the minister is closing the door to any opportunities in the eighties, and instead of soothing the growing pains of Canfarm, he is attempting to administer the death blow.

Any transition of a business or agency such as Canfarm requires time, support, hard work and money to make the transition work. The Canfarm program is designed to help the Canadian farmer. Farming, as I have mentioned, is a vital component of our economy.

We hear constantly of government programs to supply money, goods and services to other countries to help them develop various services. This is commendable, but it does not mean that services at home in Canada need to suffer as a result. By withholding the financing it requires the minister and his government are refusing to support Canfarm. The amount is trivial compared with the large sums the government spends. It is to help Canadian farmers in their effort to improve their industry, an industry on which Canada was built.

Amid announcements of Canadian aid in the millions of dollars for projects in other countries and the recent announcement of an additional spending of $17 million for self-serving propaganda advertising within Canada to further the government's misguided constitutional package, could the minister please explain why his government has announced its cancellation of financial aid to help Canfarm, a Canadian program which was helping Canadian farmers?

Why is the government so mixed up in its spending priorities, and why does it continue to forget and insult the farmers? Realizing the tremendous contribution agriculture has made to the development of this country, I find it hard to reconcile the statements made by the Minister of Agriculture with the positions taken by the federal government. The minister said:

> We really should have a national farmer appreciation day. People become too complacent when it comes to the successes of agriculture. As long as you are efficient, productive and doing a good job, everyone seems to take everything for granted. Well, I for one won't, and I'm doing my best so that others won't either.

● (2010)

The cancellation of financing to aid Canfarm, the lack of relief for farmers from the rapidly rising energy costs, and the hidden costs of capital gains, are just some of the sorry indications of the lack of leadership shown by the federal government with respect to the farming industry. Mr. Chairman, Canadian farmers do not have to look too far to see who really takes them for granted.

The minister has referred to the heritage of the Canadian farmers as being the acceptance of responsibility, meeting challenge and defying hard work. The government should reward such a sector of our society by helping them provide an example to all Canadians, not by forgetting about them or taking them for granted just because they have overcome the government's indifference in the past.

We must look to the future, Mr. Chairman, and face the problems head on. The government could use its majority in a constructive way to unify Canada and provide a realistic energy package. We have already seen the results of the government's efforts to unify the country and create energy self-sufficiency.

Agriculture helped build this country with roots deep and strong, and these same roots will help preserve Canada. Determination, sharing and hard work have helped to overcome adversities in all shapes and forms. Tradition was strong. People were slow to change from the known to the unknown for the sake of change alone.

Canada is a large country with diverse geographic and climatic regions. Canadians in one region regularly receive adverse weather from another region, compliments of mother nature. Farmers in particular are hit the hardest by these natural phenomena. Life goes on as people learn to live with something over which they have little control. But when the force that slams the farmer and other Canadians is the federal government, that is a very unnatural phenomenon. People do have control since the government is accountable to the people for what it does. The lightning has gone out from Ottawa, and now the thunder is rolling back in.

So, in concluding my remarks, Mr. Chairman, I would like to ask the Minister of Agriculture and his government not to forget the farmers of this country and not to take them for granted. It is for the government to follow many of the attributes accorded to the farmer; those of leadership, self-sufficiency, unity, efficiency and hard work, which will bring about solutions to the very real problems facing Canadians.

Instead of planting the seeds of discontent, the government must sow the seeds of unity. The government must try to understand all of the variables that make a country grow strong, just as a farmer nurtures a crop. The government must know when the crop is healthy before it tries to transplant it to uncultivated fields. Just as a farmer cannot set arbitrary dates for when it would be most convenient to harvest the crop, the federal government cannot set unrealistic deadlines affecting the future of our great country.

I can only hope that the Minister of Agriculture and his colleagues in the months ahead do not lose further sight of the strong heritage and leadership shown by the agricultural industry in Canada and its importance in feeding Canadians as well as hungry people throughout the world.

Agriculture has provided the strong roots for the future. Farmers know that after a threshing there is a lot of chaff. Canadians will not be threshed by a government gone out of control. Our future will not be chaff thrown to the wind. Our roots are too deep.

Mr. Whelan: Mr. Chairman, the hon. member made a great representation about Canfarm, and rightly so, if he feels so strongly about it. Again I come back to the conference which took place here in Ottawa for two days, the Canadian Agricultural Outlook Conference. Not one mention was made at that conference by any farm leader—and practically all of them from all over Canada were there—about Canfarm. I say Canfarm is good and so does the hon. member, but I say we did not break our agreement. The Co-op Credit Society has agreed to fund so much money and we have agreed to fund so much money. I suggest to the hon. member that he should read the agreement on the basis of which we set up Canfarm and study it. If he is still of the same opinion I would be surprised, because the credit societies, the co-operatives and the credit unions which were involved in lending them money have said, "Look, you are not in a position to show a proper return, so we will cut off financing to you." We did not say that we would cut off financing. We asked them to bring in different projections. A different projection has been brought in by Peter Hannam and some of his colleagues in Canfarm. I say this—I said it earlier today and I will say it again: out of 350,000 farmers of Canada, only 5,000 belong to Canfarm. The farm leaders, the co-ops, the huge organizations like the United Co-operatives of Ontario, the Maritime Co-operative Services, the Sask Pool, the Manitoba Pool, the Alberta Pool, the CFA and the OFA, where have they been? The only ones who really show they want to help Canfarm, the UPA in Quebec, say "Please keep it together because we might buy it ourselves and we can put 10,000 members into the organization immediately." The Ontario Federation of Agriculture has 24,000 members and they do not even have to have 50 per cent of what UPA would put into it they would have one of the most successful organizations going.

I do not have the same responsibility as farm leaders have to their people. They have a responsibility to their people to say, "This is good, this has been provided for." It is going to cost the federal government over $5 million to give this organization the kind of backing it needs to start, and it will cost us, as I said today, total involvement. Even to phase it out will have cost us nearly $6 million which we have invested in Canfarm. Where has the response come from? It is a unique service, a service that is second to none, but there has not been much sponsorship from farm organizations or from the province of Ontario or the Ontario ministry of agriculture. If their agricultural representative wanted to sponsor it, I am sure that they

also could raise up to 5,000 new members within the province of Ontario.

The hon. member mentioned the problem of farmers not having been paid for the hay they delivered to Manitoba. That was an agreement that Manitoba had made. We made an agreement to pay one-third of the cost of transportation, Manitoba would pay one-third, and the railroads would pay one-third. We did not use up the funds which we have allocated for that program because it started to rain and they did not need as much hay from Ontario as they thought they would need.

I agree with the hon. member that the Ontario farmers have really co-operated and have come forward to say, "We have so many bales of hay which we do not need, we have a big crop." And they let them have it at a very reasonable price. Some people could not believe it was being sold for as low a price as it was. They were not trying to take advantage of the bad situation which existed because people were suffering from the drought. If someone has not paid, I will contact my colleague, the provincial minister of agriculture in Manitoba, but this is the first time such a representation has been made to me. The hon. member spoke about unity in the country. One of the members last night mentioned that some people at the Outlook conference made representations to him about some of their concerns. But let me say to the hon. member that this was one of the most positive meetings we have ever had and one of the best attended. As I said, farm leaders, national, provincial and regional, were all there. There were people from the private sector, from the Canadian Chamber of Commerce and from other agro-business organizations. They all said it was a very positive meeting. I cannot say they were gleeful, but they seemed to be happy about the economic position of agriculture in Canada and the programs we have established. I would challenge the hon. member to find better programs for farmers to run their own business anywhere else in the world. No other country in the world allows its farmers to run their business as we allow them to do in Canada. Sure, we have to work with the provinces, and we do have a close working relationship with them. I say to the hon. member that it is not us who are causing disunity, not us in agriculture and not us in this government. I asked him to check some things that people on the other side of the House are saying when they suggest separatism, and all that kind of thing. The hon. member will find that people in agriculture from coast to coast are willing to share those things which grow in our ground. In these working relationships and in our national marketing boards we have the real ideal of confederation and unity.

● (2020)

[*Translation*]

Mrs. Côté: Mr. Chairman, it gives me great pleasure to take part in the debate the Committee of the Whole House of Commons is holding tonight on the important question of agriculture. If I may, I would also like to thank the minister and his officials for being here to help us deal with this question. Mr. Chairman, I believe that when we talk about agriculture, we are talking about life. If we were not so fortunate as to have such efficient farmers and agricultural producers in Canada, I believe that the well-being of every one of us would be affected.

The Department of Agriculture has always, but more particularly over the last few years, tried to provide Canadian farmers with programs geared to their needs and conducive to outstanding performance. It is because of the effectiveness of government programs that producers have been able to achieve record productions. During the seventies, agricultural cash incomes have increased tremendously as net farming income went from slightly over $1 billion in 1970 up to $4.1 billion in 1979.

Moreover, Canadian agricultural industries have become among the most effective and productive in the world. It has already been pointed out that Canada only has 3 per cent of the world's farm lands but this point should be emphasized over again. In spite of this, Canada is one of the major food growers in the world, producing 6 per cent of the wheat and barley, 12 per cent of the oats, 17 per cent of the milk, and 2 per cent of all meat and dairy products. In addition Canada exports over 70 per cent of its grain, which is the highest proportion in the world. Between 1975 and 1978, the productivity of farmers was nearly twice that of the other industries. In short, our farming community should be the envy of everyone both in Canada and abroad.

Mr. Chairman, the constituency that I represent, Rimouski-Témiscouata, is essentially rural. In my riding, farmers make every effort to improve their crops to meet the most stringent standards of Agriculture Canada. Some producers carry out their own experiments through Agriculture Canada special programs. For instance, a farming co-operative has been created in Saint-Benoît de Packington, in the Témiscouata area, for growing cauliflower and Chinese lettuce, and this program is very successful. I believe that it is through programs of this type that regional agriculture, if I may use this expression, will be able to develop in harmony with its environment.

I would not want to leave the House with the impression that I am an expert in this field; I am not, even though I was raised on a farm. My father was a farmer for 50 years and lived through all the plights the milk industry had to suffer from 1940 up to the present days when pasteurization and sophisticated milking methods have become common practices. In view of the significant progress accomplished in farming, especially on dairy farms, I wish to congratulate the department and the Minister of Agriculture for the personalized assistance they have extended to dairy producers.

We live in a part of the country with wide temperature ranges and I heard from the committee on agriculture that the research service was doing extremely important experiments to develop crops that might thrive in colder climates like the one prevailing in my area, for instance. So, I am anxious to see

the results of those studies so that they can be implemented in the part of the country where I live.

For almost two days I have heard many members on both sides of the House. In spite of the remarks by the former minister of finance who said we are too eager to praise our minister, I think that if I had a bouquet or awards to give I would give them to our farmers. In fact, over the last few years, farmers have made use of programs which had been especially developed to meet their needs and which have proved very beneficial to them and to all of us. I think we should now go one step further as producers have demonstrated that they had the ability and the imagination to adapt to technological changes, and with very limited means to deal with the serious problem of energy cost. For example, in our area we are considering a quite revolutionary system to heat greenhouses and I will be pleased to tell hon. members more about it as soon as it is further developed. This means our farmers are not lacking energy or good will, they really are hard-working people.

I remember, Mr. Speaker, that at the time of the Speech from the Throne the government had announced its intention to lay the emphasis on assistance to farmers for the development of sectors that are thriving and new ones that could be added.

As far as the creation of a Canadian Agricultural Export Corporation is concerned, I will quote a passage from the Speech from the Throne dealing with the development of our economic potential. It reads:

> Food and agriculture are going to be increasingly important to the Canadian economy in the 1980s. To further strengthen the industry, my government plans to create a Canadian Agricultural Export Corporation to expand markets for Canadian producers.

As I said a while ago, I think our producers have shown that they can develop products to meet the needs of both the domestic and the world market. Considering what goes on elsewhere in the world, I think a country like Canada is comparatively very wealthy, that it has great potential despite the poverty which is quite insignificant compared to the poverty of other people in the world when one considers that some countries have to put up with drought, with many evils, not to mention those countries that are at war, countries where the climate makes it impossible to produce foodstuff. I think it is all the more important that Canada develop internationally, that it produces new commodities for the world community. I feel that this task should belong to Agriculture Canada. The policies and programs developed by Agriculture Canada must be implemented in order to meet the needs of Canadian consumers. Producers should be urged to be selective and to be more efficient in food production.

I think Agriculture Canada should launch a worldwide campaign to promote food products made in Canada. It seems to me that the Department of Agriculture holds the pole position to travel to world areas experiencing the worse difficulties in food production so that the Canadian farmer could adjust to the world demand.

Mr. Chairman, perhaps I am expecting too much but I think I would like to hear the Minister of Agriculture (Mr. Whelan) about that to know how his department explored this possibility, if it ever was considered. The establishment of such an agency was proposed in the Speech from the Throne. I think he should have some ideas about that. And I particularly would like to know which products could be offered throughout the world as Canadian products to provide as much as possible for their needs, if the production of certain products in certain regions of Canada was ever contemplated by his department and in that connection if a thought was given to products which could be made in eastern Quebec, in the lower St. Lawrence region where I live, to help Canada sell its food products to the world. I am waiting for the minister's answer.

● (2030)

[*English*]

Mr. Whelan: The hon. member asks questions about the proposed Canadian agriculture export corporation. There are many things in which we are proficient in Canada. I feel we can compete efficiently with nearly any country in the world. We do not intend to compete with the Canadian Dairy Commission or the Canadian Wheat Board. But any of the products in the areas of poultry and pork production, and horticulture, areas in which we have efficiency or proficiency, whatever you want to call it, will be the areas where we shall be gearing up our concentrated efforts toward improving our exports. We intend to work very closely with the Canadian Wheat Board and the Canadian Dairy Commission. Whenever the Minister of Agriculture goes abroad, or any member of the cabinet as far as that goes, we do not feel there should ever be a chance that someone should ask him or her, what products we have for sale in Canada, what products we can supply to the customer in some other part of the world. We believe that those products that were at possibly 75 per cent of efficiency at the present time could be put on long-term contracts and create 100 per cent to 110 per cent of production efficiency. We certainly do not intend to put Canagrex into a position where they would be signing up short-term contracts, contracts only when we have surpluses to sell. We must realize that many people in the world eat all the time, not just when we have a surplus. But if we could gear up our production from 75 per cent to 110 per cent efficiency, higher than it has ever been in some areas, that would mean benefits for labour, industry, the building trades, processors, the transportation system, our balance of trade and also for consumers. It would be of benefit because we would reach the peak of efficiency in those production entities, in particular in the poultry area where we are using the cost-price formula. It would be of benefit to them because it is build into their cost-price formula, and when they reach efficiency they do not get more, they agree to take less. When production per unit costs less, they agree to pass on the savings to the consumer of that product. The Canadian Egg Marketing Agency, the Canadian Broiler Marketing Agency,

the Canadian Turkey Marketing Agency and all those organizations have built an enviable and proficient production entity which can compare with any in the world.

Mr. Chairman, I do not know how many more minutes I have before I use up the time of the hon. member.

The Deputy Chairman: The hon. minister has six more minutes remaining to answer the questions, or for the questioner to pose more questions.

Mr. Whelan: I would like to say that government policy with regard to the Canadian Agriculture Export Corporation, has not yet been finalized. It is the subject of concentrated and detailed discussion at this time. Some drafting has been done on the legislation.

Earlier today the hon. member for Roberval asked about women in agriculture. I think it would be interesting if I put on record the names of some of those women who are involved in Canadian agriculture. For the first time in history we now have a woman director of the Farm Credit Corporation. She is Mrs. Carol Teichrob, from Saskatoon, Saskatchewan, and she is at the present time a director of the Canadian Turkey Marketing Agency. She is also the director of a small poultry processing plant and reeve of a huge township in Saskatchewan. With respect to the Canadian Dairy Commission Advisory Committee we have Mrs. Victoria Billingsley. She is a consumer representative from the Consumers' Association of Canada but we put her on the Canadian Dairy Commission Advisory Committee. She is a consultant from Yellowknife, Northwest Territories. Denise Van Breda, from southern Ontario, who is a tobacco farmer, a very successful farmer in her own right, is on the Agriculture Stabilization Board Advisory Committee. On the National Farm Products Marketing Council we have June Menzies as chairperson and Maryon Brechin as counsellor. June Friessen, a director from Winnipeg, is on the Canadian Chicken Marketing Agency. Lynn Hoffman is also a director of that agency. I come back to Carol Teichrob from Saskatoon who is on the Canadian Turkey Marketing Agency. John Wise, the former minister of agriculture, appointed Brenda McIntosh to the FCC Advisory Board. In my own office I have Linda Clifford from Wilkie, Saskatchewan, who is the manager of my regional office in Regina, and is a special assistant. Norma Lamont from Bruce County is a private secretary in my own office and Mary Ann Allan from Saskatoon is a research assistant. I could name others who are doing these types of things, and if anyone else knows of women in agriculture who are willing to serve on these boards let us know. We have one of the best records among the ministries of appointing qualified women to boards in the area of agriculture administration. I am saying that we are willing, if we can find the people, to appoint them to these boards.

The hon. member for Témiscamingue asked questions about research in the area of beef raising in his own constituency. We cannot turn research on and off like a tap. Some people think we can do it this way. We will look at his proposal very closely to see if we have any people we can send there to do a study for him on the kind of program he was suggesting.

We know that certain parts of northern Quebec and northern Ontario show tremendous possibilities as far as forage production with new modern methods of farming and new species of grasses are concerned. The new short season corns show great potential for that area.

One of the members asked me about milk quotas and he said that they were not being properly administered. I say to him, as I said to another member who spoke earlier, that this comes under the administration of the provinces. We are very concerned about it.

The price of hogs was also mentioned. That is another product which has no supply-management system. Hog production operates on the open free market. The producers take the knocks which come with that industry. There are many other programs under the National Farm Products Marketing legislation which farmers themselves agree to. It allows farmers to look after themselves in a proper fashion and the economic return for most of them as long as the farmers are efficient, is very good.

[*Translation*]

Mrs. Côté: Mr. Chairman, I thank the minister for answering my question, and also for mentioning the very interesting participation of women in farming. I hope that the administration of the department and of agricultural matters will be improved by it and that the need of citizens will be better met. I thank the minister for answering some questions which had been asked for some time and about which we were expecting an answer. So, I thank the minister for all the information he has given us.

• (2040)

[*English*]

The Deputy Chairman: I would entertain an answer from the Minister of Agriculture, but the time has expired for both questions and answers.

Mr. Hamilton (Qu'Appelle-Moose Mountain): Mr. Chairman, I think I can help the minister by adding some information to what was said by the hon. member for Rimouski. My intervention does not require the minister to take any notes as he already knows what I am about to say. It is merely a question of reminding him that there are still problems in front of the Department of Agriculture.

We heard during the debate yesterday and today of the tremendous growth in farm income in Canada over the past two decades. No industry in Canada on a percentage basis has increased productivity so dramatically as agriculture. Until a few years ago the rate was 7 per cent a year compared to about a 2 per cent or 3 per cent for other industries in Canada. If the gross income for agriculture in 1980 is over $15 billion, I predict that without using any more land for production than is in use now and without too many drastic changes in technology, this same land area will be producing double the value

of its present production by the end of the century through more intensive use.

My subject tonight will be the land which exists around this good land, the so-called marginal land on which farmers have had a hard time making a living. If one takes the older provinces—the maritimes, Quebec and Ontario—one will find that more farmland has been abandoned in those provinces than is now being cultivated. My remarks will attempt to answer the type of questions posed by the hon. member for Rimouski. Her county is representative of two or three times more acreage of that type of marginal land in Canada than there is in the so-called currently cultivated acreage.

The demand for energy in the world today has given the farmer in every province of Canada an opportunity which he would never have dreamed of 15 years ago. This knowledge is not new. It is known by our research people in every department in Ottawa interested in research. It is known by our provincial research departments and by industry. But the fact is we have not used this technology and this research information on the ground that as long as there is oil we do not need to take energy from another source.

As long as we continue to use oil in Canada and the United States we delay a little longer the move toward this new technology. Fortunately, in the farm areas of Canada there is available at present prices of oil and competing energy sources a whole series of low grade technologies which lend themselves to farm use and utilization at a price competitive with other forms of energy at the present time. This competitive ability will increase each time oil prices rise. As I said before, these technologies which are coming on and which, in some cases, are here now, are not new.

One of the oldest technologies on the farm is the utilization of wind. No one will pretend that the utilization of wind energy in Canada will provide a large percentage of our total energy requirements, but it can, with the present techniques and with the present prices of competing fuels, provide about 3 per cent or 4 per cent of our energy requirements. Our scientists have produced new types of windmills, but when put to the test of economics, power derived from them is still more expensive than power bought from the ordinary electrical system. Therefore, there is no great urgency in pushing farmers into doing something which does not have an immediate economic advantage.

However, following the wind conference in Regina three years ago, farmers had figured out answers which scientists had not been able to figure out. At that conference under the auspices of Canadian Plains, University of Regina section, they had figured out how to harness the power of high speed wind. All models to date could only operate under winds as high as 25 miles an hour because under higher winds they would fall apart or the generators would burn out. The farmers applied their haywire philosophy and know-how and came up with an answer so simple that one wonders why it was not thought of 30 years ago.

To give an idea of what I mean, if the wind is blowing at ten miles an hour and it produces one kilowatt of electricity per hour, then at 20 mph one might expect that the power produced would be two kilowatts. But because of the peculiar momentum principles of wind power, which increases at the cube of the differences of speed, and since 20 miles an hour is twice ten we therefore get two times two times two, or eight times as much power out of a 20-mile-an-hour wind as out of a ten mile-an-hour wind. In other words, eight kilowatts. If the wind velocity is 30 miles an hour, we get 27 times the power and if it is 40 miles an hour we get 64 times as much power.

That technology is presently on the way to being patented. I know that in the research section of the Department of Agriculture, which is as good as any research section in the world, they have never accepted the principle that it is their responsibility to get information out to the farmers. It believes that this is the function of the provinces, as part of the agreement of 1887. I say it is their duty, because of the failure of the provinces to properly educate farmers as to new technologies to find ways and means in co-operation with the provinces to get their information out.

Another example is heat pumps which have been used in North America for 60 years. Women know the heat pump as a refrigerator which takes the heat out of the food and dumps it on the floor. A heat pump which is used for heating a home or a barn simply takes the heat out of the air outside, even at 30 below, and heats the house or the barn. Or better, still, one should take the heat out of a well or a dugout, the local stream or even the ground. With the free heat of the sun taken from the ground, for example, one can reduce the present cost of energy by 75 per cent. All this knowledge is known but it has been resisted to the last ditch by power corporations and researchers who do not want to face reality. Fortunately this is all changing. The final decision will be made on the economics of the matter. In the last two or three years research on heat pumps to take heat from out of the ground and out of the water has demonstrated that we can save 75 per cent in spite of our climate.

The one thing that is missing of course is the capital to shift into this new technology. Without going into it in detail, it costs $3,000 or $4,000 to shift over to heat pumps which would allow a farmer to keep his dairy barn or beef barn at a constant temperature over summer and winter if it is properly ventilated. The saving in the case of larger buildings can rise as high as ten to one.

• (2050)

I am making my point loud and clear to the minister. We have just finished putting a budget through this Parliament which granted substantial sums of money to the Department of Energy, Mines and Resources to investigate new forms of low grade technology and transference of heat. The department was asked to set up demonstration programs. The only fault with that proposal is that the department does not have the personnel to deliver the programs. Several other departments do, however. Canada Mortgage and Housing has the capacity to deliver that program as has the Department of Agriculture.

Anything that reduces the cost of farming should be of interest to the Department of Agriculture.

The minister knows that in his department there is a small group of men very knowledgeable in the field of renewable energy. Other departments also have such small groups of experts but only the Department of Agriculture has the manpower at this time to deliver the service in rural areas.

Yesterday, mention was made of an organization that is one of the proudest arms of the Department of Agriculture, the PFRA or Prairie Farm Rehabilitation Act which covered parts of four or five provinces in the west. That organization was taken away from the Department of Agriculture about 15 years ago and transferred to the Department of the Environment, as I think it then was.

Those PFRA engineers are competent to design and build the biggest dam in the world, and they have done it, Mr. Chairman, but today they sit idle in Regina waiting for their pensions because they are not in the right department. The Department of Agriculture could find lots of work for them, particularly on this heat pump problem. Engineers who design dynamos and everything else for power plants could certainly design a simple heat pump made of a compressor, two coils and an electrical gadget to turn it on and off. Every woman understands her 'fridge'. Engineers understand the heat pump.

The men I mention would be glad to do what they did before—go out and teach farmers how to engineer a dugout system, how to put in tree plantations, how to build dams and irrigation projects. They should have a chance in their retiring years to get back to work for agriculture. I know the minister wants them back. Now is the time to bring them back to work on this program with the Department of Energy, Mines and Resources for demonstration projects on energy savings. The technology is available and there is the know-how and the personnel in the Department of Agriculture to deliver the service.

This would not make Treasury Board or the Department of Finance mad, Mr. Chairman. PFRA should be returned to the Department of Agriculture and its people should go down to Rimouski and every other part of Canada that has been decimated for 50 years because of lack of knowledge as to the use of that type of soil and that type of forest capacity.

I know the minister expects me to speak about another subject which I used to call biomass. Everybody laughed when I first brought it up. The minister picked up the term and found it to be a good way of swearing without anyone knowing what it meant. Mr. Chairman, biomass is simply rotten material. When we die, our bodies go into the ground or into the atmosphere. Every tree dies and every plant dies—every piece of grass dies. We all end the same way, as molecules of this or molecules of that. The hydrocarbon components get trapped some place and that is the basic gas, the basic oil, the basic coal, the basic diamond. Why wait for several billions of years for that to happen? A lot of us would like to be used some time reasonably close to our death. Let us get this rotten material to work, Mr. Chairman. Just the ordinary amount of waste on a farm could supply 3 per cent or 4 per cent of Canada's total energy needs.

Yesterday someone mentioned gasohol. I know the experts say the costs are marginal—$2 per gallon when the cost of power and so on is added. But, Mr. Chairman, the farmer has the waste material anyway and is soon going to have a superabundance of power produced from all the other techniques that he knows about. One of the ways he can utilize this surplus power capacity is by using up all the waste on his farm.

Gasohol is not the main value; the main value to the farmer is this utilization of waste to produce alcohol. Of course, he cannot drink it but he can put it into his tractor, into all his engines and make them last three or four times as long. That is where the economic advantages are, Mr. Chairman. Technically, if he paid himself an hourly wage he would not make money on this product. But with the economy the farmer uses, he could make money because he does not usually consider his own wages, time or the energy which he can make himself, as costs.

In the Crosbie budget, for the first time in Canada's history there was a provision to make it legal to own a still. Rejoicing went through every farm home. Some people actually thought they might be able to sneak off a quart or two. Basically, though, the farmer knew what was meant. The required bond for a miserable little still was reduced from $200,000 to $10,000. Mounted policemen were delirious with happiness because they would now know the location of all stills, as they would have to be licensed, instead of spending cold nights searching for them.

I think the idea of gasohol should not be dropped, Mr. Chairman. In the United States, 36 states are going ahead with production. Our civil servants now know at first hand the warm reception given to the program by thousands of farmers in many states. My constituency is just across the line from North Dakota where they make their own gasohol and we sneak across the line to get it.

For heaven's sake, Mr. Chairman, let us get this back into the budget. It would not cost the government anything. The farmer would bear the cost of the still. He would accept the police coming once a year to inspect it and would gladly put up the $10,000 bond. I am sure he would also be happy to pay his wife a few dollars for sitting to watch the still because that would be deductible.

The main point of my remarks is, of course, poplar trees, Mr. Chairman. When I first came to this House nearly 23 years ago, I made the statement that more money could be made on the farms in Canada, by producing trees than grass. For this I quickly collected the nickname of "Johnny Appleseed." I did not have the relevant figures then but I have them now, thanks to scientists in the forestry section and the research section of the Ontario and B.C. governments. We have bred a poplar tree that will not only provide feed for cattle but will provide lumber, plywood, pulp, and above all, oil. Fifty per cent of dead weight in the dry form of a poplar tree is hydrocarbon. Even at present prices that would yield a farmer, if grown on so-called useless marginal land with

drainage, about $300 per acre each year. The cost figures are available, thanks to the Ontario government.

The Deputy Chairman: Order, please. I regret to interrupt the hon. member but his allotted time has expired.

• (2100)

Mr. Bloomfield: Mr. Chairman, I am very happy to have this opportunity to participate in this discussion on the Department of Agriculture's supplementary estimates. As one who was a farmer prior to having been elected to this chamber, I would like to take this opportunity to convey to the Minister of Agriculture my heartiest commendations for the outstanding job he has done on behalf of all of those involved in agriculture in this country.

I am especially pleased with last week's announcement by the Minister of Energy, Mines and Resources that the Energy Supplies Allocation Board has given agriculture a priority A rating in the event of an energy shortage. As a member of the agricultural industry, I welcome this initiative since it clearly illustrates the importance of food production for us in Canada, as well as for people in other countries.

I would like to base the first part of my questions to the minister on the subject of energy as it relates to agriculture. In particular, I would like to know if the minister is looking ahead to the future when higher energy prices will be hitting the farmer right square in the pocketbook. In a recent report prepared by the Department of Agriculture, some estimates were set forth illustrating the impact a $1 per barrel increase in crude oil would have on farm input costs. For example, for every $1 per barrel increase in crude, the price of natural gas will rise approximately 15 cents per thousand cubic feet. This means fertilizer prices will skyrocket. Annhydrous ammonia, for example, will rise by $10.54 per tonne. For any farmer growing wheat, barley or corn—crops of great significance in my area of the province—energy costs will be of crucial importance in deciding whether or not a farmer will make any profit in the coming years.

The key here, and I would appreciate the minister's comments on this, is what alternative will the farmer have to offset this drastic increase in input costs? Will it be by substitutes or plant adaptations?

I have read many briefs, articles and proposals for substituting renewable sources of energy for non-renewables. We all seem to realize that some sort of alcohol-based fuel would be most economical if it could be produced in large quantities. The problem is neither the technology nor the materials for producing this type of fuel are available to Canadians on a large scale.

How far down the road is this technology? I do not see energy prices getting much cheaper in the future; we need to be able to move off gasoline and diesel fuel if Canadian farmers want to stay competitive in the food production industry. My question is this: can the minister give us an idea of what priority he has allocated to a renewable energy substitution program? Also, how many years will it be before this program is implemented on a significant scale?

I would like to move to another area of concern. It deals with the fruit and vegetable storage construction financial assistance program. This program, which provides government assistance to fruit and vegetable producers in constructing storage facilities, was discontinued under the previous government. After much consultation with the producers, we reintroduced it, providing $3.3 million worth of assistance to the fruit and vegetable industry in Canada.

In Lambeth, Ontario, five producers have pooled their resources to construct a storage facility for their crops. The building was officially opened on August 25 and the owners have submitted the bulk of their cancelled cheques and invoices and have provided all the proper papers and documentation. They are anxiously awaiting their cheques from the Department of Agriculture, but at present they have not received anything of the kind. Could the minister tell me what is the current status of this project in the department, and whether these people can look forward to receiving their cheques in the near future?

Another area of interest to me is the new Canadian Agricultural Export Corporation, Canagrex. We in Canada enjoyed a very good year last year in so far as agricultural exports are concerned. Canada sold a record $6.1 billion worth of food and agricultural products abroad last year, leaving us with a healthy trade surplus of $1.4 billion. This is very commendable and indicative of the fact that when provided with the proper environment in which to produce their commodities, Canadian farmers are more than equal to the task.

Nonetheless, I feel we can improve this record. I, for one, am of the opinion that Canada can become the world leader in the international marketing of many commodities. I would like to have the minister's comments on how this could be achieved under Canagrex. I would recommend that Canagrex's board of directors be comprised mainly, if not entirely, of farmers. As far as I am concerned, no one knows the farming business as well as farmers themselves.

I would also like to know what the status of Canfarm is at present. I know my hon. colleague from Guelph discussed this matter in some detail. Canfarm offers a unique opportunity for Canadian farmers to receive expert advice and assistance. It would certainly be a substantial loss if it had to be disbanded. Would the minister tell us what he intends to do with respect to this matter?

I would like to be brief on my last topic so as to give the minister a chance to respond to my questions. However, before I finish, I would like to comment on an aspect which will, if not soon corrected, cause a severe problem for Canada in the coming decades. As I see it from here, the Department of Agriculture is not receiving the amount of moneys needed for it to achieve its maximum potential. I am not trying to say that the department is squandering its present allocations or that it is not running a tight ship. When one considers what we have done with what we have at our disposal, I cannot be anything but impressed. However, I am truly alarmed when I look at

the estimates and find that we are allocating only 1.3 per cent of our total federal expenditures to the Department of Agriculture. Compared to last year, this represents a 20 per cent cut.

Compare the Department of Agriculture's budget with that of Knowlton Nash and the boys down at the Canadian Broadcasting Corporation. It gives one an idea of how badly off agriculture really is. In terms of employees, the CBC has 11,861 compared to 10,110 as projected for March 31, 1981. This year the agriculture departmental budget was increased by less than one per cent while CBC received a 10 per cent increase. Presently, the CBC's budget is approximately $577 million compared to $748 million for Agriculture Canada. The CBC budget is over 75 per cent of that of Agriculture Canada. Where are our priorities?

These figures are proof that the Ministry of Agriculture is not getting its fair share. I can think of no other federal department that took a 20 per cent reduction in expenditures from last year. I want everyone to wake up and remember that it was agriculture that put Canada on the map. I refuse to stand by and see the Department of Agriculture, which has in the past demonstrated its vital importance to Canada's well-being, receive second-class status at a time when so many people are predicting a worldwide food shortage by the end of the century. We must lay the groundwork now to prepare for the crisis ahead. I cannot see how it can be accomplished while agriculture sustains a 20 per cent cutback in revenues. I ask the minister, therefore, to convince his cabinet colleagues that agriculture needs more revenues to enable Canada to maintain its prestigious international position in this most important sector.

Mr. Whelan: Mr. Chairman, the hon. member mentioned how good the cold storage program is. He expressed concern about a group in his constituency who are waiting for a cheque. I am not aware why they have not received it. Nobody has said anything to me for some time about that organization. The hon. member made lots of representations when they were first applying for assistance under the government assistance program where we paid up to one-third of the cost of the structure with a maximum contribution of $500,000. I will have to do some checking to see if I can find out where it is for the hon. member.

• (2110)

He asked about Canagrex and how it can increase agricultural exports. Canagrex can do a tremendous job if it is given the opportunity. There are many small businesses and many small operations in Canada able to take advantage of export markets which can be made available to them if someone is there to back them. In many other countries of the world governments are offering all kinds of opportunities to that kind of production. It makes it very difficult for Canadian farmers to compete because there are no avenues for them to take in order to trade in other parts of the world.

The hon. member for Lambton-Middlesex used figures the other day suggesting we could increase our agricultural exports by $2 billion or $3 billion in the first year of operation. I do not think he is being too liberal when he suggests that. I think he is being very realistic. As far as that goes, he may be a little conservative when using those figures.

People come to our office about the products they wish to buy, as happened last week, and speak not in terms of $100 million, not $200 million; there is a potential of $500 million worth of new agricultural business for the year 1981. If we move quickly we can take part in that. They want to deal with the Minister of Agriculture and the government. They want to get rid of the multinationals and the people who are only in the trading business to make money. I say there is room for those people in the trading business who are willing to accept a decent profit for what they do. That is the kind of trading we want. We want to become involved with those countries producing products we cannot produce in Canada, and products we are producing in Canada which they cannot produce with as much efficiency or proficiency. Those are the areas we will be moving into.

Canfarm is a good thing. It has cost us millions of dollars since its inception but has not taken off with farmers the way it should have. When one thinks about it, only 5,000 farm members in Canada belong to Canfarm. I spoke earlier of the lack of support it has received from farm organizations and the provincial governments; it has received by far the largest amount of support from the federal government and the federal ministry. If they can find some way to come up with solutions in the next few days and if they want to work together, we will work with them to save Canfarm.

The hon. member talks about the amount of money allotted to the Department of Agriculture. We do not have that huge a budget and I brag about the little bit of money that Agriculture Canada has. There is no doubt that I can use more money for some important programs. I agree with the hon. member that food for the system is important; it is important for the mind, it is even important for the people at the CBC because they could not operate if they did not have food. When we look at the over-all structure, the CBC does provide, from time to time, some food for the mind. Sometimes it would be better if it was not provided at all. We could do without the CBC but certainly not without the farmers of Canada. Percentagewise, the CBC is probably the highest subsidized production entity there is in Canada, but I am sure we would not want to do away with the CBC either.

Some of the most progressive farmers in Canada are those who belong to the supply-managed type of marketing boards on which I do not spend one penny. Their production and efficiency is probably the greatest of any production entity in Canada. There are provincial marketing boards running the same kind of system and very few federal marketing boards. In total there are 103 marketing boards in Canada. Some of the toughest marketing boards of all are in Alberta where the farmers are independent and free. They just formed another one the other day to market their potatoes. The oldest marketing boards are in the province of British Columbia. All those who market milk in Canada belong to a milk marketing board. There are many farmers marketing their products. I brag

about the efficiency of our producers and the little subsidization they do receive from the federal government or from any government. When you add up the total expenditures of the provinces and the federal government and all other expenditures by other departments which involve themselves in rural Canada, we find that out of the total provincial and federal expenditures less than 4 per cent of total expenditures goes to agriculture.

I do not believe there is another nation in the whole world that can claim to have such a healthy agricultural industry with so little money spent on it. Yes, we can use more money, for research, we could use more money for cold storage, we could use money for the veterinary college in the maritimes, we could use money for the Farm Credit Corporation, we could use money to assist communities in building community centres, we could use money for the fair boards. The Canadian Exhibition associations are always asking for more money. The main reason we are here this evening is to discuss our estimates. I understand the opposition is concerned about the spending of our money. If you notice, Mr. Chairman, almost every speaker wants us to spend more money on agriculture in Canada and not to spend less. For instance, when we consider the $46 million spent on the hog stabilization industry this year, if I had a supply-managed system I would not be spending $46 million. That $46 million would be for extra research or some other kind of agricultural programs. Spending $15 million on potato stabilization is wrong. For eight years I have not spent a penny of tax dollars on the poultry industry. It is one of the healthiest production entities of all.

Groups in Canada using provincial marketing legislation are also efficient and are not costing either the federal government or their provincial governments very much money, if any at all. If they are using a supply-managed type of system with a pricing cost formula then they are all way below the cost of inflation. They are some of the most efficient production units in Canada. I just want to say to the hon. member who talked about cold storage and that type of thing that we have some programs now put forward by the province of British Columbia involving controlled atmospheric cold storage, jacketed storage, but mostly controlled atmospheric temperature. They have a plan for a two-year program to spend $9 million on cold storage because of the benefits they have received from this program. A member of the New Democratic Party said in the House yesterday that none of these programs were new and that none of them were working. They have taken advantage of that program. At one time, British Columbia used half of our funds. Now they are in a position where they export apples to 34 countries in the world because of that program. We cannot go to British Columbia and tell the farmers that there is no federal participation in their agricultural program because of what we have done to help the food and horticultural industry there. Over half of the moneys received in British Columbia for their agricultural industry are from federal government, and if you added what DREE has put into that area it would practically match what the provincial government has spent on agriculture in British Columbia.

• (2120)

The Deputy Chairman: Order, please. I regret to interrupt the minister, but the hon. member's time has expired.

I think it was agreed earlier today that two hon. members would share any 20 minutes given. The two hon. members who will share the next 20 minutes will be the hon. member for Portage-Marquette and the hon. member for Central Nova. Each will have ten minutes.

Mr. Mayer: Mr. Chairman, I agree with the minister that farmers in this country do an excellent job of producing food. One of the ways to define a so-called developed country is to measure the amount of disposable income which is spent on food. The lower the amount of money it takes to feed a country, the more developed that country is. A low percentage of disposable income spent on food is obviously a comment on the efficiency of the farmers of a particular country. I think Canadian farmers are testimony to the fact that we in this country do an excellent job of feeding ourselves.

The minister mentioned that over the past couple of days many people have asked the government to spend more. I am not asking the government to spend more, but I would like to talk about the initial price for wheat. I think the minister knows well that the initial price is $4.25 a bushel, and since about November 15 or thereabouts, or for the past month, wheat has been selling at over $7 at both Thunder Bay and Vancouver. There is a big spread between that and the initial payment of $4.25. It seems to me that an initial price increase would be more than welcomed by many farmers in this country.

I have heard the minister and the minister in the other place who is responsible for the Canadian Wheat Board in the past little while say that many producers are asking that this increase be delayed until after the new year. Provincial governments and the federal government have programs in place to assist young farmers to establish themselves and to keep family farms in existence, but many people need increases in the initial price now to pay bills before the end of the year. These are the same people for whom there are government programs in place. These programs are to help young people maintain family farms.

I have also heard it said that it would save the Canadian Wheat Board interest not to have to borrow money to make initial payments. That, to me, is a completely wrong and fallacious argument. In point of fact, the Canadian Wheat Board does not have any money. It holds money in trust for producers. The interest rate at which the Canadian Wheat Board is able to borrow is substantially less than that faced by any farmer in western Canada. Indeed, the information I have is that the Canadian Wheat Board pays interest on money it borrows at prime. Most producers who borrow money to meet commitments such as operating loans and accounts payable pay in excess of prime. It would therefore make good economic sense in my mind if the government were to increase the initial price for wheat immediately and certainly before the end of the year.

I point out further that it is not the responsibility of the Canadian Wheat Board but that of the government to set the initial price for wheat. I urge this upon the minister. I would like to hear his comments on it. I urge him to increase the initial price immediately. I see no reason why he cannot do it before Christmas or before the end of the year about which I have heard him and the minister in the Senate who is responsible for the Canadian Wheat Board talk.

Mr. Whelan: Mr. Chairman, I believe it was the hon. member for Lisgar who asked me a question yesterday in this House with respect to increasing the initial price for wheat. I gave the hon. member a response at that time. In this respect we go by our correspondence with farmers. Our regional offices tell us that the vast majority of farmers are saying that they have sold a lot of grain this year and that they do not want any increase in initial prices until January 2. That is the response I am getting. If the hon. member for Portage-Marquette is receiving any other type of representation, I would like to know about it. I take it for granted that he is expressing a view from his constituency, but I have been in several constituencies in each of the grain producing provinces of western Canada which come under this jurisdiction. I have been to annual meetings and seen many hundreds of farmers, but I have yet to hear one say to me that I should increase the initial price. I am going by the response I get. I do not think there is any intention at the present time, but I will be meeting the minister in charge of the Canadian Wheat Board tomorrow, and I will take this up with him again.

The minister responsible for the Canadian Wheat Board has been at different meetings in western Canada yesterday and today, and he may have heard a different opinion. Grain producers may now have a different feeling from that which has been expressed to me.

Mr. Mayer: Mr. Chairman, I have certainly been in contact with some producers who favour an increase in the initial price, before the new year. However, I wonder if the minister has spoken to very many young farmers, who certainly are experiencing cash flow problems at this particular time of the year. The end of the year is approaching, and many creditors are asking that their accounts be paid. As I have said, the Canadian Wheat Board is certainly in a position to borrow money at an interest rate which is more favourable than the rate faced by the average producer. During the first 13 weeks of the crop year the Canadian Wheat Board actually sold about three-quarters of a million tonnes of wheat more than it took in in deliveries, so as far as the cash flow position of the Canadian Wheat Board is concerned, it has sold more than it has bought, so it should not be in any trouble with respect to meeting commitments in terms of increasing the initial price. I see no reason why there could not be an immediate increase of at least $1.50 a bushel.

I think that would be reasonable. I know some people have called for a $2 increase. Interest rates have gone up in the past two successive weeks and I think they will increase tomorrow. The Bank of Canada will probably see an increase of some three-quarters of a percentage point. This makes it all the more imperative that we try to get money into the hands of producers so that they do not have to pay this high interest rate on borrowed money. I urge the minister to consider it.

I would like to raise another issue with respect to something with which I am sure the minister is familiar. It has to do with the meat import legislation which has been tabled. Is there any possibility of getting rid of the growth factor which is in the formula for setting quotas? I know this was negotiated with respect to the GATT over a year ago. I think agreements were signed back in June of 1979. This is something which concerns us. It concerns the Americans, too, because we will be letting in more meat from offshore countries on a per capita basis—Australia and New Zealand are the two major ones—than will the Americans. This can cause problems at the American border. Back in 1976 our border was actually closed because of the amount of meat which came into the country and which displaced live cattle which went south across the line. I would like to know what plans the minister has for setting quotas under the import-export permits legislation and at what levels they will be. I think they should be announced fairly soon, certainly before the end of the year.

I have one final question. I think there is some concern that our quotas for beef were set excessively high this year. The quota was some 170 million pounds of beef. There is some concern that that is excessively high and that it will be reflected in the moving average which will be with us for a long time to come. Is there any possibility of lowering the figure we had before 1980 so that that figure will not be used to inflate the quota we allow for offshore meat for the coming years? That is what I would like to have the minister address, if he would, please.

Mr. Whelan: Mr. Chairman, the hon. member mentioned the meat import legislation. I feel I understand what he means when he talks about the import-export legislation. It would mean setting the quota before the end of December. There have been suggestions with respect to what that quota should be. Some have said 141 million pounds. I am sure the hon. member is aware that the oceanic countries have not filled their quota this year.

It does not appear that they will fill their quota because other countries have moved in and offered better prices. Russia has moved in and bought meat from them, so their meat prices have increased to such an extent that it is not enticing to people in Canada who have been using that meat for processing. If they can find meat in North America, they will use it, but production has gone down in Canada.

• (2130)

I will be discussing as soon as possible with my colleague, the Minister of Industry, Trade and Commerce, the setting of a quota. There has been some suggestion from the United States—I admit that it is only a rumour and I do not find it altogether authentic—that they are talking about there not being a quota. This is what we are told by our advisers at our embassy in Washington. I am in favour of setting a figure. I

believe that the Meat Import Act is something the producers have wanted for a long time. It sets a figure so that the producers know where they are going. The hon. member wants it to be more rigid than it is, as I understand from what he said about the Meat Import Act. He wanted it not to use the population consumption factor. I do not know if we could do that. In essence, the hon. member is asking for a supply-management type of system without a supply-management system. He is asking that it be done by legislation. I would think we would get into great difficulties with our trading partners in GATT if we tried that. That is why we have gone as far with that bill as we possibly can. If the hon. member will notice, in one section of that bill in which quotas for meats are—

The Deputy Chairman: I must interrupt the minister with regret but there was an agreement earlier this day that we should allow only ten minutes to both the questioner and the minister, and that time has expired. We now move on to the hon. member for Central Nova.

Mr. MacKay: Mr. Chairman, I should like to ask the minister three or four brief questions, and I hope the hon. gentleman will keep his answers short, as I will keep my questions.

I want to bring to his attention primarily two topics. One is the question of tax and the other is the PFRA. I believe the minister indicated in his remarks a short time ago, or left the impression, that research in his department was increasing. According to my information, in 1974 there were 3,890 man-years for research, and in 1981 there were 3,659. So it would appear that in this important area his research capability is reduced. Also, in terms of inflation I believe that the expenditures have hardly kept pace. He might refer briefly to that matter in his answer.

My first question to the minister is whether he has been making representations to his colleague, the Minister of National Revenue, and possibly to the Minister of Finance, as to some way in which tax concessions could be obtained, first of all, for part-time farmers who, in my constituency at least, are having a difficult time making the transition from industrial jobs to being full-time farmers, though many of them have a very real desire and incentive to do so. Has he been exploring any possibilities which would allow more generous tax concessions so that people will be able to build up some capital for farm equipment and livestock and not necessarily be denied tax deductions because they do not show a profit for the first few years?

Mr. Whelan: Mr. Chairman, the hon. member spoke about a reduction in man-years. My officials are looking for the figures on man-years as quickly as they can. I was given figures some time ago and I am going by memory, but it seems to me that we did not increase our man-years by very much. However, we did increase them by 14 man-years this year. The biggest increase in expenditures took place between 1977 and 1978 when the increase was $16 million.

The next largest increase took place in 1980-81 when the increase was $13 million. Both those figures show that we were ahead of the inflation rate. They also should show that we were able to maintain our status quo in man-years. Perhaps there were no large increases, but the figures I am given here right now for the end of 1979 show that we had 3,360 planned, continuing employees on March 31, 1980; 3,360 planned and continuing employees on March 31, 1981, and 3,345 total person-years authorized. This will confuse the hon. member as it confuses me, but it shows here the figure of 3,659 for the total involvement for 1980-81. That is the figure as compared to 3,392 in 1978-79, going up to 3,359. I am taking it for granted that this is for executive, scientific, administrative, technical, administrative support, operational and research groups. Those are the figures I have just been handed.

Concerning the national revenue people and the representations for part-time farmers, let me say to the hon. member that 50 per cent of the farmers from the area where I live work some place else. I was one of those myself at one time. I worked in factories, and so on, when I was establishing myself in farming. I find these people do not really look at marketing as much as they should if they have seniority at a good plant or if they are teaching in a school where they have tenure. They market their product without the concern that another person whose sole livelihood was derived from farming would show. The hon. member can imagine the number of representations I receive from my own area, and I think that some way should be found. When I talk to many of the people, they sound very much involved in just writing off expenditures and establishing holdings which will be worth a lot of money in a while. They write it off as farming expenditures. That is the difficulty we have.

Mr. MacKay: I understand those problems, but I am encouraged to think that the minister is looking for ways to make things easier for those who are genuinely interested in becoming farmers, because if they can be allowed to go back to the land, they will open up jobs for others who have no desire to live that kind of life.

I want to refer now to the background documentation which the former minister of agriculture, the hon. member for Elgin, and I have put together in our economic development committee. There was interdepartmental consultation with the Department of the Environment, the department of federal-provincial relations, and the Department of Energy, Mines and Resources, with respect to the future of PFRA. I was most interested in the speech given by the hon. member for Qu'Appelle-Moose Mountain in this regard. As the minister knows, it was only in 1969, I believe, that PFRA was taken away from Agriculture. If my information is correct, the minister made a remark or two at an agricultural task force meeting of the Canwest Foundation in Calgary not long ago, under the chairmanship of Harold Horner, indicating at least some sympathy for getting PFRA back into the Department of Agriculture. My question, in the form of a representation, is the following. I have been following the remarks of the hon. member for Qu'Appelle-Moose Mountain who rightly pointed

out the number of acres of land which have been abandoned in certain parts of this country, particularly in the maritimes, and who drew attention to the expertise that is available to PFRA—even if you are growing poplar trees, you will have to do some draining. We must remember also that the special agreement which our government brought in for eastern Ontario was largely as a result of the cessation of the ARDA program which covered part of that region. Keeping all this in mind, is the minister seriously considering—I note that there will be a major departmental review and a major initiative—making PFRA a truly national agency in the maritimes—I understand this is also a provincial responsibility—along the lines of the old maritime marshland rehabilitation act? I would be very interested in this. I do not want to go on too long but I would be interested to hear what the minister has to say about this. Would he consider such action, because his predecessor and I were looking at it seriously and we were in the process of setting up an all-party task force under the chairmanship of the hon. member for Medicine Hat?

The Deputy Chairman: Perhaps the minister will be able to answer the question at a later time, but right now we must go over to the hon. member for The Battlefords-Meadow Lake.

Mr. Anguish: Mr. Chairman, I should like to direct some comments to the Minister of Agriculture through you. Agriculture has always been the number one industry in Saskatchewan where my constituency lies. Although it is somewhat overshadowed right now by other developments in the potash, uranium and heavy oil industries, in the long term agriculture will always be the number one industry in Saskatchewan. However, constituents have written to me about several concerns, and agricultural groups have made representations to the New Democratic Party about their concerns in the area of agriculture. One concern which keeps coming up is the Crowsnest rate or the statutory rate for the movement of grain. I very much fear that the federal government will deal rather harshly with farmers and predict that it will make a move to take away that statutory rate. Although some compensatory payments will be made, farmers will have to watch out in the future or they will find themselves absorbing the inflationary costs of the movement of their products.

● (2140)

Another area of concern is the area of energy. I was happy to hear the minister announce that the producers of food would be placed on a high priority list. I thank the minister for that consideration.

I suppose the next area would fall under the Department of Transport rather than the Department of Agriculture. I am referring to the movement of grain. Many Saskatchewan farmers say that they must stand by the siding when the train goes by, otherwise they will not get their grain in on time. They also tell me that quite often the elevators are plugged because of the poor movement of grain in western Canada.

Another area is that of a national beef marketing board which I understand is supported by the minister. Often I questioned why the minister would not implement such a marketing board to assist beef producers, so that they could rely upon a substantial return on their product. After raising their cattle, they should be able to expect to receive something out of it, especially when one considers the money they have invested for their herds and the time and labour they have put into the operations. If their time were counted, many farmers and ranchers would not be receiving much of a return from the beef they sell during the low points of the year.

I should like to be critical for a moment of the agricultural research stations which, through attrition over the last few years, have paved the way for plant breeders' rights to come into existence, a topic with which the New Democratic Party disagrees.

The Battlefords-Meadow Lake is a strong agricultural area within Canada. As the member of Parliament for that area I disagree with plant breeders' rights. I feel we are moving into a very dangerous area when that is taken out of the research stations and put into the hands of a large corporation. It will be gobbled up quite rapidly leaving farmers at the mercy of large corporations such as Dutch Shell, for example.

I am concerned about the number of young farmers who have written me or who contact me while I am in my constituency regarding the amount of work they are required to do off the farm, particularly in the wintertime, to subsidize their incomes. Again I am stressing that they are not receiving a fair return for their work and investment; they cannot maintain a decent standard of living. Some of the people working in lumber mills or in the mining industry are able to provide much more for their families than farmers or ranchers who are working their own land. The farmers might be working much harder, but they do not receive an adequate dollar return. Many young farmers find it necessary to work in sawmills and mines in order to subsidize their incomes. As a result, to a large extent the farms are being hurt because they are not paying the attention they should to their farming or ranching operations.

I think the agricultural industry is dying in some parts of Canada, but I am happy to say that it is not in Saskatchewan. Recently Dr. Boyd Anderson, the president of the Saskatchewan Association of Rural Municipalities, addressed a group of people in Medstead which is in my constituency. He pointed out that less than 8 per cent of farmers engaged in the agricultural industry in Alberta and Manitoba are under 40 years of age, and that in Saskatchewan around 25 per cent of farmers are under that age. I think this is due to some of the programs which were brought in by the Saskatchewan government, namely, the farm start program and the land bank program. It would mainly be the land bank program which enables retiring farmers to pass on their lands to their children or other direct descendants. The minister should look closely at some of these agricultural programs designed to ensure that farmers remain on the land. Food production is vital for the world. It reduces our federal and international deficit. We should try to keep some younger farmers on the farms. It

should be made a viable enough operation that they can work full-time at it.

Before my time runs out, I should like to ask the minister a few questions concerning the herd maintenance program. But first of all I should like to ask a question which directly concerns the estimates. How many person-years are included in the estimates under the area of research and development for this coming year as opposed to last year? If the minister will allow me a few more minutes after answering that question, I will have some questions concerning the herd maintenance program.

Mr. Whelan: Mr. Chairman, the hon. member indicated that he had a question for me, but I have written down about five while he was talking. The person-years in research for 1980-81 are indicated at 3,659, which is slightly down from 1979-80 when it was 3,673 or from 1978-79 when it was 3,725. The actual number of researchers has declined, but the number of people with Ph.Ds. have increased by 14; that is, that classification of researcher. It is not very much, but it is a slight increase. We find it difficult to obtain qualified people within the limitations we are guided by. We are limited as to the amount of money we are allowed to pay them.

Mr. Anguish: I did not realize I had asked the minister so many questions, but I would be happy to hear his answers to some of my opening comments.

I should like to ask the minister some questions about the herd maintenance program. I will ask a series of questions, sit down, and allow the minister to answer at whatever length he would like. Under the herd maintenance program, many farmers throughout Saskatchewan were designated as being outside the drought areas, even though in some areas we have substantial proof from the municipalities and private rain gauges that the rainfall within those areas was actually less than fell inside the drought area. We have been told by the minister in the House—perhaps it was not in the House, but certainly it was through correspondence from the minister's office—that these people will be dealt with. Now that cheques are going out to the people who have qualified for drought assistance in drought areas, when can we expect these other farmers and ranchers to be dealt with under the herd maintenance program?

I have a second question concerning that program. I was wondering why PMU horse operations were not included under the herd maintenance program. Would the minister consider including them, so that the people involved in PMU operations could apply through the appeal process to receive assistance?

Mr. Whelan: A decision was taken on Monday of this week which recommended that people involved in PMU operations be included under this program, as well as people with herds of milking goats, and, I believe, one other group excluded from the herd maintenance program. I believe three groups have been included. Perhaps this is not tremendous, but they have suffered hardships and we recognize that they should be included in it? What was the hon. member's other question?

• (2150)

Mr. Anguish: When will the people outside the drought area be dealt with?

Mr. Whelan: I hope that the appeal committee will be set up by the end of this week. It will be publicly announced when they get into operation, which we hope will be as soon as possible. It has taken us longer than normal because it is a new program and a new experience for us. It has taken longer to get all the ramifications out of the way. I believe about 11,000 cheques have been mailed out and that about 35,000 applications have been submitted, some of which are actually being returned to the people. So people who are outside of the area will be able to appeal those decisions. I am not saying how they will be treated. I hope it will be in a very humanitarian way because we recognize that to set that criteria with rainfall—

The Deputy Chairman: I regret to interrupt the minister but his time is up.

Mr. Hovdebo: Mr. Chairman, I wish to continue from where I left off a few hours ago. I would like to spend some time on the marketing structure of the country.

The free market system has been allowed to work in a way that the input into farming has affected the costs of the farmer so that his income has been reduced. In the couple of cases where we do have marketing systems—which we think are pretty good, for example, the Wheat Board—we found that the Wheat Board was not allowed to work well on the international market because of the embargo. It was not allowed to work well in the domestic market because of the feed grain policy which was established by the government. However, there are a number of other areas where the minister has mentioned marketing systems on a national basis which have and are doing a good job. For instance, he mentioned the dairy policy, broiler chickens, eggs and turkey marketing boards. However, I would like to ask the minister about the plans for hog marketing and stabilization. Is the federal government prepared to introduce a national hog marketing commission and an adequate stabilization plan. If so, when does he plan to do so?

Mr. Whelan: Mr. Chairman, I am meeting the Canadian Pork Council tomorrow morning for breakfast at eight o'clock. I do not know what we will decide, or if we will decide anything. It appears the program which the provincial and federal officials have been working on has not received the kind of unanimous support which I would have liked to have seen. What I would have liked to have seen would have been participation from the producers and from the provincial governments. Some provinces are in favour of it and some are not. So it appears, unless I find out differently tomorrow, that if we were to go ahead we would have to involve the federal government and the producers. It does not appear there will be

that kind of provincial participation. It appears four provinces are ready to go ahead with programs of their own; it cannot work nationally with just four provinces. At the present time I just cannot see a national program working with the income assurance program we are suggesting, like the Western Grain Stabilization Program. We are not getting the kind of input from some of the provinces that we should be getting.

Mr. Hovdebo: The Canadian Wheat Board was established to cover only the prairie areas. It might be possible for the minister to extend this kind of organization to those areas which want the stabilization and marketing board.

I would like to ask an almost identical question with respect to beef marketing. Is the federal government prepared to introduce a national beef marketing commission and adequate stabilization for slaughter cattle? And, again, if it is to be introduced, when will that be?

Mr. Whelan: Mr. Chairman, I should clarify one thing. I hope I did not leave the hon. member with the impression that we are establishing a hog marketing commission. That has not been the subject of discussion. What we are talking about is a hog stabilization type and income assurance system. This is something like the one we projected for the provinces about four years ago and at that time the only province which went ahead with it was the province of British Columbia, under the previous administration. I am tempted to recommend to the government the establishment of a beef marketing commission. Even the member who speaks so eloquently in the House on beef may be ready to accept something better than the horrible system we have for marketing beef at the present time. He has been telling us about the bad economics of that for the last five years.

Mr. Hargrave: No way.

Mr. Whelan: We do know there is a stronger movement afoot, and I am not talking about the beef cattle. I am talking about the beef producers in Ontario. I am told they have an organization which has close to 2,000 members. Those members are very active in the promotion of a beef marketing system. They want a better system than we have at the present time.

We talked earlier about the meat import law, Mr. Chairman, and what can be done with it. Some members think we can do with the meat import law what we can do with the supply management type of marketing system. You cannot do that with the meat import law. No meat import law in the world does that.

Mr. Hovdebo: Those of us who live in Saskatchewan do a lot of mixed farming. Our herds are small and we are not able to finance the long-term losses. Some kind of stabilization and market control, which implies some supply control, would be welcome.

My last question to the minister deals with the considerable concern expressed in the last few months as to whether Canada can meet the targets which have been expressed with regard to production in the grain area. In Saskatoon it was recently suggested that production could be increased by the required amount and that one-quarter of that amount could be attributed to research efforts. I have a couple of questions with respect to this area before my time is up. What kind of commitment has the government made to the kind of research which is necessary to bring production up to 30 million tonnes by 1985 or later? To what extent is the government prepared to demonstrate that the results of that research will work? To what extent is the government prepared to get that research out to the farmers? Right now our present growth is about 2 per cent. To reach that target we would have to increase production by 4 per cent per year, which is not typical and which is pretty unlikely to happen. How much effort is the government willing to make in order to get it out to the farmers?

Mr. Whelan: Mr. Chairman, all I can say is that if the research I am aware of in western Canada concerning grain were all applied next year you could increase production 25 per cent to 30 per cent in one year, with better fertilization, better seeds and better control of weeds. Of course, the hon. member from Regina East might not want us to do that, but by using herbicides and pesticides in a better fashion, a more conservation-minded method, we know we could do a better job.

There are many areas in which we are carrying out research. I have seen some of the projects. I visited some of the different stations this year. They show a yield which would be 20 bushels above what the average farmer would be producing just with new kinds of conservation, soil conservation and the use of the other commodities I have mentioned.

● (2200)

[*Translation*]

Mr. Corriveau: Mr. Chairman, it gives me great pleasure to take part in the debate this evening because my constituency is half urban and half rural and especially because agriculture in my area is represented by the dairy industry. I thought my comments would relate mostly to the dairy industry, but the previous speakers have discussed it remarkably well and have emphasized every pertinent point.

I would like to refer to an incident which will remind some of us a time when the dairy industry was experiencing some problems. A great many people had marched on Ottawa. The minister, I and others had been generously showered with free dairy products. We all know now that times have changed since those people had come to criticize the dairy policy, especially your marketing. I would like to add that the policies of the Department of Agriculture, especially as regards marketing, are well considered and devised. However, considering the approach to marketing, there will always be some people to criticize any policy, especially marketing, and when every means is taken to destroy it I think that eventually something comes out of it. Still I can assure you that things have

changed. I received a letter from some farmers on November 19 and it reads as follows:

The federal government has recently undertaken an interdepartmental survey of the dairy policy in Canada. That initiative is taken before the government has renewed its long-term commitment to a dairy policy; usually the commitments of the government should now be known. The Dairy Farmers of Canada wish to remind the government that the milk industry is of crucial importance to the Canadian economy and that it must be considered as an important link in the Canadian food chain.

A decision on the part of the government to reduce considerably the size of the dairy industry would have negative consequences not only for milk producers but also for the secondary industry as well as Canadian consumers.

We are presenting you with this short document setting forth the views of the Dairy Farmers of Canada regarding the dairy policy. Our administrators want to stress among other things the importance within the framework of the federal government's commitment, of the revision of the production cost indexation formula and the continuation of the direct subsidy designed to prevent an excessive rise in the prices of the dairy products thereby helping Canadian consumers.

We hope that this short statement will enable you to recognize the importance of the dairy industry's role in the Canadian economy because it enables many rural and urban communities to survive. This issue is of primary importance to Quebec since milk production is the cornerstone of its agriculture and that of the food product industry of that province.

Moreover, some 50 per cent of the volume required on the domestic market is produced in Quebec.

We trust, sir, that you will read with special interest the document which we are sending to you and that you will make sure that the decisions made by the various levels of government reflect the positions expressed in this document by the representatives of the Canada and Quebec dairy industries.

The Canadian Dairy Commission administers the federal subsidy and milk prices stabilization program while the establishment of quotas—and I stress his—and the collecting of levies are the responsibility of dairy producers associations and provincial organizations. Mr. Chairman, I wanted to read this letter into the record because I wanted to prove that it is not the marketing of the Department of Agriculture, together with the Canadian Dairy Commission which is not good. The same people who not so long ago criticized this policy and the marketing system would not accept any change made by the Minister of Agriculture under any circumstances. As I said, my remarks concerning the dairy industry will be limited to these, because my colleagues who have dealt with the government's dairy policy have built a very strong case.

I should like to mention that some of the programs which the Minister of Agriculture has implemented on behalf of the Canadian government have demonstrated that we can provide Canadian farmers with well planned long-term assistance. I should like to explain what the federal Minister of Agriculture means when he talks about long-term planning in agriculture.

I have here a news release, dated November 14, 1980, from the Minister of Agriculture, and I quote:

The Minister of Agriculture today announced a program to assist in transporting about 10,500 tonnes of Ontario juice apples to processors in Quebec and Nova Scotia.

This year's Ontario processing apple crop, estimated at 75,000 tonnes, is about 10,500 tonnes more than the Ontario apple juice industry needs, Mr. Whelan said.

However, apple processors in Quebec and Nova Scotia are experiencing a shortage of juice apples in their areas.

The federal government will pay two-thirds, about $375,000, of the cost of transporting the apples. Eastern processors will pay the remainder of the transportation cost.

I believe this program will help Ontario apple producers dispose of their surplus crop, and it will help processors in Quebec and Nova Scotia meet their need for juice apples.

Mr. Chairman, all those programs the Minister of Agriculture offers us will certainly help Canadian agriculture to develop.

Allow me to quote another announcement the Minister of Agriculture kindly made to the farmers of Canada, and especially those of Quebec:

—May 30, 1980—Today, the Minister of Agriculture announced that a cheque for $5 million was sent the Quebec minister of agriculture, fisheries and food, Mr. Jean Garon, under the Feed Freight Equalization Program.

As a result of the very high demand for assistance from the farmers, the $6.7 million earmarked annually by the federal government for that program have been used up. We are therefore releasing funds previously intended for the coming fiscal year (1980-81) to meet the requests of the farmers during the fiscal year 1979-80. The Feed Freight Equalization Program was set up in 1978 to help increase the production and storage of feed in Quebec, Ontario and British Columbia.

Those funds will also help make up for the cancellation of the Feed Freight program that applied to feed coming from the prairies. Under the agreement reached with Quebec, the federal government will pay $33.5 million over a period ending in 1983. That program is administered wholly by the provincial government; it extends four types of financial assistance: for the storage of feed and cereal on the farm; for the purchase of crop equipment; for the improvement of feed conservation; and for the production of seed grains. The program has already been of considerable assistance to Quebec farmers in helping them meet their feed requirements. The program also fits in well with the over-all strategy of the province for agricultural development.

● (2210)

Mr. Chairman, that, to my mind, is another proof that the Minister of Agriculture wants to set up a planning program to help Canadian farmers stay in agriculture while helping to ensure a viable agricultural sector. Farmers are relatively large consumers of energy, and it was felt that they should be helped.

The Minister of Agriculture said that he was very pleased with the announcement of the Energy Supplies Allocation Board, saying that the primary sectors of production and processing of essential perishable goods will be in category A and that in a national crisis, they would have priority in the allocation of oil products.

According to the oil products allocation program of the board, the various uses for oil are broken down into different categories. Category A is composed of all uses concerning the health, welfare and security of Canadians.

The minister observed that these priorities were in line with the position he took with his provincial colleagues during the meeting on energy matters they held in Brandon, last October.

He also indicated that producers and processors of essential perishable goods will be allocated the maximum amount of

fuel in an emergency. Therefore the supply of Canadians in essential goods will not be interrupted.

In consultation with Agriculture Canada, the board will determine what sectors of the agricultural and food industry will be classified in the A and B categories. The minister can rest assured that Canadian farmers did not expect any less from him than this statement giving them the guarantee that in the event of an energy crisis, they will be able to maintain their supplies of oil, which is an essential product for the Canadian agriculture.

I would like to demonstrate once again that the present Minister of Agriculture makes every effort humanly possible to help Canadian farmers. Recently he went to China to discuss market possibilities with Chinese officials. Canada-China co-operation has had a significant boost today with the signature of an agreement between the two countries. The agreement signed by Agriculture Canada and the Chinese ministries of agriculture, state farms and land rehabilitation calls for closer co-operation between our countries in several areas, such as joint projects, information and material exchanges, scientific visits and commercial contacts.

The first activity organized under this agreement is a visit by a Chinese delegation which will come to study our agricultural legislation. This is the first time such an agreement is signed between a Canadian department and its Chinese counterpart. The implementation of this agreement will be subject to yearly consultations between the Canadian and Chinese agriculture departments. The minister announced the signing of this agreement during a press conference in Peking after a meeting with the deputy prime minister and the chairman of the Chinese Agriculture Commission.

Mr. Chairman, we should be happy that the Deparment of Agriculture has taken this approach and these initiatives to help our producers gain access to domestic markets and entertain the possibility of reaching world markets. Under this agreement, there are some projects that could be implemented as early as 1980-81, for example, a joint research program on route management, the setting up of a model ranch in north-eastern China, various seminar-conferences with assorted activities and possibly study and work exchanges. The Minister of Agriculture was the first in that capacity to visit China.

I want to emphasize how important it is for us that our farms are family operations in 95 per cent of cases and that the minister has opted for an agricultural policy that favours such types of operation. Take, for example, the loan policy of the Farm Credit Corporation. Last year 98 per cent of loans were granted to unincorporated family operations, and most of the incorporated operations were controlled by farmers. The stabilization program under the Agricultural Stabilization Act as well as the Western Grain Stabilization Act set the minimum and maximum amounts to ensure that the bulk of the money goes to family type farms rather than farm corporations. Also, agricultural research attempts to find ways to make the family farm more profitable. In the short term, that will boost farm income and in the longer term it will make it possible for Canadian farmers to compete with foreign farmers and to ensure the viability of their operation.

Mr. Chairman, I agree with the minister's position that we must do our utmost to ensure that farms continue to be operated by families. Mr. Minister, I share your concern over the fact that the number of such operations has decreased continually in the last 20 years as it went from 480,000 in 1961 to 340,000 in 1976, yet I do think that the worst is behind us. In other words there are fewer farmers in Canada. I dare hope that the number of commercial farms in Canada is levelling off and I say we have everything we need to increase our production.

With more intensive farming methods there could even be more farms. World population is growing at the rate of about 2 per cent a year. We have the land, the farmers and the required knowledge to produce more food. Economic development did contribute to raise the standard of living in several Third World countries. New markets are now available for Canadian dairy products and meat. There are hundreds of marketing opportunities for a whole range of Canadian products.

Canadian agricultural production, besides benefitting from tremendous export possibilities, can also develop its domestic markets. Do hon. members know that more than half of the $4.7 billion of food imported in Canada last year were competing directly with food we produce or could produce right here in Canada? Therefore we must try harder to make consumers replace at least some imports with food produced in Canada. But that will require the co-operation of farmers, processors, federal and provincial governments. The Minister of Agriculture is already initiating a certain number of projects.

Mr. Chairman, once again I am extremely happy to have taken part in this debate and in conclusion I should like to urge the Minister of Agriculture and his team to keep on giving farmers such good programs. Keep up the good work, Mr. Minister. We like you just the way you are.

● (2220)

[*English*]

Mr. Greenaway: I am sure the minister is aware that the Canadian livestock industry provides about 50 per cent of the farm cash receipts in this country. He may not be aware that only 20 per cent of the research dollar is spent in this area and only 6 per cent of this 20 per cent is related directly to research in diseases of livestock.

Tonight I would like to talk for a moment about a research laboratory in Saskatoon with which I think the minister is familiar, the Veterinary Infectious Disease Organization, VIDO. Some years back the farm community and veterinarians in the country recognized this gap in research. They were

able to mobilize funds and build a $4 million laboratory in Saskatoon on the campus of the University of Saskatchewan. It is not part of the university. It is simply located there because it is close to the college of veterinary medicine, and the university donated the five acres of land on which the laboratory is located. The board of directors is made up of 12 members, five of them producers representing all the main producer groups. Two are members of the University of Saskatchewan and the three are from government, one each from the government of Alberta, the government of Saskatchewan and the federal government. There are also two businessmen on the board.

The producers select the diseases to be researched. They are looking for diseases which cause great economic loss to the producers of Canada. The first one they picked was neo-natal diarrhoea in calves, or calf scours. The minister is probably aware that this laboratory has done some outstanding work. It made a major breakthrough two years ago and has now licensed to Connaught Laboratories a vaccine which is very efficient in preventing scours caused by E-coli in calves.

This vaccine is now licensed in the United States. It is hoped to have it licensed in South America and Europe soon. There will be a good dollar return to Canada from sales of this vaccine.

It is interesting to look where the funding came from for this laboratory. Over 60 producer groups from across Canada have put in money. For example, the Canadian Egg Marketing Agency put in $50,000, the Canadian Turkey Marketing Agency, $200,000 and the Alberta Cattle Commission $90,000. I could read on and on. The government of Alberta put in almost $2 million and the government of Saskatchewan over $1 million. The British Columbia government contributed, as did the government of Manitoba. The drug companies put in about $200,000 and the Devonian Group of Charitable Foundations, located in Calgary, put in approximately $3.5 million.

To date about $8,800,000 has been donated by these various groups along with dozens and dozens of individual producers. It is interesting to note that over the seven-year period this lab has been in existence the federal government has donated $43,000 to this institution, which is less than one-half of one per cent of total capital expenditures and operating costs to date.

The director, Dr. Chris Bigland, a world famous figure, was recently selected by the Ontario Veterinary Association for his outstanding contribution to the science and given an award. I think the last person to get this award was James Herriot. It is an extremely efficient, well run and good research laboratory.

The director has been to Ottawa about 25 times to solicit funds for this laboratory. These trips have cost from $30,000 to $50,000. He has met with Agriculture Canada, the Science Council, the Ministry of State for Science and Technology, the Ministry of Trade and Commerce, the NRC, NSERC, IDRC, EDP, the food and drug directorate of health and welfare, MRC, Canada Manpower and DREE. He has presented three briefs to the minister, one in 1975, one in 1978 and one in 1979.

My question to the minister is this: what is wrong with the federal government? Why can we not afford to put some meaningful funds into this laboratory? It is doing an outstanding job. They are also working on poultry and swine diseases and have launched a major drive on shipping fever in cattle.

I should also add they are getting royalties from Connaught Laboratories, but this vaccine they came up with is not patentable. They will probably lose the lead on that in two or three years, and the money coming in from the royalties will be diffused by other companies getting into the business. I ask the minister to comment on the fact that only 6 per cent of the 20 per cent figure for research is designated in Canada for disease research in livestock and on the fact that the federal government has seen fit so far to only put a piddling amount into this laboratory.

Mr. Whelan: Mr. Chairman, I am very much aware of the laboratory and the research the hon. member is talking about. It is tremendous that somebody else is getting into research. I have the largest budget for research of any ministry in Canada. This year we are spending $155 million on research. There is nothing wrong with what is spent by governments on agricultural research. The federal government pays for 98 per cent of the research and the provinces 2 per cent.

The hon. member mentioned that the money is put in by Alberta. I think that is a tremendous thing to do with their Heritage Fund. If they would give me a couple of million bucks or a little pile of it, I would spend it on research. The hon. member for Vegreville is sitting with a very charitable look on his face as though he thinks that is a good idea. I can see this disease which causes a high mortality rate in calves being controlled by research.

The hon. member for Medicine Hat talked earlier about cattle and increasing the population. I am very much aware of what this disease causes in some areas. Going from memory, I believe we lost as much as 55 per cent of the calf crop in some areas. That was a tremendous loss.

All research done with regard to livestock is done to benefit all parts of Canada. The hon. member acknowledged that. The fact that donations have come from across Canada, including the marketing agencies, shows that they have faith in what is being done. I think more money should come from the private sector rather than the government sector. I would love to be able to say that I have money for them and will give it to them. We have tried to find ways to help them. We are ready to move 12 of our scientists from the laboratory in Guelph to work at the university laboratories in Saskatoon and to work in conjunction with VIDO. That is not exactly what the member for Medicine Hat said he wanted. However, I did mention VIDO when he made representations to me about agriculture research in western Canada. He was making a comparison. He said we spent more in eastern Canada than in western Canada. I saw the hon. member at the B.C. cattlemen's annual meeting in Cranbrook. He made a representation to me there about it.

I think this is one of the most worth-while programs there is. If they can find a cure for this disease, it will be a tremendous breakthrough. I just don't have the funds.

Mr. Mazankowski: On a point of order, Mr. Chairman. The Minister of Agriculture referred to me in his comment. I want to point out to him that one of the reasons the province of Alberta has a heritage trust fund is because it exercises prudent financial management. If the government of which the Minister of Agriculture is a member would exercise such tight fiscal managerial controls over the funds entrusted to them, they would probably have some money to spend on some of the programs to which my colleague is referring.

The Chairman: The hon. member has hardly made a point of order.

● (2230)

Mr. Gurbin: I should like to follow the questions put forward by my colleague and try to spend more time on research and development. I will make my questions short so as to get short answers as well and perhaps cover some of the relationships between agriculture and energy. It is an increasingly important area. If the minister and his department understand this area they certainly do not seem to have been very successful in bringing forward solutions for some of the problems which are developing. From some of the answers given here, the minister seemed to indicate he felt that Agriculture Canada was indeed putting what it should into research and development. However, his own research and development branch, particularly on the basis of the comments they made in front of the alternative energy committee, is well aware their efforts are very much less than they should be. They are now getting $1.5 million to do all the research and development for energy related to agriculture for the whole country in an area where the federal government clearly should be taking leadership. Even to do the basic minimum they would need about $9 million in about 30 man-years. Would the minister comment as to whether he feels that is an appropriate level of funding and of man-years?

Mr. Whelan: Mr. Chairman, the hon. member mentions a figure. As early as 1974, Agriculture Canada began funding research on alternative energy for agriculture. The funds invested in contract research are now $4 million. We know that research is very important. Some of our own people point out that for every dollar invested in research a $9-return is received. We have funded over 50 per cent of all research done in Canada. Let us not forget about the amount of money we give to universities. When I first came to Ottawa we gave $26 million to the higher schools of learnings. Last year we gave well over $2 billion to the higher schools of learning and they are doing a lot of research in agriculture. We are paying 50 per cent of all administration costs in universities out of federal taxation moneys. Even the school where the hon. member received his medical education benefits; it cost us $250,000 to put him through school. That is not done for very many young farmers in any fashion or form. The veterinarians who go through school are funded by this tremendous amount of money and we are accused of being the bad financers of the country and the mismanagers of the economy. Alberta takes 45 per cent of the revenue from the resources from under the ground and we did not contribute anything to them, we just happened to be living on top of them. If that is good management then I would like to be part of that good management. Perhaps then I could look after some of those things they want me to spend more money on such as research. I do not have the resources to draw from. It has very little to do with good management as the hon. member for Vegreville said. They do not know what to do with it. They do not know how to spread it around and make it grow.

Mr. Gurbin: Mr. Chairman, the minister has been very ably side-stepping my question. The point of the issue is that agriculture uses about 3 per cent of all of the total energy demand of the whole country. I am not asking him about Alberta or some other province managing its own resources or whether Quebec is looking after its hydroelectric power any better than Alberta is looking after its oil. I do not think that is relevant.

Will the minister provide some leadership at the national level to farmers who have problems with energy costs relating to the operation of their tractors and energy costs related to fertilizer costs. The National Energy Board tells us there is going to be an increase of $4.5 per barrel of oil per year for the next three years. That equates a cost of production going from $3.5 per acre up to about $14 per acre depending on what farmers are growing.

The Canadian Federation of Agriculture came before us and presented a brief asking the federal government to provide some leadership. I am asking the minister to do three specific things and comment on whether he thinks they are appropriate for the government to do at the national level. One is to audit on-farm energy uses so that Agriculture Canada may tell farmers where they can save, where they can conserve and where they can implement proper oil substitution measures. The second is to make an on-farm assessment of what opportunities are available for different farmers to take advantage of alternate energy forms. There are many energy forms but I do not have an opportunity here today to talk about all of them. The minister is well aware of some of them. Even though he has not done anything as yet and even though Agriculture Canada has not replaced one drop of oil on farms for farmers who have to work their fields, there are many, many opportunities. They could be assessed, they could be described, and assistance could be given.

The final thing the minister could do would be to assist at government level to provide the co-operative framework for farmers to put in pilot projects on farms for things such as ethanol plants. Those are three of the things the Canadian Federation of Agriculture asked for. Will the minister tell us if he will help through Agriculture Canada to provide that kind of assistance?

Mr. Whelan: Mr. Chairman, if I understand correctly, the hon. member is talking about energy conservation demonstration projects.

Mr. Gurbin: These are three simple things the Canadian Federation of Agriculture has asked the federal government to assist with. I do not think the minister is "with it" as far as energy is concerned. I do not think he has a concept of what energy audit is all about. There is energy in and there is energy out. That is tremendously important in understanding how to manage energy resources. Farmers have energy inputs and energy outputs and Agriculture Canada could help to determine what those are through an energy audit. Then there is an assessment function which could be undertaken; Agriculture Canada, through some of its facilities would provide an assessment of the opportunities on a particular farm scene for taking advantage of different energy forms or for substitution away from oil. This is something his government has put forward as a priority. The final thing is pilot projects. This is clearly the way we have to go—through co-operative efforts and pilot projects to make sure we get some of these alternative energy sources developed.

Mr. Whelan: The hon. member has his view about my understanding of energy input and output on farms and that is his right. We have studied the energy input on farms. For instance, we have produced grain which is going to provide energy, we have assessed the amount of energy collected from the sun to produce crops and so on. We have done a lot of work on that. There is $8 million unused by the Department of Energy, Mines and Resources for pilot projects and submissions have been made to them and considered by the agricultural engineering department. I think there are some 40 demonstration projects of energy conservation and new ways of creating energy in Ontario at the present time, not paid for by my department but by the Department of Energy, Mines and Resources under that special fund. It is not $1.5 million; I believe there is $140 million in that fund for such programs. A lot of farmers are using them. The hon. member talks about the Federation of Agriculture and their farm audits. I do not know where the Canadian Federation of Agriculture got that idea. I have talked to some farmers about it and they are saying, "Are they telling me that I don't run an efficient operation, that I don't know how to run an efficient tractor, that I don't know how to cultivate my soil in the proper fashion?"

The whole program put forth by my colleague, the Minister of Energy, Mines and Resources, takes in a wide sphere of things for conservation of energy and energy use.

● (2240)

I am just a plain ordinary farmer. I am not a highly educated person, but I know that all of the things about which the hon. member is talking are very important.

The Chairman: Order, please. I regret to interrupt the hon. minister, but the time allotted to him has expired.

[*Translation*]

Mr. Tessier: Mr. Chairman, as you well know, I cannot let the opportunity pass by without mentioning the good battle I am waging with and on behalf of the farm producers of my riding. They all agree our Canadian dairy policy, has been quite sucessful and I am particularly proud to acknowledge the wonderful co-operation we have received from the Liberal government especially the Minister of Agriculture. Mr. Chairman, earlier today we heard the hon. member for Joliette praise and recommend the retention of our policy in all its aspects for which he tried to obtain a commitment from the minister.

However, Mr. Chairman, I would like to remind the hon. member for Joliette who used to boast he was the only real Quebec representative, that the Canadian dairy policy has been based on serious thoughts and hard facts, particularly with the co-operation of members from Quebec. I believe the hon. member for Joliette should be corrected when he claims members on this side do not assume their responsibilities. That policy has not been designed in a haphazard way. It is the result of the combined actions of the present liberal government and the former liberal government whose policies proved very satisfactory to producers over the years.

I do not want to take the time of the House as I think the various aspects of the dairy policy have already been dealt with in many ways. I only would like to address one aspect which has not been discussed so far, and which should shed some light on the whole matter in view of the fact that the Chairman of the Canadian Dairy Commission—and I take this opportunity to congratulate him for his outstanding job—gave us the reassurance that the Canadian dairy policy should be open and clean, but I have a reservation to make on that point as I happen to believe sour manipulations have taken place, which must be brought out into the open. Unfortunately I must, in their respect, blame the attitude of the Quebec Farm Marketing Board which, with the apparent and probable complicity of the present Quebec minister of agriculture, refused to let the board launch an investigation which had proved necessary.

I strongly urge the Minister of Agriculture to provide fair treatment, especially for small producers, so that they may have a marketing board whose operations will be clear and straightforward and of which they can be proud, even though every aspect of its activities must be protected if we want to keep the confidence of producers in all sectors of agriculture.

Mr. Chairman, being certain that the government will be willing to proceed with this investigation, I would like to speak of a matter which has not been neglected until now but which deserves further attention. In the past, the federal government has provided many tools to the agricultural producers of Canada, and it is of one of them that I would like to speak, namely, the Livestock Feed Assistance Act. As you know, Mr. Chairman, there is a Canadian Livestock Feed Board in

Montreal. This board is responsible for all Canadian provinces except the prairies. This year, the act was amended to include the Northwest Territories and the Yukon. As a matter of fact, this government initiative was aimed at meeting several needs. Through their farming associations, the producers were complaining of supply problems in obtaining all the feed that they needed for their cattle and poultry. We had been informed at the time that grain inventory transfers at Fort William-Port Arthur, now Thunder Bay, were often insufficient to meet the needs for winter through the seaway before the shipping season came to an end.

Grain suppliers tried to ship all the grain needed for the winter months before shipping closed. Because of insufficient stocks, eastern Canada suppliers had to obtain significant quantities by railway at a surcharge of $13.20 per tonne. This resulted in undue price increases. There were often problems in storing enough grain at the port of Montreal before the shipping season ended because of competition for space between grain for export and grain for the domestic market.

For all these reasons, the Canadian Federation of Agriculture recommended that the government create a special board. This board now has approximately the powers recommended at the time by the Canadian Federation of Agriculture, and also by the Standing Committee of the House on Agriculture and Colonization which had examined the issues concerning feed grain prices since March 22, 1965. There were therefore two major problems at the time, a supply problem and a price problem. We cannot say that all problems have been solved, but there is at least an agency which can respond in a case of emergency, find solutions and help livestock producers.

I talked earlier about the territory covered by the board since the promulgation of the Livestock Feed Assistance Act on November 16, 1966. I would like to point out that this territory includes the provinces which report deficits in the production of feed grains. For instance, Ontario still has a deficit even though it has greatly increased its production of feed grains. Naturally, it must be pointed out that part of the Ontario production is used for human consumption and alcohol production. The objectives of the Livestock Feed Assistance Act are very clear. Indeed, Mr. Chairman, the board must ensure, first, the availability of feed to meet the needs of livestock producers. Second, the availability in eastern Canada of sufficient feed storage space to meet the needs of livestock producers. Third, reasonable stability of feed prices in eastern Canada, British Columbia, the Yukon and the Northwest Territories. And finally, a fair equalization of feed prices in eastern Canada, British Columbia, the Yukon and the Northwest Territories. These objectives are of major importance for eastern Canada and British Columbia, and indirectly, for the country as a whole.

Canada is a very large country with a population greatly concentrated in the southern part. Moreover, we have to face an extremely rigorous climate during winter, and the most economic route, the St. Lawrence Seaway, is paralysed for four months of the year, which makes the distribution of grains even more difficult. In addition, Canada has one of the most sophisticated food diets in the world, based largely on protein products. Such a diet means that we have to produce large quantities of the products required by consumers, and as we all know, for many animal products, feed grains represent over 60 per cent of production costs. If we examine more closely the objectives of the Livestock Feed Assistance Act, we realize that the government has acted promptly whenever the normal flow in the transport and handling of feed grains has been interrupted.

I especially recall the enormous difficulties that farmers had in the spring of 1975. The possibilities of interruption are always present because of the size of our country, the complexity of the industry, and the many factors which can interfere with this industry. The act provides the board with certain well-defined powers. For instance, the board can make payments for feed storage costs in eastern Canada and payment for the cost of transport of feed grains to livestock producers or for their benefit in accordance with the regulations.

● (2250)

In addition, the board can negotiate with those who store feed grains to reduce and stabilize storage and handling costs and provide sufficient space for feed storage in eastern Canada. The board can also distribute the storage space allotted for its use among those who need it in eastern Canada. It can direct negotiations to obtain import permits. It can also purchase, sell and store grains with the authorization of the governor in council.

The board also has very specific duties, Mr. Chairman, namely, to provide an ongoing review of the feed needs of eastern Canada, British Columbia and the Northwest Territories, of feed availability and the need for additional storage space for this feed in these areas. It must also make recommendations to the minister concerning the need for additional feed storage space in eastern Canada. As a rule, the board also advises the government on all matters relating to stabilization and fair equalization of feed prices for livestock feeders; as well, inasmuch as it meets these purposes, it consults and co-operate with all departments, ministries, branches or any other government agencies of the federal government or of a province whose attributions, purposes and objectives are similar to those of the board.

The governor in council may occasionally authorize the Board to inquire and do some research on all matters directly relating to transportation, storage and handling of feed grain in eastern Canada and British Columbia, to feed supplies and prices in these regions, to payments made for feed storing and moving expenses under the Livestock Feed Assistance Act. The minister and the board benefit from advice given to them

by an advisory committee made up of livestock feeders from eastern Canada and British Columbia as well as the Northwest Territories and appointed by the governor in council.

I am perfectly aware of the fact that Canadians do not always know the important powers and duties of the board, and that is why I wanted to mention them. I should say as well, Mr. Chairman, that we have the responsibility to take advantage of this debate on supply to remind the duties and powers of the board to our colleagues of the opposition who are not only questioning the *raison d'être* of the Livestock Feed Board, but who also want to see it disappear, as we have been able to hear.

Mr. Chairman, I therefore want to establish beyond any doubt not only the rationale of the board but also its ability to meet the needs of producers in these regions I have mentioned on many occasions. The board is still carrying on several activities. You are already aware of its participation in the area of transportation assistance. You know also that many changes were made to this program in 1976 and that two-thirds of the program have been cancelled in Quebec, and most of it in Ontario. However, funds have been paid to these provinces over five years in order to set up feed grains conservation facilities at the farm level.

When you travel across the country in those provinces, you will note that numerous facilities have been erected, to the point that these farm buildings have changed the scenery. The transport assistance program remains very useful to the maritime cattle producers, and certainly in Newfoundland where there would be no cattle production without that program. It is also very useful in British Columbia, where production costs are very high. The program allows for greater domestic use of western feed grain, and also Ontario corn in some areas of Quebec and the Atlantic provinces.

I would also like to point out that in Quebec, the transport assistance program has been maintained in remote areas such as Saguenay-Lac-Saint-Jean, Abitibi-Témiscamingue and the Gaspé Peninsula. Over these last few years, Mr. Chairman, the government introduced a program to ensure greater storage space in eastern Canada and B.C. This is in three parts.

One program provides for the expansion of flour mill storage facilities. There has been extensive use of that program in the province of Quebec and also, to a lesser degree, in the other provinces. It will improve feed grain storage facilities at the processor level. The other two programs cater to inland elevators. I am told that these programs, especially the new elevator construction program, has met with extraordinary success in eastern Ontario. That program could not have come at a better time, when Ontario was increasing significantly its grain production. I am assured that this increase in the number of inland elevators will be followed by considerably increased corn sowing in eastern Ontario during the next few years. Besides, this program certainly enabled the grain producers to reduce considerably their transportation costs and consequently add to their revenues. Such a program was called for because livestock producers living on their farms were extremely dependent on a few elevators which had traditionally been used mostly for the export trade.

Mr. Chairman, I hope that these few minutes I have taken to deal with the different aspects of the duties of the Canadian Livestock Feed Board will have proved without question not only reasonably but with certainty that the Canadian Livestock Feed Board has a *raison d'être* and that our government is justified in helping and maintaining it.

[*English*]

Mr. Reid (St. Catharines): Mr. Chairman, some members might wonder why a representative of an urban municipality should intervene in this agricultural discussion, but all here should be interested in the preservation of first-class soil for future agricultural purposes. The Niagara region is agriculturally a well diversified area; its orchards and vineyards are renowned. It is an exceedingly small part of the country, but it is favoured in many ways. It is favoured by ample precipitation, rich soil and a temperate climate which, together with the determination and the individual initiative of its farmers and growers, has yielded produce far beyond expectations.

● (2300)

However, the concerns of farmers and growers in the Niagara region are echoed all across the country. Issues such as urban expansion into productive agricultural land need to be resolved so that some balance between the two can be preserved. The entire question of what the farmer can expect as an equitable return for his labour must be addressed, for farming is an expensive proposition to undertake. For example, while the consumer price index rose by 95 per cent from 1971 to 1979, the farm price index increased by 130 per cent. For 1979 alone farmers experienced increases of 14 per cent in machinery costs and an additional 7 per cent with respect to labour. These are only a fraction of the total costs which the farmer must bear if he is to remain productive, and many simply cannot meet these costs with the result that every year the number of farms declines by 4 per cent. Canada is losing valuable agricultural land yearly, not through the adversities of nature, but through government neglect and indifference toward the problems of the farmer. Nowhere is this more graphically evident than in the Niagara Peninsula.

The minister knows of this conflict with respect to land use and the competition which exists. So, I want to leave my first question with him: is the minister or the Government of Canada content to leave the preservation and protection of farmlands to provincial and municipal governments and their zoning bylaws, or does the government have a land use strategy which will preserve class one lands, for example, for future agricultural purposes?

Today there are some 900 grape growers working 27,000 acres of vineyards. Capital investment for both vineyards and wine production is now in excess of $132 million, and the goods and services purchased annually by the industry amount

to more than $38 million. Also, the grape and wine industry is one of the most heavily taxed enterprises of its size in Canada. While the growers realized $19 million in gross revenues last year, the federal and Ontario governments earn through excise and sale taxes approximately $100 million. In per acre yield this would represent an earning for both governments of $8,500 per acre. But this only touches the surface of the problems confronting the Canadian wine producers and the grape-growing industry.

Beginning last April the government imposed an exercise to increase on table wines, fortified wines and brandies. Wine sales plummeted downward, and in the October budget some relief was given to fortified wines. The tax continues on table wines, which is the most marketable product, and on brandies produced in Canada. Canada is the only wine-producing country which is literally taxing its own industry so heavily that imported products are awarded the advantage. Countries such as Austria, Italy, South Africa, Australia and West Germany impose no tax on their domestic wine products.

In terms of tariff protection, the Canadian government has not only effectively removed the $2 per gallon preferential treatment for Canadian brandy, but it instituted a policy under the Tariff Board decision of March, 1979, whereby the 20-cent per gallon tax grape juice used for wine-making purposes entering Canada was removed.

This allows for the importation of cheaper Brazilian grape juice into provinces other than Ontario for processing into wine which then competes with our totally Canadian-produced wines. Even if the imports are processed into non-alcoholic products, they are successfully closing the door to a market for Canadian surplus grapes.

My second question to the minister is: Why is there the necessity for the continued importation of offshore grape juices when the vineyards of Ontario can supply all the grape juice concentrate required for wine production in the country?

The specific case of the Canadian brandy industry most dramatically illustrates how government taxation has affected grape growers, distillers and consumers. Since 1972 the Rieder Distillery, which is located in my area, has played an important role in the agricultural life of Niagara grape growers. It began operations by purchasing 580 tonnes of low quality and surplus Labrusca grapes. By 1979 it was purchasing 4,000 tonnes of those same grapes. These were surplus and low quality grapes for which the distillery provided the only market.

Growers need this outlet and the Department of Agriculture recognized this need. In 1980 alone the projected purchases are estimated by the Agricultural Products Board at between 4,000 and 5,000 tonnes of grapes. The total cost to the Canadian taxpayer will be in the area of $2 million. The declared objective of this policy is as follows: because of the surplus which became apparent this year as a result of the April tax increase, the federal government will buy the grapes and have them processed by the wine industry into brandy which will be stored until the market is more favourable. It is both a contradiction and a flagrant waste of money to impose an excise tax which has cut the sales of brandy by 50 per cent since April of this year, and to turn around and buy the surpluses to be made into more brandy which will not be sold as long as the tax remains.

Brandy sales from 1978 to 1979 increased by 364 per cent, placing it first in Canada's brandy market. All those gains have been eliminated by the April excise tax increase. Mr. Rieder, the founder of the market for waste and surplus grapes, simply stated that he will stop buying grapes, sell off his existing stock at whatever price the market will bear, and close up shop.

In light of the minister's earlier commitment to the wine industry and to the grape grower of Niagara, I ask him to take such action as is necessary to restore this Canadian product to a competitive position so as to assist the Canadian distiller and provide some market to the Canadian grape grower for his surplus crop. I would be pleased to hear his answers.

Mr. Whelan: Mr. Chairman, I am sure the hon. member is well aware of what we have to do with land resources. I remember when the hon. member was mayor of a certain city and he annexed a large agricultural section of the Niagara area. He knows that it is under provincial jurisdiction, and that the federal government has nothing to do with land resources. I know what I would have told the mayor at that time, if I was a farm representative on a municipal board. I would have said, "You only have so much of that class land, you should not take it for urban development and roads".

With regard to the federal land policy, we have done all the mapping for the provinces, showing the various classes of land. Under the constitution we cannot move in and say that land shall not be used in the way someone is suggesting it should be used; I wish we could.

When the hon. member talked about the tax on grapes, let us be fair about who takes the biggest share on grapes which go into the making of wine. It is the province of Ontario. The province of Ontario takes double that of the federal government. We lowered the tax on wine. We said we would not implement the Crosbie tax.

I know the hon. member did not want the Crosbie tax on wine, and we fulfilled that part of our promise. Somehow brandy was forgotten, but let us be fair about brandy. Who created the brandy industry? It was the Minister of Agriculture for Canada who created the brandy industry and a former manager of the Grape Marketing Board who was later my executive assistant. We developed that program. He made representation to me when he was minister. He did the kind of things, Mr. Chairman, which made it possible for us to start a brandy industry. We are not finished with that yet, as far as I am concerned, and some of the members on this side of the House—

• (2310)

The Deputy Chairman: The hon. minister may have a chance to conclude his answer after the next speaker is finished. The hon. member for Malpeque.

Mr. Gass: Mr. Chairman, I see the time is slipping away and there are so many things I would like to question the Minister of Agriculture about. The hon. member for Carleton-Charlotte raised some questions with regard to the seed potato industry as it affects eastern Canada, New Brunswick and Prince Edward Island. It is a concern of mine as well because of the importance of the seed potato industry to P.E.I. I would like to ask some questions on the feed freight equalization program and the feed freight assistance program as it affects dairy producers, beef producers and egg producers in P.E.I. but I am afraid that time does not permit that.

I will move directly to some questions regarding dairy policy. I will be brief. The five-year federal commitment to the dairy program and the forward pricing policy implemented in April of 1975 has not yet been renewed. I understand an extensive interdepartmental review of Canada's dairy policies is under way in the government. The five-year policy has been very successful according to the dairymen. Dairy producers across the country support the retention of this basic industrial and consumer policy. I listened intently earlier this evening when the member for Joliette dealt with the same topic. He was able to extract from the minister the fact that the program, the forward pricing policy, would be in effect in 1981. I am concerned about four years down the road, after 1981. I would like to know whether the minister can assure dairy producers that another five-year federal commitment for forward pricing can be guaranteed. As part of the federal stabilization program a direct subsidy is paid to producers of milk used in the manufacture of dairy products in order to moderate the price of dairy products to consumers. This subsidy, by encouraging consumption, enables Canada to have a larger milk industry than would otherwise be the case. The direct subsidy paid on a per hectalitre basis has remained at the level of $6.03 since April 1, 1975. In the five years since then, the real value of the subsidy has declined to $3.46. This has meant a progressive reduction in the real cost of the direct subsidy program to the federal treasury.

Another question I would like to pose to the minister is: can the minister assure dairy producers that there will be no reduction in the dollar amount of the direct subsidy paid to the producers? And, are there any plans to increase the amount of the subsidy? Dairy producers in Canada have just completed a very successful conference on milk recording. Milk recording involves the measuring of production of each cow in a dairy herd. This aids the farmer and makes for efficient dairy farm management. More money has to be put toward this aspect of dairy farming. Producers realize they will have to pay more, but they are anxious the government should also contribute. Can the minister assure dairy producers that the government will continue to back producers efforts in milk recording and that it will continue its commitment to this important aspect of dairy farm management?

Mr. Chairman, I have four questions for the minister. Can the minister assure dairy producers that another five-year federal commitment to forward pricing will be guaranteed? Can the minister also assure dairy producers that there will be no reduction in the dollar amount of the direct subsidy paid to producers? Are there any plans to increase the amount of this subsidy? My last question to the minister is: Can the minister assure dairy producers that the government will continue to back producers efforts in milk recording, or record of performance, and continue its commitment to this important aspect of dairy farm management? I will allow the minister time to respond because I want his answers.

Mr. Whelan: Can the minister assure the dairy farmers of Canada that they are going to still have the dairy policy which has been the best in the world? I think that was the question the hon. member asked. The answer is yes.

Mr. Gass: For how long?

Mr. Whelan: Mr. Chairman, it has been pretty good for eight years. Even when the other government was in power they did not do anything to change the wonderful program which we had developed over a period of time.

With respect to the ROP program, yes, it will continue. It is one of the best in the world. It has developed the best genetic breed lines of cattle in any place in the world. It is the envy of the world. So the ROP test program which we developed over a period of time we will continue.

Will we increase the subsidy to farmers? No, because the pricing formula takes care of the increase which the farmers need to have a healthy dairy industry. It is one of the best in the world.

I think I have covered all the hon. member's questions.

Mr. Gass: One question, Mr. Chairman, which the minister did not answer, and I am sure it was an oversight on his part, was: can the minister assure dairy producers that there will be no reduction in the dollar amount of the direct subsidy paid to the producers?

Mr. Whelan: Mr. Chairman, there has been no suggestion by me or anyone that there should be a reduction. We have not lowered it, nor have we increased it for five years. It has remained the same. The pricing formula allows them to get their return from the marketplace, which was the intention, as I said earlier today. Before the disastrous world situation arose, when the European communities threw hundreds of thousands of tons of skim milk powder and other dairy products on to the world market and depressed prices, we had the best managed supply system we have ever had in the history of the dairy business. I do not believe we have any unsold product at the present time. There are very low stocks in our warehouses and whatever is in them is sold.

Mr. Gass: Mr. Chairman, I would like to thank the minister for answering my questions. I have a few others which I would like to pose but I think time limits me. I am interested in what proposals the minister has to assist dairy producers, beef producers and egg producers in the maritimes regarding freight feed, grain freight equalization. I have noticed that from 1973 to the present time the cost has gone up from

$16.31 per tonne to $36.70 per tonne of feed grain transported from Thunder Bay to Charlottetown. I have correspondence from the egg producers in P.E.I. which say they are having problems competing with Ontario and that they desperately need more assistance and more consideration in the area of feed grain freight equalization.

Mr. Whelan: Mr. Chairman, I am surprised to hear the member say he has correspondence with egg producers because egg producers are operating on a cost-pricing formula which takes into consideration the cost of feed, their interest charges, taxes, etc, the energy they use and so on. So if their feed is costing them more they are one of the groups which can recoup that cost from the product they sell. He says they cannot compete with Ontario producers but the vast majority of Ontario producers get no feed freight assistance whatsoever. Only in parts of northern Ontario is there any feed freight assistance at all at the present time. In all of southern Ontario, from North Bay southward, I do not believe there is any feed freight assistance whatsoever. There are a lot of people who have this misconception, but all I can say is that poultry producers of any description are properly looked after by a cost-pricing formula.

● (2320)

Those who choose the free market system to market their hogs and beef have no formula. If the market price is high enough to give them a proper return for their product, then they can pay for their feed. But if the market slumps and feed prices go up, there is no pricing formula and if they lose then they must seek support from the federal government under the agricultural stabilization plan if they are beef producers. And if they are hog producers they must ask for support from the provincial insurance program, which I understand went bankrupt last year because it ran out of funds.

Mr. Gustafson: Mr. Chairman, it is a pleasure to participate in this debate on agriculture. I represent an agricultural constituency, Assiniboia, which produces more wheat than any other constituency in Canada. I have listened with interest to the remarks of the minister over the past two days, particularly as they have related to his sabbatical leave. During his short sabbatical, the hon. members who sit in front of me, the hon. member for Elgin and the hon. member for Vegreville, did more for agriculture and transportation respectively in eight months than has been done in this country in 12 years.

The farmers of our area want a chance to produce, and I hope the minister will listen to their demands. The *Toronto Star* of today has a headline, "Put Canada to Work". The Economic Council of Canada says that we need to produce. What programs is the minister putting into action which will allow the farmers the opportunity to produce, to see their production marketed and to have their produce transported to market should the situation arise?

The minister was fortunate in a sense that production in the west was down because of the drought. I hope the Minister of Agriculture and the Minister of Transport will not rest on their laurels but continue the work which was begun by the hon. member for Vegreville and the hon. member for Elgin.

Mr. Whelan: What a bunch of nonsense!

Mr. Gustafson: Our farmers have some very special concerns, the first of which is the initial price of wheat. For the past two days the question has been asked again and again, "When is the minister going to announce the initial price increase in grain." We all know it has been selling for as high as $8 a bushel on the Vancouver market. But the minister says the farmers do not want the money. The minister responsible for the Canadian Wheat Board is saying that one way or another farmers do not know how to handle their money.

Many young farmers who find themselves in a cost-squeeze situation where it is very hard to pay the high interest rates charged for machinery and repairs to equipment; it is affecting production in general in agriculture today. The farmers are asking the government and the minister's department to jolt the minister for the Wheat Board into action in this regard.

A number of other questions come to mind. I received a letter today from a very concerned farmer in Scout Lake, Saskatchewan, who wanted to know what the government was doing about metric conversion. There is real confusion when the Prime Minister says in the throne speech that he will give special consideration to western Canada because his party has no members in that part of the country. What kind of consideration have we received? The Minister of Energy, Mines and Resources wants to take over our resources. The minister responsible for metric conversion has caused confusion in the area. What does the Minister of Agriculture intend to do about metric conversion? The farmers and rural municipalities want to know whether the government will be calling acres hectares in the near future. The CBC has indicated that the chemical companies will be going to metric conversion. I would like the minister to answer on this matter, possibly by letter if there is no time this evening.

Another important area of concern to farmers is land ownership. They are concerned about the capital gains tax and the broken election promise on the evaluation day which is to be updated from 1971 to 1974. With regard to land ownership, does the Minister of Agriculture know that the Saskatchewan government has purchased about one million acres of land in Saskatchewan? Does the minister believe in state ownership? Will this socialist government in Ottawa join the socialist government in Saskatchewan and some day develop an aggressive policy on the ownership of land? This is a very important question to Canadians and the Saskatchewan farmer is particularly concerned. The Saskatchewan government bought up 65,000 quarter sections of prime land through a tax system which will eventually enable the government to take over ownership.

As farmers, we ask for the right to be productive. If the farms are owned by the state, Canada will quickly forget what the word production means. This is an important question which any minister of agriculture in a country such as Canada

must take into consideration—the direction which the country will take with regard to land ownership.

In closing, I suggest that farmers be encouraged to produce. Production must not be restricted through taxation or in any other way. The government must fall in line with an economic development program so that Canada can become the productive country that it should be.

The Deputy Chairman: Order, please. There are only 30 seconds left for the minister to answer.

Mr. Cooper: Mr. Chairman, I am glad to have this opportunity to discuss agriculture tonight because it is the principal interest and primary concern of many people in my riding. I will be brief because I want to hear some comments from the minister.

● (2330)

Tonight I shall focus very quickly and briefly on two subjects. The first is research and development. We must bear in mind the need for research as well as the need to translate it into farming techniques. The proof of success will be higher quality and production of farm products.

The second concern is transportation, particularly the transportation of farm products to market. It is useless to increase production if the crops cannot be brought to market. They just end up sitting on the farm, costing money.

One of the primary concerns in regard to research and development is rapeseed. The present strains are not adequate to cope with soil conditions and climate. The federal government ought to provide leadership in producing a seed better suited to our area. Another concern is beekeeping. I am sure the minister is aware that the honey capital of Canada, the town of Falher, is located in the heart of my riding and that a lot of residents derive their livelihood from keeping bees. Bees are brought in every spring from California at considerable expense to farmers and with the risk of less. Again, the federal government ought to demonstrate leadership by providing research to develop a strain of bees that could winter in the area.

The third area of concern, not only to people in my riding but to people all over Canada, is the on-farm production of farm fuels. I know that other members have indicated their interest in the subject. I understand that the possibility of using "canola" as a substitute for diesel fuel has been tested and found to be practical, although it is extremely expensive at the moment. We are all aware that energy prices are rising and that at some point farm substitutes should be available as they will be a viable option. I call on the federal government to show leadership in research in regard to this.

On this matter of research, Mr. Chairman, I should like to ask the minister if he will consider the possibility of forming an independent joint federal-provincial industry commission which would be responsible for carrying out the policy of the government for the co-ordination of research and development and see that discoveries are translated into action on the farm.

I want to come now to the matter of transportation. The ultimate potential of my area cannot be realized under the present transportation system, which is inadequate. I know the minister will find this somewhat out of his area but I should like to draw his attention to the annual report of Agriculture Canada which states that the mandate of the minister is as follows:

—to develop the nation's agriculture and food system to meet the needs of Canadians for reasonably priced food and at the same time to provide farmers with a fair return for their labour and investment—

I should like to draw attention to three areas in my riding, Mr. Chairman, Valleyview, Worsley, and Lacrete. In these areas farmers are forced to transport their grain an average of 120 kilometres as opposed to the prairie average of 20 kilometres. They face six times the usual cost, and as energy costs rise we know they are going to have a more difficult time maintaining their level of profit. Other farmers enjoy subsidized freight rates but these farmers receive no subsidy.

The minister will realize that there are two possible solutions to the problem. The first is to build a railway to the area but the farmers have ruled this out, as I have. We are aware that it would cost in the neighbourhood of $4 million per year over a life expectancy of 25 years. We know that this is impracticable. There is a second possibility and that is the off-line elevator concept.

● (2335)

There are three conditions that must first be met. The first is to get an elevator built on the site. The second is an adequate supply of hopper cars for on-line elevators to take away the extra grain. The third is simply a commercial trucking subsidy to cover the cost of transportation between the off-site and the on site elevators.

The grain companies have indicated their interest in getting elevators established at these off line points. Therefore, the first concern is taken care of. The second regarding an adequate supply of hopper cars has basically been taken care of. My Liberal supporter has just left the chamber, so I am a bit concerned. On November 19, 1980, the Senator responsible for the Wheat Board said in the Senate, and I quote:

—if and when there is a provision for off-line elevators, it absolutely follows . . . that there would be a fair allocation of hopper cars within that area so as to accommodate the extra grain that is going into those off-line elevators.

We can see therefore that the second concern is taken care of. The third is simply the matter of the trucking subsidy from the off-line to the on-line elevator. To date the minister responsible for the program has clearly abandoned this idea. He has offered no support and indicated no co-operation with people in my constituency.

The former minister responsible for transport, the hon. member for Vegreville, indicated that his government was prepared to use my area as a test area for a pilot project for the off-line concept. We are prepared to move in that direction. In light of that, I would ask the minister the following questions. First, does he agree that farmers in my area are justified in expecting a fair return for their efforts and that, the off-line concept must therefore be implemented? Second, with the implementation of that off-line concept, will he ensure

that we will have a federal hauling subsidy. Third, will the minister on our behalf put in a word to the Minister of Transport on the need of an off-line concept—

The Assistant Deputy Chairman: Order, please. I am unable to hear the hon. member for Peace River. There may be other members who would like to hear him. Could we have a little co-operation in that regard?

Mr. Cooper: Thank you, Mr. Chairman. My last question is whether the minister will give us some indication as to his attitude concerning research and development and the possibility of setting up this independent commission which will be based on federal, provincial and industrial input.

Mr. Whelan: Mr. Chairman—

Some hon. Members: Hear, hear!

Mr. Whelan: I would say to the hon. member for Peace River, and it may come as a surprise, that I have visited his area several times and am very much aware of it. One of the staff in my department owns land in that constituency. I just want to assure him that we have knowledge of his constituency. I will work very closely with the Minister of Transport on the problems presented by the hon. member. If he will put them in writing, we will look into them and he and I can discuss them in a much better fashion than we are doing here in the committee this evening. I am very familiar with the research on bees at Beaver Lodge. We also have a new little busy bee called the Megachile Rotundata. It is a pollinating bee we have developed and we are exporting it all over the world.

Some hon. Members: Hear, hear!

• (2340)

Mr. Whelan: I just want to say to the hon. member for Assiniboia who made the remarks about the agriculture program that those magic people with the former minister of agriculture and those transport programs they developed—

The Assistant Deputy Chairman: The hon. member for Kindersley-Lloydminster on a point of order.

Mr. McKnight: I believe the time has expired for both the hon. member for Athabasca and the Minister of Agriculture.

The Assistant Deputy Chairman: I gave the hon. minister additional time because I had interrupted the hon. member for Peace River. I noted at that time it was the hon. member for Kindersley-Lloydminster himself who suggested my own interruption ought not to count against the member's time. I will allow the minister half a minute to finish.

Mr. Whelan: The hon. member talked about Saskatchewan. He talked about the amazing transport policies the former minister of transport put forth and we know that is a lot of malarkey. The hon. member talks about land ownership, the purchase of land in Saskatchewan and the number of acres purchased. It may be they are watching that great free enterprise to the west of them which owns over 50 per cent of all the land in the province of Alberta.

An hon. Member: Don't mislead the House.

Mr. Whelan: They may be getting some ideas from them at the present time.

Mr. Mackasey: I will be extremely brief because I want to hear the Minister of Agriculture wind up his estimates. I hope the minister will respond to my question at length. As a preamble to my question I want to thank the minister on behalf of the fruit growers of the Niagara Peninsula. To my pleasant surprise when I arrived in the county of Lincoln I found that the farm groups and the farmers unanimously felt the present Minister of Agriculture was the best friend they have had in many years.

Some hon. Members: Hear, hear!

Mr. Mackasey: I also learned from those same Lincoln farmers that without the initiative of the Minister of Agriculture several years ago in buying up fruit there would not have been a Canadian brandy industry in this country. I hope the minister would explain to the House, to myself, to the people of Lincoln and to the Canadian brandy industry some of the initiatives and some of the ideas he has for the development of that brandy industry in the next few years?

Some hon. Members: Hear, hear!

Mr. Whelan: There has been a lot of pessimism put forward about what is going to happen to the brandy industry and the grape growing industry in Canada. I find this very hard to accept, especially when I see the expansion of the wine industry and the grape growing industry in Ontario and also in British Columbia. We are doing research on new varieties of grapes never done before. Under the new crop development fund we have provided the grape growers with funds to do research on their own concerning new varieties of grapes. In the area where I live two new wineries are being established. In the most southerly part of Canada one group has bought 1,200 acres of land to grow grapes which will produce wine on Pelee Island out in the middle of Lake Erie.

• (2345)

Another new winery is being established in the community of Harrow in Colchester South, which is in the constituency of my colleague, the hon. member for Kent-Essex. Hon. members opposite predict gloom and doom for the wine industry, but that is not what the people in the industry are saying. They are saying that this government and this minister care about what they are doing. We are not finished making representations with respect to the brandy industry. That is an industry we want to see stay alive, and we are determined that it will. We fulfilled some of the promises we made about that industry, and we intend to fulfil them all, as far as I am concerned. Canada is a community made up of many different peoples

from all over the world, and whether we like it or not—and some of us like it—we are becoming a wine drinking community. Last year we consumed nearly 45 million gallons of wine. Over half of that was Canadian wine.

People talk about what we have done and what we have not done. The hon. member for Elgin wondered what we are going to do about interest rates. I challenge him to take a real look at what we are doing about interest rates.

Mr. Mazankowski: Why hasn't Herb Gray resigned?

Mr. Whelan: The Farm Credit Corporation interest rate is 12¾ per cent. The hon. member for Vegreville is making a lot of noise over there. Alberta has created inequity in the agriculture industry by providing low interest rates for farmers in Alberta who compete with farmers in Saskatchewan, Manitoba, Ontario and the rest of Canada with respect to production. They pay an interest rate of 6 per cent because they have that tremendous Heritage Fund. However, what Alberta is providing is inequity in agriculture in Canada as a whole. Under that system farmers outside Alberta will not be able to compete in a proper fashion.

Mr. Taylor: What about the hog subsidy in Quebec?

Mr. Whelan: When we talk about Canada, unity and equity, we should bear in mind that the agriculture industry could provide equity if it were administered in a proper Canadian fashion.

The hon. member for Elgin also talked about the promise to negotiate import quotas for chickens coming into Canada. When the former government made a decision through the former minister of agriculture on quotas for imports of chickens, it created a much bigger problem than I had ever foreseen. The hon. member made a decision when he was minister of agriculture which was very hard to undo. It was harder to undo than I thought it would be. We had a lot of difficulty trying to arrange meetings with the former administration in Washington. We will be dealing with a new administration, and hopefully we can renegotiate the horrible quota the former government and the former minister dealt with so ineptly.

The hon. member criticized me today for not going to Washington. He did not go to Washington either to deal with a proper quota for Canada. The hon. member wants to know what I have done about chicken quotas and about other things. He wants to know when I will make known the timetable for the meat import legislation. It has been tabled in the House and given first reading. The hon. member for Medicine Hat has said he would allow its very quick second reading in the House and a very quick hearing in committee. He says he has the approval of his caucus for this. Hopefully the former minister of agriculture has been consulted by the hon. member for Medicine Hat. If they want to do that, I am sure I can get the same kind of agreement from the congenial House leader on this side of the House and we can speed ahead with that kind of legislation as quickly as you can say it.

• (2350)

The hon. member wanted to know about the national dairy policy. I believe the Conservative party is spreading the rumour that something is going to happen to the national dairy policy because they cannot find very much wrong with agriculture in Canada. As I said earlier, the Outlook conference—the former minister of agriculture was there and he heard the discussions on the floor—was a positive meeting. Never was there a time when I have heard such positive input from all the farm leaders, the national farm leaders, the regional farm leaders, the provincial marketing boards, and the agro-business sector, about what is happening in agriculture today.

I only wish the rest of our society were as healthy as is the agricultural industry. We were here yesterday and we are here today spending long hours discussing the spending estimates of the government, but most hon. members have suggested that we spend more money. Some of them have suggested that we need more money for research, but only two members made suggestions as to what kind of research we needed. One hon. member from this side of the House and one member on the other side of the House suggested two special projects that we should have, one to control animal diseases, to control the mortality rate in newborn calves; the other member, on this side of the House, suggested that we carry out research in his riding of Timiskaming on beef production in that part of Canada.

So when we talk about all the things we are doing and what we want, I am amazed to find that the same people who criticized this government for its massive spending programs have come in here in the last two days and have said to me, "My God, find money and spend more." One of the things I said was that what I am most proud of is the responsibility I have for the most productive part of our society. Economically speaking, it is probably a part of our society which is one of the best off and probably is the most Canadian-owned part of our society. I say, Mr. Chairman, that we do not have to have huge funds to make a healthy agricultural organization and a productive industry. We know how other countries in the world envy us and our agricultural production in this land of ice and snow, a land which has such a short growing season. Our people have more than doubled their productivity in the last decade over and above anyone else in our society. That is why we are in that enviable position and why our farmers' income this year will be over $15.5 billion, and next year it is estimated to be over $19 billion. Sure, the inflation rate will continue, but they will be ahead of the inflation rate and they will still be able to supply a tremendous amount of food at a reasonable cost to consumers here in Canada, probably better than nearly any other nation in the world.

Some hon. Members: Hear, hear!

Mr. Whelan: I want to say something to the opposition members in the House of Commons. In this terribly important discussion on agriculture, the opposition members—are there 12 of them now in the House?

An hon. Member: Yes, 12.

Mr. Whelan: Shame! We took two days and I have been here nearly all the time for two days while they have run in and out of the House—

Mr. McKnight: You didn't say anything during the time you were here.

An hon. Member: How many Liberals are there?

Some hon. Members: Oh, oh!

Mr. Whelan: Most of them, although not all of them, made good suggestions, in my opinion, good contributions to the debate on agriculture, but I must say—we made many notes as we went along—that there was not really any severe criticism of the minister or of the department or of the officials here.

Some hon. Members: Hear, hear!

Mr. Whelan: There were some suggestions that perhaps we could do some things better, but that is what we are striving to do at all times. The hon. member for St. Catharines—I will go back to the wine industry, and I do not know why I am thinking about it this late at night, but perhaps a little spirited liquid would not hurt at this stage of the game—spoke about who was taking taxes from the wine industry and who was hurting the grape production industry. He forgot to mention the province of Ontario in which the wine is produced. The province takes more than double the take of the federal government from the wine industry, yet it seems to be fair ball to zero in on the "feds" for what they are taking and let the Ontario Conservative government get away with taking double what we take federally for taxation. It is even more than double what we take.

• (2355)

Mr. McKnight: You are dividing the country, Eugene.

Mr. Whelan: What has the province done to assist the grape industry? It has been insignificant compared to what we have done.

I see the hon. member is back in the House now. He talked about doom and gloom in the wine industry. That is not what I hear from them, and "by their actions, ye shall know them." The expansion of the wine grape-growing industry in Canada has been tremendous. A new variety of grapes will be coming out as a result of the research which has been conducted. Millions of pounds of table wine grapes will be provided for the industry.

The hon. member for Qu'Appelle-Moose Mountain indicated that we were not allowing people to make energy on their own farms. That is not true. There is provision in the ways and means motion that the Minister of National Revenue be authorized to grant a special temporary licence to any person who has complied with the provisions of the act to engage in the manufacture of denatured spirits for use solely in experimentation and development of fuel, for the denatured spirits in fuel are for the person's own use and not for sale or distribution.

Mr. McKnight: What about the next page?

Mr. Whelan: It is there, whether they are aware of it or not. Earlier this evening another member made a speech about energy allocation. I do not know where they are at. The Minister of Energy, Mines and Resources has already made an announcement that fuel for food production, primary production, food processing and transportation, is in the top "A" category. That is what we said we would do, and that is what we have done. That is where it is at.

The hon. member for Elgin talked fuel prices and whether we would cushion them. What about the rock in the Crosbie budget which was given to farmers for fuel? What we have done is a pretty soft cushion alongside what he would have done for farmers in the use of alcohol and various kinds of fuel in agriculture. The benefits for farmers in the budget of the Minister of Finance and in the energy policy will save farmers, using 6,000 gallons of fuel a year over a period of four years, $8,220, compared with the Crosbie budget.

Mr. McKnight: That is untrue.

Mr. Whelan: The hon. member knows it is true. I would say the hon. member for Kindersley-Lloydminster has—

Mr. McKnight: Mr. Chairman, I rise on a point of order. The hon. minister mentioned, if I understood correctly, that I said the Crosbie budget was more expensive. I think the minister would recognize that the Crosbie budget—

Some hon. Members: Order, order!

The Deputy Chairman: Order, please. That is not a point of order.

Some hon. Members: Sit down!

The Deputy Chairman: Order, please. It being twelve o'clock midnight it is my duty, pursuant to the order made on Tuesday, April 29, 1980, to interrupt the proceedings and put forthwith every question necessary to dispose of the Committee of the Whole stage of the bill.

Clauses 2 to 6 inclusive agreed to.

[*Translation*]

Schedule agreed to.

Clause 1 agreed to.

Preamble agreed to.

Title agreed to.

[*English*]

Bill carried.

The Deputy Chairman: Shall I report the bill?

Some hon. Members: Agreed.

Some hon. Members: On division!

Bill reported.

[*Translation*]

Hon. Donald J. Johnston (President of the Treasury Board) moved that Bill C-47, for granting to Her Majesty certain sums of money for the Government of Canada for the financial year ending March 31, 1981, be concurred in.

Motion agreed to.

Madam Speaker: When shall the bill be read the third time? By leave now?

Some hon. Members: Now.

Mr. Johnston moved that the bill be now read the third time and do pass.

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

Some hon. Members: On division.

Motion agreed to on division, bill read the third time and passed.

* * *

[*English*]

SUPPLY

MOTION FOR CONCURRENCE IN SUPPLEMENTARY ESTIMATES (B)

Hon. Donald J. Johnston (President of the Treasury Board) moved:

That Supplementary Estimates (B), laid upon the Table, Wednesday, November 5, 1980, be concurred in.

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

Some hon. Members: Agreed.

Motion agreed to.

Mr. Johnston thereupon moved that Bill C-49, for granting Her Majesty certain sums of money for the Government of Canada for the financial year ending March 31, 1981, be read the first time and be printed.

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

Mr. Johnston thereupon moved that Bill C-49, for granting to Her Majesty certain sums of money for the Government of Canada for the financial year ending March 31, 1981, be read the second time and referred to the Committee of the Whole.

Motion agreed to, bill read the second time and the House went into committee thereon, Mr. Ethier in the chair.

Clauses 2 to 6 inclusive agreed to.

Schedule agreed to.

Clause 1 agreed to.

Preamble agreed to.

Title agreed to.

Bill carried.

Bill reported.

● (0005)

Madam Speaker: When shall the bill be read the third time? By leave, now?

Some hon. Members: Agreed.

Mr. Johnston moved that the bill be read the third time and do pass.

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

Some hon. Members: On division.

Motion agreed to on division, bill read the third time and passed.

[*Translation*]

Madam Speaker: It being 12.08 a.m., the House stands adjourned until two o'clock this afternoon, pursuant to Standing Order 2(1).

At 12.08 a.m., the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, December 11, 1980

The House met at 2 p.m.

(1405)

ROUTINE PROCEEDINGS

[*English*]

HOUSING

CALL FOR TEMPORARY MORTGAGE ASSISTANCE—MOTION UNDER S.O. 43

Mr. Geoff Scott (Hamilton-Wentworth): Madam Speaker, under the provisions of Standing Order 43 I rise on a matter of urgent and pressing necessity to every home owner in Canada and to anyone who would like to own a home. Since mortgage interest deductibility and property tax measures were introduced in this House one year ago, and since the Liberals defeated those proposals and have done nothing in the meantime to relieve the burdens of those carrying mortgages in the face of devastatingly high interest rates, I move, seconded by the hon. member for Simcoe North (Mr. Lewis):

That the government immediately offer Canadians temporary mortgage assistance until the health of the economy is restored.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

AUDITOR GENERAL

STATEMENT OF PRESIDENT OF ELDORADO NUCLEAR LIMITED—MOTION UNDER S.O. 43

Mr. Bill Clarke (Vancouver Quadra): Madam Speaker, the president of Eldorado Nuclear Limited told the Public Accounts Committee last Thursday that his corporation was going to fire the Auditor General and engage a private firm of auditors. Since this action would seriously impair the comprehensive auditing program of the Auditor General and remove the ability of the Auditor General to report directly to this House, I move under the provisions of Standing Order 43, seconded by the hon. member for Mississauga South (Mr. Blenkarn):

That this House urge the Minister of Energy, Mines and Resources to consult his colleague the President of the Treasury Board and the Auditor General of Canada before putting into effect order in council No. PC 1980-3127.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

NATIONAL REVENUE

APPLICATION OF CAPITAL GAINS TAX—MOTION UNDER S.O. 43

Mr. Gordon Taylor (Bow River): Madam Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43. Whereas the Liberals promised during the last election campaign to alleviate the impact of capital gains taxes on farmers and businessmen, but after being elected, instead of keeping their promise, they have continued this iniquitous tax, thus increasing inflation, preventing the expansion of farms and businesses and ruining the retirement plans of our pioneers, I move, seconded by the hon. member for Moose Jaw (Mr. Neil):

That the government forthwith bring in legislation eliminating this tax or at least providing for a once-in-a-lifetime exemption.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

LIBERAL PARTY OF CANADA

CONDEMNATION FOR ALLEGED BETRAYAL OF ELECTION PROMISES—MOTION UNDER S.O. 43

Mr. Bob Rae (Broadview-Greenwood): Madam Speaker, I rise under the provisions of Standing Order 43. This being the first anniversary of the Crosbie budget and the Liberal party now clearly having won this year's Herbert Hoover look-alike contest, I move, as I did a year ago, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That this House unreservedly condemns the government for its outright betrayal of its election promises to lower interest rates, to cut taxes and to stimulate the growth of the Canadian economy without a mandate from the Canadian people for such a reversal.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

HEALTH CARE

MAINTENANCE OF MONTREAL TÉLÉ-MÉDIC SERVICE—MOTION UNDER S.O. 43

Mrs. Thérèse Killens (Saint-Michel): Madam Speaker, I rise under the provisions of Standing Order 43 to ask for the unanimous consent of the House to introduce a motion dealing with an important matter of pressing and urgent necessity.

Considering that the people of Montreal enjoy an excellent emergency service, Télé-Médic, which up to now has enabled us to save human lives and since that service had to suspend operations due to a lack of funds; and considering that such a service is vital for a city such as Montreal, I move, seconded by the hon. member for Chicoutimi (Mr. Dionne):

That the House exert pressure on the Quebec health minister to find an immediate solution to that problem.

Madam Speaker: The Department of National Health and Welfare could be involved in that resolution. I will present it, but I think it deals with a provincial jurisdiction. Anyhow, presentation of such a motion under the provisions of Standing Order 43 requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1410)

[*English*]

ECONOMIC COUNCIL OF CANADA

REFERENCE OF REPORT TO STANDING COMMITTEE—MOTION UNDER S.O. 43

Mr. Don Blenkarn (Mississauga South): Madam Speaker, I wish to move a motion under Standing Order 43. The Economic Council of Canada's seventeenth report is entitled "A Climate of Uncertainty." In view of the fact that the projections in the budget of October 28 differ dramatically from those of the Economic Council of Canada, an agency of this government, and the Economic Council advocates measures significantly different from those set out in the budget, I therefore move, seconded by the hon. member for Vancouver Quadra (Mr. Clarke):

That this House refer the report of the Economic Council of Canada entitled "A Climate of Uncertainty" to the Standing Committee on Finance, Trade and Economic Affairs for analysis and investigation, and that the committee be instructed to call before it the Minister of Finance, the governor of the Bank of Canada and such other witnesses as it feels appropriate.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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ENERGY TAX CREDIT

CALL FOR INTRODUCTION—MOTION UNDER S.O. 43

Mr. F. Oberle (Prince George-Peace River): Madam Speaker, I too rise to move a motion under Standing Order 43. Having regard to the harsh realities of the recent budget and the energy statement, and in view of the fact that one year ago today the Progressive Conservative Party brought down a budget proposing a refundable energy tax credit to assist lower and medium-income people in Canada meet rising energy costs through an income-tested tax credit amounting to $80 per adult per family and $30 per child, to be paid in full to all those having incomes of up to $21,380, a program which would have helped Canadians save $500 million in 1980 and $1 billion in 1981; and having regard to the fact that the "new democratic-liberal party" has failed to produce any alternative, I move, seconded by the hon. member for Cariboo-Chilcotin (Mr. Greenaway):

That this House direct the government to introduce the refundable energy tax credit immediately, thereby benefiting 7.1 million Canadian families, or 7.6 per cent of the total population of Canada, with over 70 per cent of such benefits going to individuals and families with less than $20,000 of family income.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

COMMUNICATIONS

PRIVATE DISH ANTENNAE—STUDY CONDUCTED BY DEPARTMENT OF TRANSPORT—MOTION UNDER S.O. 43

Mr. Mark Rose (Mission-Port Moody): Madam Speaker, I too rise to move a motion under Standing Order 43. In view of the fact that the Department of Communications has recently threatened private owners of satellite receiver dishes with prosecutions whose penalties include fines of up to $1,000 a day, confiscation of equipment and even jail, despite an in-House DOT legal study which concluded that private dish antennae may in fact not be illegal under current legislation, I move, seconded by the hon. member for Skeena (Mr. Fulton):

That the Minister of Communications table this study for the information of this House and interested members of the public and, further, advise this House

of any impending legislation affecting foreign satellite reception and the protection of Canadian broadcasting.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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LABOUR CONDITIONS

PROGRAMS TO PROVIDE ECONOMIC GROWTH AND JOBS IN MARITIMES—MOTION UNDER S.O. 43

Mr. Bob Corbett (Fundy-Royal): Madam Speaker, I rise to move a motion under Standing Order 43 on a matter of urgent and pressing necessity. In view of the fact that unemployment has risen sharply in the maritime provinces, proof positive that the budget presented by the maritime minister responsible for finance and other programs, such as those under DREE, are failing miserably, I move, seconded by the hon. member for Halifax West (Mr. Crosby):

That the House instruct the government to act immediately to develop new and meaningful programs which will encourage permanent economic growth and jobs in the maritimes.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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INDIAN AFFAIRS

ECONOMIC DEVELOPMENT ACCOUNT—CALL FOR APPOINTMENT OF MANAGER—MOTION UNDER S.O. 43

Mr. Lorne Greenaway (Cariboo-Chilcotin): Madam Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43. Whereas the report of the Auditor General which will be tabled today indicates that the Indian economic development account continues to be grossly mismanaged and significant blame for a proposed write-off of $17 million in loans can be put on the Department of Indian Affairs and Northern Development, I move, seconded by the hon. member for Prince George-Peace River (Mr. Oberle):

That this House instructs the Minister of Indian Affairs and Northern Development to appoint immediately a person to be directly responsible to manage the account and be accountable for its performance.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. It there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

AUDITOR GENERAL

TABLING OF REPORT FOR FISCAL YEAR ENDED MARCH 31, 1980

Madam Speaker: I have the honour to lay upon the Table the report of the Auditor General of Canada to the House of Commons for the fiscal year ended March 31, 1980. I remind hon. members that under Standing Order 65(1)(q), this report is deemed to have been permanently referred to the Standing Committee on Public Accounts.

• (1415)

ORAL QUESTION PERIOD

[*English*]

FINANCE

INCREASE IN PRIME INTEREST RATES—REPORT OF ECONOMIC COUNCIL OF CANADA

Hon. John C. Crosbie (St. John's West): Madam Speaker, my question is directed to the Minister of Finance. The Bank of Canada rate has just gone up an astounding 1.38 points to 16.14 per cent.

Some hon. Members: Oh!

Mr. Kaplan: What is it in the United States?

Miss MacDonald: Shame.

Mr. Crosbie: I point out to the minister that the 16.14 per cent is 4.38 per cent more than it was when he brought down his budget. This means prime bank rates will be going up again very shortly afterwards. In view of the fact that these interest rates are much higher than they were last year, did the minister anticipate such a high increase in interest rates when he prepared his budget just a few short weeks ago? Secondly, will he now agree to refer this whole interest rate question to the Standing Committee on Finance, Trade and Economic Affairs, an investigation which was interrupted by the election and the minister's refusal since to look into this question? Apart altogether from that, has the minister now had a chance to make a decision on some new policies? Yesterday he said, "I have not decided to launch any new programs or change any budgetary measures." Has the minister now had a chance to rethink that in view of the alarming intelligence we have had in the last few days?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, in reply to the first question, neither I nor anyone else I know who is knowledgeable in this field could predict with any accuracy last October the movement of interest rates. I doubt whether it is possible to predict that with any accuracy over the next several months, in view of the extreme volatility which exists in this field at the present time, especially in the United States.

In reply to the second question, when I appeared before the standing committee as a witness, I told them that I would like the standing committee itself to reflect whether it had the time, in view of its present workload, to take on another investigation.

In reply to the third question, not since yesterday. No, I have not decided to launch new measures or introduce new policies.

Mr. Crosbie: Madam Speaker, I might point out to the minister that at the moment the finance committee has nothing before it; the estimates are finished and there is nothing of any priority before it. We now have the Economic Council of Canada, an independent government agency which reports to the Prime Minister—I hope it will arouse his interest for the first time—reporting that it has studied the minister's budget. I should like to quote from page 7 of its press release of yesterday:

The general impact of the federal budget appears to be one which increases the rate of unemployment.

It has looked at the minister's budget and raised its inflation forecasts in its annual report up to 11.4 per cent because of the budget. That is 1.2 per cent higher than the minister's forecast. The council has looked at the budget and has reduced its forecast for real growth next year downward from over 1 per cent to .5 per cent. All of these are the council's reflections as a result of the budget and they are the Prime Minister's forecasts; they are the forecasts of his Economic Council of Canada.

In view of the forecasts of this independent agency which reports to the Prime Minister, will the minister now rethink his position and bring in and launch new programs and new budgetary measures?

Some hon. Members: Hear, hear!

Mr. MacEachen: Madam Speaker, there is something very confusing about the interpretation which the hon. member placed upon the press release of the Economic Council of Canada, or alternatively there may be some contradiction between the actual projections presented by the Economic Council of Canada and the press release.

● (1420)

As hon. members know, Madam Speaker, the Economic Council did present certain projections in its annual review. That review was prepared before the budget and before the National Energy Program was prepared. The whole review was written and not changed. It was there before the budget. What was done was to up-date projections based upon the budget. As I look at the actual projections I find, since the hon. member mentioned unemployment, that for every year from 1981 to 1985 the council's projections, made after the budget, show unemployment rates lower than those projected in the budget. If the hon. member will look at those projections he will find that statement is correct.

Some hon. Members: Hear, hear!

Mr. Crosbie: Madam Speaker, the minister can squirm any way he wants to squirm. This is a document which is called "An Assessment of the Impact of the Federal Budget on the Canadian Economy". The Economic Council of Canada says in this document:

The general impact of the federal budget appears to be one which increases the rate of unemployment.

Their projections are worse in every respect as a result of the minister's budget.

A year ago the minister was supposed to be the crafty genius who manoeuvred another party out of office. I ask him this question: Why? Interest rates are now in excess of 2 per cent higher. The minister has brought in no new policies and no new approaches. Everything is worse. Why did he put a government out of office last year when he had nothing to offer himself? Would he tell the public that?

Some hon. Members: Hear, hear!

Mr. MacEachen: Madam Speaker, I want to assure the hon. member it was not very difficult to manoeuvre the former government out of office.

Mr. Crosbie: It's harder to govern, is it not?

Mr. MacEachen: I want to return to the comment made by the hon. member about the projections of the Economic Council of Canada. The projections which were made by the council after the budget show the unemployment rate for 1981 to be 8.2 per cent. The projection of the Department of Finance is 8.7 per cent. The figures go down for each succeeding year and the projections—

Mr. Broadbent: What does that prove?

Mr. MacEachen: The Leader of the New Democratic Party asks what it proves. First of all, it proves that the Economic Council of Canada is showing lower projections for unemployment than those which are proposed in my budget. That is the first thing it proves. The second thing it proves, Madam Speaker, is that the hon. member for St. John's West does not know what he is talking about.

Madam Speaker: A final supplementary, the hon. member for St. John's West.

Mr. Crosbie: Madam Speaker, I read from page seven of the release of the Economic Council of Canada:

The pre-budget base case suggests an unemployment rate of 8 per cent for 1981—

However, their post-budget figures, based on the minister's budget, show the figures going from 8.2 per cent to 8.6 per cent, an increase of—

Madam Speaker: Order, please. I allowed the hon. member the opportunity to pose an extra question. I expect him to make that question brief.

Mr. Crosbie: How does the minister explain his misinterpretation of the facts?

Mr. MacEachen: Madam Speaker, what the hon. member fails to understand is that the Economic Council of Canada is updating its own projections based upon what happened.

An hon. Member: It is worse because of you.

Mr. MacEachen: It is based upon the information contained in the budget.

Mr. Andre: Now you have it.

Mr. MacEachen: Even after the update they show unemployment rates from 1981 to 1985 which are lower than those projected in the budget. So I ask, Madam Speaker, how can the hon. member say that they have concluded that the budget itself has a greater impact on unemployment?

Mr. Andre: Because they said it.

Mr. MacEachen: All they have said is that "We have had to up-date our projections, which we found were erroneous". That is all they have said.

* * *

HOUSING

CONSERVATIVE PARTY PROPOSALS TO OFFSET HIGH MORTGAGE INTEREST RATES—INQUIRY RESPECTING GOVERNMENT ALTERNATIVES

Mr. Doug Lewis (Simcoe North): Madam Speaker, my question is also for the Minister of Finance. Had the principles of the last Conservative budget been in place in 1981, the average Canadian family of four earning an income under $21,000 would have received $220 as a refundable energy tax credit and $1,125 under the mortgage interest and realty tax credit scheme. These would offset high mortgage interest rates. Would the minister tell the House what he is offering Canadian families as an alternative?

● (1425)

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, the hon. member fails to understand that in the National Energy Program we provided energy prices which saved about $1,000 for the very family about which the hon. member is talking.

Mr. Blenkarn: Absolute nonsense.

Mr. Lewis: Madam Speaker, Canadian families will understand that they are missing $1,345. With regard to tenants, there are high mortgage interest rates which make it uneconomical to build apartments. Because there is no building, the tight vacancy situation will tighten up even more, and MURBs do not affect interest rates. What is the minister's plan of action?

Mr. MacEachen: Madam Speaker, I have already indicated to the hon. member for St. John's West that I have not yet decided to introduce any new measures at the present time. Naturally, the increase in interest rates as they affect not only persons who must renew mortgages but persons who wish to buy a house is a matter of very great concern to me and to all members of the government, and it will be kept under very close scrutiny. At the present time I have not yet decided to launch any new program, but I intend to keep the matter under very close scrutiny to see how the burden will be expressed on affected groups in the country.

* * *

FINANCE

EFFECT OF INTEREST RATES—PROTECTION OF NEEDY CANADIANS

Mr. Bob Rae (Broadview-Greenwood): Madam Speaker, I would like to ask the Minister of Finance whether he agrees with the following statement:

> Interest rates are costs, and costs are a part of prices. They affect everything done by Canadians and their families. The present record level of interest rates . . . cuts back the ability of Canadians to buy goods and services of all kinds—cars, homes, food and clothing, everything people need . . . These high interest rates limit the ability of business, especially small business, simply to operate at basic non-inflationary levels.

Does the Minister of Finance agree with that statement?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, as I said yesterday to the hon. member for St. John's West, I do not intend to express an opinion on every conceivable opinion which has been expressed by any person or body that hon. members can dredge up. But let me say to the hon. member that I have no hesitation in telling him that the present high interest rates, especially the very dramatic surge in rates over the past week or so, is a matter of very deep concern and is bound to affect adversely groups in the country. My concern in examining this situation is to determine where inequities may exist and whether at a certain point it is necessary to take any action.

The hon. member does not have to convince me that in present circumstances high and rising interest rates are damaging to certain groups in the economy, if that is the point which he wanted to make.

Mr. Crosbie: You're changing your tune.

Mr. Rae: Madam Speaker, the minister may be interested to know that the person I was quoting is the Minister of Industry, Trade and Commerce when he was finance critic while the Liberal party was in opposition. I would point out that we did not dredge him up, the Prime Minister did.

In the Speech from the Throne on April 14, a time when we were undergoing a very severe spiralling of interest rates—a peak which we have almost reached once again—the government said:

> In particular my government recognizes the need to protect those Canadians most affected by unacceptably high interest rates.

Does the minister now consider the interest rates we are currently suffering unacceptably high? Secondly, what is the minister doing to protect those Canadians most in need?

Mr. MacEachen: Madam Speaker, I remember very clearly the words which were in the Speech from the Throne because at that particular time a very exhaustive analysis was made of the impact, especially on home owners and potential home owners, as a result of the very high interest rates. We did undertake certain steps at that time which were helpful.

• (1430)

Fortunately in the circumstances, the level of interest rates dropped very considerably and the problem, it seems to me, would have been compounded had the government launched a new program to solve a problem which, in the course of the summer, virtually disappeared. Now we are facing the same problem for the same reason.

The problem is not one that originates in Canada. It is not caused by bad policies being followed by the Governor of the Bank of Canada.

Some hon. Members: Oh, oh!

Mr. Crosbie: Made in Canada interest rates.

Mr. MacEachen: Regardless of the source of the problem, it still affects this country. I want to tell the hon. member that those words are very much on my mind, and I will be keeping them in mind as events develop.

Mr. Rae: Madam Speaker, my final supplementary question relates directly to the minister's answer. He says it is not the fault of the government and it is not events in Canada that are dictating the government's interest rate policy, but that it appears to be events elsewhere. Presumably he means the United States of America, the problems that the economy of that country is undergoing and the policies they are following.

With respect to that, I should like to ask the minister to read an exchange that took place in this House on October 29 last year between the then leader of the opposition, who is now his seatmate as Prime Minister, and the member who is now the Leader of the Opposition. At that time we were looking at interest rates of 11, 12, 13 and 14 per cent and the fact that we were following the American policy. At the end of that lengthy exchange, this is what the then leader of the opposition, now the Prime Minister, said in referring to those policies:

They might have been appropriate at 7 or 8 per cent, but surely at some point one begins to look at new policies.

He also asked:

At what point will the government look at... alternatives, rather than following the American interest rate up to 13, 14 per cent and Good knows how high?

Now, not only God knows how high, Madam Speaker, but they have gone through 20 per cent in the United States. When is the minister going to start looking at some alternative policies?

Some hon. Members: Hear, hear!

Miss MacDonald: Check with your seatmate.

Mr. MacEachen: Madam Speaker, obviously the hon. member has failed to ask himself how it has been possible for Canada to maintain short-term interest rates about five points below those prevailing in the United States when the normal circumstance has been for Canadian rates to be about one point above those in the United States.

Mr. Andre: When our dollar was above the U.S. dollar too.

Mr. MacEachen: Has the hon. member asked himself how that has happened? If he has, I hope he has concluded that it is because the governor of the bank and the management of monetary policy in Canada has been such that we are not moving in locked step with the United States but have maintained this disparity much to the advantage of Canada.

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BANKRUPTCIES

MEASURES TO PROTECT INVESTORS IN FEDERALLY CHARTERED TRUST COMPANIES

Mr. Peter Lang (Kitchener): Madam Speaker, my question is directed to the Minister of State for Finance. In view of the fact that some of my constituents in Kitchener and, indeed, many people in south-central Ontario, have lost their life savings because of dealings with Astra Trust, as well as the provincially chartered C & M Financial Consultants and Re-Mor Investment Management Corporation, can the minister tell the House what changes the government is considering to the trust and loan act to ensure that investors and depositors are better protected in their dealings with federally chartered trust companies, and whether any compensation is planned for those who lost funds over and above the $20,000 mark that is protected under the Canada Deposit Insurance Corporation?

[*Translation*]

Hon. Pierre Bussières (Minister of State, Finance): Madam Speaker, we have already replied in the House to questions concerning the situation of Astra Trust which is federally incorporated and of other provincial corporations in which Ontario residents have lost a lot of money.

Hon. members will know that, as concerns Astra Trust, the Canada Deposit Insurance Corporation covers deposits by individuals up to a maximum of $20,000. When the company's assets have been disposed of, certain sums which could make up the difference over $20,000 will be recovered.

As for the much more specific question asked by the hon. member concerning amendments that could be made to the legislation to improve the situation and prevent such situations from occurring, I do not believe that we should look for correctives through legislation, but rather by ensuring that the control and application provisions of the present federal and provincial legislation are appropriate and can prevent reoccur-

rence of such situations as that concerning Astra and its subsidiaries, including Re-Mor.

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[*English*]

FINANCE

MEASURES TO LESSEN EFFECT OF HIGH INTEREST RATES

Hon. Sinclair Stevens (York-Peel): Madam Speaker, my question is also for the Minister of Finance who must have noted the economic depths his policies are creating in this country with bankruptcies in the business sector up 22 per cent and personal bankruptcies up an astounding 19 per cent over last year. Translated into human terms, this means that in Ontario, for example, 25,430 jobs were lost in the first nine months of this year as a result of plants having to close down because of the economic climate created by the minister and his government.

Would the minister indicate what plans he has to lessen the impact of the high interest rates on such companies to ensure that we will not have this continuing high level of bankruptcies? For example, has he decided to bring in a type of insurance plan which would insure business loans in the future similar to the way CMHC loans are insured?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, in light of the dire and doleful picture painted by the hon. member of the economy in general, it would be worth pointing out that in this year the Canadian economy has created in excess of 200,000 jobs, and that that employment creation record compares favourably with any country in the OECD group. I do not think there is any benefit, either to him politically or to the country, to distort and exacerbate the situation, as he has in his question. I ask him seriously to consider whether it is fair to address those doleful facts in a distorted way at the present time.

The answer to the question is no.

Mr. Stevens: Madam Speaker, it is not whining; those are Dun & Bradstreet brutal facts of the number of corporate corpses that have been left on the battlefield in Canada as a result of this minister's high interest rate policy.

Some hon. Members: Hear, hear!

Mr. Stevens: Madam Speaker, my supplementary question to the minister as he sits dreaming in this country is, would he explain to the House, if things are going so well in Canada, why Ray Richardson, for example, of the New York state commerce department has gleefully told the *The New York Times* that Canadians have invested in 35 states in his country, winning in his state alone, the state of New York, 50 companies that have created 3,700 jobs, as a result of Canadians fleeing from this country because of the economic climate structured by his government?

Mr. MacEachen: Madam Speaker, I cannot believe that an informed commentator would make the kind of statement the hon. member has quoted.

Mr. Crosbie: You had better learn.

Mr. Stevens: I have it here.

* * *

NATIONAL ENERGY PROGRAM

POLICY RESPECTING DEVELOPMENT PROGRAMS—NEGOTIATIONS WITH PROVINCE OF ALBERTA

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, my question is also addressed to the Minister of Finance. The minister has blamed today and on many other occasions in this House international economic problems, OPEC oil pricing and high interest rates in the United States for all the economic problems of this country. Yesterday the Economic Council of Canada released its report. Last year its report referred to two driving forces for the Canadian economy, the first of which was the world economy, and the second our own domestic energy development. This year, because the minister has torpedoed that energy development with his budget, we are left with the world economy and he knows that it is in trouble.

This party, the Canadian Manufacturers' Association and many experts, including, for example, the former chairman of the National Energy Board, and now the Economic Council of Canada, have urged him to make changes in the National Energy Program brought in under his budget. What proposals is he proposing to put forward now to unwind the deadlock between Alberta and Ottawa in an area which is completely under his control—no excuses—in the whole area of energy development in this country?

• (1440)

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, the hon. member in the preamble to his question has stated that I blamed this on some force outside of the country. It is not my intention to blame individuals or groups but to draw attention to the fact that Canada is part of an international trade and payment system, that Canada is part of the world economy, and it would be foolish for Canadians to look at their own problems unless they look at them within that international perspective.

That is what I have been attempting to do in explaining the very dramatic increase we have had in interest rates in this country. They do not come from policies pursued in Canada. They are the result of a dramatic impact arising from policies pursued in another country, which have the same general effects in all industrialized countries as they have in Canada. I make that comment in answer to the rather long preamble which the hon. member introduced into his question.

I agree with the hon. member it is important that we have Canada's energy house in order. In the budget and in the National Energy Program we have put out a very comprehen-

sive framework which will achieve that objective. The hon. member asked what we were going to do to discuss matters with Alberta. As I understand it, and I have not been directly responsible for these discussions, they are moving as rapidly as possible and in the tenor requested by the government of the province of Alberta.

Mr. Wilson: Madam Speaker, the government, the minister and the Minister of Energy, Mines and Resources have been given a heaven-sent opportunity to get our economy rolling in an area which is completely under their control so that we do not have to listen to what is going on in other parts of the world.

Some hon. Members: Hear, hear!

Mr. Wilson: We are losing job-creating opportunities in many major projects, for instance, Alsands, Cold Lake and now today we had the announcement that the Judy Creek project is being shelved. Conventional oil drillers are moving south. Orders are being cancelled and jobs are being lost in central Canada as well as in the west. The government has been sitting idle for six weeks listening to the advice of the experts in the field and doing nothing about it.

In view of the fact that unemployment is approaching the one million figure this year and we are having a balance of payments deficit in the manufacturing account of $17 billion, will the minister listen to the Economic Council of Canada, which is the primary economic adviser to the Prime Minister and the government, and will he take their advice as to how to unwind this deadlock between Alberta and Ottawa in energy development?

Mr. MacEachen: Madam Speaker, the government is obviously prepared to study and consider all the proposals made by the Economic Council of Canada in its annual review. I have begun the process of reading and studying that report, which was written prior to the budget and the National Energy Program. I have been greatly reassured by the fact that there is very broad consistency between the budget and the comments and concerns expressed by the Economic Council of Canada. I can hardly turn a page in that review without finding support for a major element in the budget presented on October 28.

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TRANSPORT

FUNDING ASSISTANCE FOR LIGHT RAPID TRANSIT SYSTEM IN VANCOUVER—GOVERNMENT POSITION

Mr. Ian Waddell (Vancouver-Kingsway): Madam Speaker, my question is for the Minister of State for Trade. According to yesterday's Vancouver *Sun*, the minister indicated that any federal funding for the new proposed light rapid transit system for Vancouver had been jeopardized by the premature announcement of the British Columbia government. The minister knows that we on this side of the House have been pushing for light rapid transit development. Would the minister assure us that the citizens of Vancouver will not end up as innocent victims of or bystanders in this federal-provincial dispute? Could the minister also tell us whether there has been approval in principle—I am not asking the minister for amounts—of Government of Canada funding for light rapid transit for the city of Vancouver?

Hon. Ed Lumley (Minister of State, Trade): Madam Speaker, I have been given a mandate by my cabinet colleagues to enter into negotiations with the province of British Columbia and the local transit authorities to further negotiations between our two governments for federal participation in the Vancouver project. As the hon. member knows, we think this is a tremendous opportunity for Canadian industry. It gives us an opportunity to enter into a multibillion dollar industry internationally. It is a great Canadian project and we will do our very best to follow up those negotiations.

Under the chairmanship of the Minister of Employment and Immigration, who chairs the cabinet committee on western affairs, this is just one of a number of initiatives for western industrial development in Canada that are being considered.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Paproski: What about Edmonton and Calgary?

Mr. Waddell: Madam Speaker, I thank the hon. member for his usual loquacious announcement. I remind him that we have been pushing for that for years and I am glad to know he is in favour of this scheme in principle. I want to thank him for that and for taking myself and some of my constituents to see the new project in Kingston yesterday.

Since this is a new project and has not been tried, and although it has advantages for Canadians buying Canadian technology and for east-west relations in Canada, is the minister prepared to assure the House and the city of Vancouver that federal funds will be given directly to the city and that he will not allow the provincial government to deduct from its portion of funding the amount which comes from Ottawa? In other words, that the federal money will go directly to the city of Vancouver. Is the minister prepared to consider that and give the House that commitment?

Mr. Lumley: Madam Speaker, since we have not started any specific negotiations, it would be foolish for me to give that kind of commitment to the hon. member. This is a partnership. The federal government is trying to propose a partnership among the provinces, the local authorities, the private sector and the Government of Canada so as to fulfil its obligations.

NATIONAL REVENUE

RETROACTIVITY OF PROPOSED BUDGETARY TAX EXEMPTIONS

Mr. Bruce Lonsdale (Timiskaming): Madam Speaker, my question is for the Minister of Finance. On Tuesday evening, in response to a question from the hon. member for Algoma during the adjournment debate, the minister's parliamentary secretary indicated that legislation would be forthcoming allowing wages paid to spouses by unincorporated small businesses to be deductible for income tax purposes and that the legislation would be retroactive to January 1, 1980. Could the minister assure the House that the other measures announced and tabled on April 21, 1980, in his ways and means motion, and particularly the measure increasing the volunteer fireman's exemption from $300 to $500 per annum, will also be retroactive to January 1, 1980, and that these measures will be implemented in time to take effect for the 1980 taxation year?

Mr. Crosbie: These are my proposals. Admit they are mine when you are on your feet.

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): The answer to the question is yes, Madam Speaker. I am glad the hon. member for St. John's West likes these proposals and that when they are brought forward he will ensure speedy passage.

Some hon. Members: Hear, hear!

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NATIONAL ENERGY PROGRAM

SELF-SUFFICIENCY IN OIL SUPPLY—GOVERNMENT POSITION

Mr. John Bosley (Don Valley West): Madam Speaker, my question is for the Minister of Finance. There is another fire we would like him to think about fighting, and that is the unemployment fire in this country. The Economic Council of Canada makes a couple of points which I think the minister will have to agree are not in support of his budget. They are to the effect that if we fail to miss our energy development possibilities, we stand to lose over 753,000 jobs in this country. That situation will occur if the projects which are needed, notably the heavy tar sands and the Alsands projects, are not built. The minister must now face the fact that the Economic Council's proposals for energy development are substantially different. My question, therefore, is this: Will he now agree, with the wisdom of the council to support him, that he should move off the position he has on energy pricing, support the council's position, get Canadians back to work and make Canada energy self-sufficient?

● (1450)

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I have noticed this is one area where the council differed from the budget presentation because it recommended increases in the wellhead price of about $6 a year. That is greater than the amount proposed in the budget. The government has made it clear for quite some time that it would bring in a pricing regime which would have the effect of ensuring Canada's energy future and investment in the energy industry. That is my belief today, even though I have read and will continue to read the review of the Economic Council of Canada.

Mr. Bosley: Madam Speaker, it is precisely the deadlock caused by the difference in opinion between the Economic Council and the Minister of Finance that will cause more and more Canadians to be out of work. The question I must ask is this. Can the minister now tell us why he prefers a policy which says we shall have high interest rates to keep Canadian money in Canada, but we shall have, through his fiscal and energy policies, an energy deadlock which will drive Canadian money and jobs out of Canada? Can he resolve this conflict and will he now see it is no longer appropriate to remain pigheaded about the sharing arrangements with Alberta which the Economic Council of Canada criticizes, when what we need is to get the engine of energy driving this country ahead again?

Mr. MacEachen: Madam Speaker, the hon. member's question covers a broad field, including monetary policy and energy policy. Regarding energy, the Economic Council of Canada seems to agree very strongly with the Government of Canada in our desire to have an increased share of energy revenues in the country. In fact, one of the flaws they pointed out in current arrangements was the fiscal imbalance which existed between the federal government and especially the rich western provinces. This is one of the problems we are attempting to address in this budget in order to get more of the share of revenues now going, for example, to the province of Alberta. After all, we have reduced that share by about only two points, which is a rather modest amount.

* * *

TREASURY BOARD

CRITICISMS OF DEPARTMENT IN AUDITOR GENERAL'S REPORT

Mr. Bill Clarke (Vancouver Quadra): My question is directed to the President of the Treasury Board. The Auditor General has reported again on some basic deficiencies which have continued over several years. He cites particularly the lack of attention to Treasury Board policies and inaccurate Treasury Board monitoring of compliance with its policies and lack of investigation into non-compliance. When is the Treasury Board going to display some responsible management on behalf of the Canadian taxpayer?

Hon. Donald J. Johnston (President of the Treasury Board): Madam Speaker, I have not had the opportunity to study the report in detail but I have had a preliminary look at a number of the comments. I am pleased to report that the Auditor General also indicates we are taking on these problems on a broad front and have demonstrated considerable progress in a number of important areas, such as the IMPAC

program and so on. I can assure the hon. member for Vancouver Quadra we are moving forward and improving management practices across the system. I am confident the Auditor General will agree that great progress has been made and we can look forward to more progress.

Mr. Clarke: Madam Speaker, since one of the agreed upon solutions was the appointment of a high level departmental comptroller in all departments, and since the Auditor General again found it necessary to state this was not taking place, can the minister tell the House why he is taking so long to act on this program?

Mr. Johnston: Madam Speaker, it is not a question of delaying that agreed upon program. We consider that a senior financial officer in each department and agency is essential. This is very much a part of the program which has been moving forward. It is difficult in all circumstances to find the adequate personnel to fulfil these functions but I know the office of the Comptroller General is acting rapidly and efficiently in terms of moving forward on this front as well.

* * *

ACCESS TO INFORMATION

RELEASE OF PUBLIC OPINION POLLS ON CONSTITUTIONAL PROPOSALS

Hon. Jake Epp (Provencher): Madam Speaker, I direct my question to the Minister of Justice. On November 28 my colleague, the hon. member for Wellington-Dufferin-Simcoe asked the Prime Minister at that time whether he would release the three polls that particularly had polled public opinion on the government's constitutional proposals. At that time the Prime Minister said he would check whether he could release them. I understand the minister has made a decision. Could he now give us the decision as to when they will be released?

[*Translation*]

Hon. Jean Chrétien (Minister of Justice and Minister of State for Social Development): Madam Speaker, I intend to make public within a few days that part of the poll which covers the constitutional issue.

[*English*]

Mr. Epp: Madam Speaker, I must admit I did not get the full import of the minister's answer.

An hon. Member: There wasn't much import in it.

Mr. Epp: If I understood him correctly, he did not give us any date. He said he would do it in terms of the committee's work. I suggest to him the committee has been working for some time.

Yesterday a Gallup poll came out clearly showing that Canadians are opposed more than two to one to the program or the plan of the Prime Minister. I should like to ask the Minister of Justice how the government can reconcile a policy where, on the one hand, they are going to restrict the number of expert witnesses to five and they will only be allowed to appear before the committee after they have passed a litmus test as to what they might say.

An hon. Member: Shame!

Mr. Epp: Why is it that the policy of the government when, on the other hand, they are now planning another advertising program, or considering one, to con the Canadian people with their own money and yet will not allow experts to appear?

[*Translation*]

Mr. Chrétien: Madam Speaker, the committee decided yesterday to allow five experts to appear, two to be named by the official opposition, two by the government party and one by the New Democratic Party. This is the decision of the committee and I shall respect it.

As for the advertising campaign mentioned by the hon. member, no decision has been made as yet, but I would like to remind him that the Quebec government has now spent nearly $1.5 million since September for advertising which is sometimes questionable. For example, a parish priest says the proposed constitution is not moral. As for the poll, since the hon. member did not understand my first reply, I shall repeat that I intend to make them public in a short while. And since he did not understand what I said in French concerning the polls, perhaps I could quote this sentence from Cicero: *Plus apud nos vera ratio valeat quam vulgi opinio.* This means, Madam Speaker, that we should be guided by reason rather than by public opinion.

We therefore intend to make these polls public, but if we are right, we plan on going on in the same way.

* * *

[*English*]

ROYAL CANADIAN MOUNTED POLICE

COST OF POLICING SERVICES IN PROVINCES

Mr. Svend J. Robinson (Burnaby): Madam Speaker, my question is for the Solicitor General, who recently announced major increases in the shares to be paid by provincial and municipal governments for RCMP contract services—increases unanimously opposed by the eight provincial attorneys general involved—and the shifting of a $100 million tax burden from the federal government on to provincial and municipal taxpayers. I have before me a document prepared by the RCMP showing, for the first time, the actual increases proposed amounting to over 100 per cent in some cases and to an increase of over $2 million a year for the municipality of Burnaby alone.

Why is the government proposing to pass on an extra $14 million in RCMP headquarters administration costs, and how can the federal government justify this totally unwarranted

raid on provincial and municipal treasuries of western, northern and Atlantic provinces?

● (1500)

Hon. Bob Kaplan (Solicitor General): Madam Speaker, let me note first of all that this has nothing to do with the federal policing program. There are over 10,000 members of the force across the country, including those in British Columbia, who are paid for and will continue to be paid for 100 per cent by the federal taxpayers of the nation.

As to the municipalities and provinces which are served by RCMP contracts, every five or ten years for the last 70 years when these contracts have expired they have been renegotiated. The objective has always been to try to derive a fair balance so that the federal taxpayers are paying for that share of provincial and municipal contracting which represents the national benefit. We have made proposals to the provinces and municipalities. We have not yet been given a hearing by them at which I could explain to them the basis on which we feel these amounts are justified. I am fully confident that we can justify them and that RCMP contracting will continue to be a bargain—even with the increases we have asked for—for those municipalities and provinces which continue to use them and which we hope will continue to use them.

Mr. Robinson (Burnaby): Madam Speaker, perhaps this is another initiative for western Canada supported by the Minister of Employment and Immigration. Surely of all times this is a time for conciliation and not for provocation of western provinces.

The minister has promised this House many times a long overdue bill to replace the RCMP Act. Will the minister tell the House what has happened to that long overdue bill and specifically how the government will address two concerns? The first is the need for far greater accountability by the RCMP to the provinces. The second is the legitimate demand by the association of 17 divisions and many individual RCMP members for an end to the paternalistic divisional representative system and the right accorded other police forces in Canada to free, full, non-strike collective bargaining.

Mr. Kaplan: Madam Speaker, I do not agree with the hon. member's characterization of the div-rep system, which is an excellent system under which progress is constantly being made. I think it serves very well the needs of members of the force in industrial relations with management.

As to accountability, I think there are ways in which we can make changes and give assurances to the provinces that their full constitutional responsibility can be exercised even though they continue to use the national police force. I am looking forward to meeting with them and discussing ways in which their constitutional integrity and responsibility can be fully assured.

With respect to the bill, it is ready and, if hon. members of all parties could indicate a willingness to deal with that bill expeditiously and refer it to the Standing Committee on Justice and Legal Affairs, it could be introduced very shortly.

Royal Assent

ENERGY

FUTURE NEGOTIATIONS WITH PROVINCE OF ALBERTA—GOVERNMENT POSITION

Mr. Jim Peterson (Willowdale): Madam Speaker, my question is directed to the Minister of Energy, Mines and Resources and relates to an article in today's Ottawa *Citizen.* In this article it is indicated that Alberta treasurer Lou Hyndman has said that Alberta, in effect, is not prepared to negotiate again with the federal government. He used very strong language to the effect that Alberta will not capitulate. In light of this very strong language, I would like to ask the minister what the position of the federal government has been in the past and what it will be in the future with respect to negotiations with Alberta.

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I would like to remind the House that there has already been a meeting at the level of officials, and I expect that another meeting will take place before the end of the year. I want to stress that nobody—but nobody—has asked any provincial government, and particularly the government of Alberta, to capitulate. I find this type of language rather regrettable because what is required is a spirit of compromise on both sides. I would like to stress that this type of speech should indicate to all Canadians who are the ones who are throwing out ultimatums and who are the ones who are showing inflexibility in their approach to this important question.

* * *

[*Translation*]

VACANCY

Madam Speaker: I have the honour to inform the House that I have received from the hon. member for Hillsborough (Mr. McMillan) on Wednesday, December 10, 1980, a communication notifying me that a vacancy has occurred in the representation, and pursuant to section 10 of the House of Commons Act, I have addressed my warrant to the Chief Electoral Officer to issue a new writ of election for the electoral district of Cardigan.

THE ROYAL ASSENT

[*Translation*]

Madam Speaker: I have the honour to inform the House that a communication has been received as follows:

Business of the House

Government House
Ottawa

December 11, 1980

Madam,

I have the honour to inform you that the Honourable Antonio Lamer, Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy Governor General, will proceed to the Senate Chamber today, the 11th day of December, at 5.00 p.m., for the purpose of giving Royal Assent to certain bills.

I have the honour to be,
Madam,
Your obedient servant,
Esmond Butler
Secretary to the Governor General

* * *

[*English*]

PETITION

MR. MAYER—CANADIAN PACIFIC RAILWAY—CLOSING OF MINIOTA SUBDIVISION

Madam Speaker: I have the honour to inform the House that the Clerk of the House has laid upon the Table the thirty-sixth report of the Clerk of Petitions stating that he has examined the petition presented by the hon. member for Portage-Marquette (Mr. Mayer) and finds that it meets the requirements of the Standing Orders as to form.

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Baker (Nepean-Carleton): Madam Speaker, I wonder if I could ask the government House leader if he could inform the House as to the business he contemplates between now and the adjournment for the Christmas recess.

Perhaps while he is on his feet he might indicate to the House when he feels that the adjournment motion might be brought and dealt with, and specifically, if it is possible and if he is in that position, the length of the adjournment contemplated by the government.

Mr. Pinard: Madam Speaker, later on today we will start debate on second reading of Bill C-48. I understand that tomorrow we will be able to deal with the report stage and the third reading stage of Bill S-2, which has just been reported from the standing committee. I understand that we will be able to get through two stages of that bill provided there is only one speaker per party. Following that we will resume debate on Bill C-34 concerning judges.

[*Translation*]

With regard to the business of the House for next week, on Monday, we will start the debate on the bill concerning fiscal transfers to the provinces, hoping to obtain quick passage; in any event, next week we shall want to continue the debate initiated today on Bill C-48, namely the Canada Oil and Gas Act, with a view to referring it to a standing committee of the House before the Christmas break. In addition next Friday we hope to spend the day completing whatever items I have just mentioned that might still be pending for some reason or other.

We have also agreed, with regard to a bill to be brought in as a result of three notices of ways and means motions dealing with amendments to the Customs Tariff Act, to refer it, after hearing one spokesman for each party, to a standing committee of the House rather than studying it in Committee of the Whole in view of its highly technical nature. To that end, I have here an order of the House confirming the agreement which you will kindly allow me to read, that we might know where we stand for next week, seeing that, contrary to what we discussed earlier, it will not be possible to proceed tomorrow in that regard; however, we could do so at any time next week since it can be done be very quickly.

[*English*]

Madam Speaker, after consultations with all parties I would like to call ways and means proceedings 6, 7 and 16. In the latter case I understand there is unanimous consent. I also understand that there is unanimous consent that the bill based thereon, the bill relating to the customs tariff, after second reading be referred not to the Committee of the Whole as is usually done in such cases but, because of the unusual complexity of the bill, be referred to the Standing Committee on Finance, Trade and Economic Affairs.

[*Translation*]

I understand, Madam Speaker, that when I have finished my remarks, you will seek the required unanimous consent. With regard to the Christmas break, since the question has been put to me, naturally if the work I have just outlined proceeds with due dispatch, we should be able to consider seriously an adjournment toward the end of next week or, at the latest, early in the following week. But I hope we can make it Friday next week. As for the date or our return, we had discussions on the matter this morning; I feel it would be important to have another meeting early next week when, depending on the progress achieved, we will have a much better idea of whether we should come back before or around January 12.

[*English*]

Mr. Baker (Nepean-Carleton): Madam Speaker, with respect to the proposed notice, my friend has indicated there is consent with respect to that to which he referred. We can certainly deal with that. That has been discussed and agreed upon.

Mr. Knowles: Madam Speaker, there is agreement to the request for the introduction of the customs tariff bills today, and there is also agreement that the complicated one, after it has been read the second time some day next week, be sent to the Standing Committee on Finance, Trade and Economic Affairs.

• (1510)

On several Thursdays earlier in the session, the minister made reference to the freedom of information bill. It seems to have been forgotten. Is there any reason why it could not be dealt with and sent to committee before we break for the Christmas recess? That might be a better piece of work than the judges' bill.

Mr. Pinard: Madam Speaker, the hon. member will understand that if we are to adjourn on December 19, there will be only seven days left. I have had discussions with him this morning and with my other colleague from the Conservative party. We discussed the different pieces of legislation which I have just mentioned. It is certain that the access to information bill has our high priority, but I do not think it can be concluded that, because we are not able to deal with the bill quickly before Christmas, we are not giving the necessary priority to that bill.

I wish to state very firmly that this bill is very important to us, but some time last week or a week ago it was mentioned on the floor of the House that it would not be possible to obtain second reading of that bill in one day. That being the case, I think it would not be reasonable for us to take more than one or two days on the second reading stage of that bill, because we would then prevent other pieces of legislation from being referred to committees. That is the reason why we think that in the next seven days it will be difficult to give second reading to the bill. However, I want to confirm to the hon. member that as soon as possible following the Christmas recess we will ensure that the bill is referred to committee, and I will call for the co-operation of all parties on the other side.

Madam Speaker: Hon. members have heard the suggestion of the President of the Privy Council concerning the ways and means proceedings Nos. 6, 7, and 16, which will be called as the first items under government orders and that the bill based thereon, after second reading, be referred to the Standing Committee on Finance, Trade and Economic Affairs. Is this motion agreed to?

Some hon. Members: Agreed.

Madam Speaker: It is so ordered.

MOTION TO ADJOURN UNDER S.O. 26

[*English*]

FINANCE

EFFECT OF RISING INTEREST RATES

Mr. Edward Broadbent (Oshawa): Madam Speaker, I am rising under the provisions of Standing Order 26 as a result of the deeply disturbing news which we heard today that the Bank of Canada is raising its interest rate to a record 16.14 per cent. I ask leave, therefore, seconded by the hon. member for Broadview-Greenwood (Mr. Rae), to move the adjournment of the House under Standing Order 26 for the purpose of discussing a specific and important matter requiring urgent consideration, namely, the announcement by the Bank of Canada today with the government's approval that interest rates will be further increased to a record level threatening the economic livelihood of most sectors of the Canadian economy, the ability of Canadian families to cope with the basic necessities of life, and leading to the worst winter in terms of a combination of inflation and unemployment since World War II.

Madam Speaker: The hon. member for Oshawa (Mr. Broadbent) has given me notice of his motion under Standing Order 26, as is required under the provisions of the order. I have examined his statement and I find that the problem raised by the hon. member is obviously a very important one. It refers to a situation which undoubtedly has a certain character of urgency. At the same time, I am sure that it is a matter of continuing interest to all members of the House.

As everyone knows, there has been a pattern of changing interest rates in recent months, including the announcement today by the Bank of Canada that interest rates will further be increased. The inevitable conclusion is that the problem is of continuing concern. As evidence of this, the Chair need only refer to the fact that recently there have been a number of motions moved by hon. members under the provisions of Standing Order 43, as well as a number of oral questions directed to the Minister of Finance (Mr. MacEachen) and other ministers on this very matter. The fact that the House has already been dealing with the situation for some time is an indication to the Chair that we have a problem which is of a continuing nature, and in this sense I feel that it does not fall within the purview of Standing Order 26.

For those reasons, I regret very much that it is not possible at this time to put to the House the motion proposed by the hon. member for Oshawa.

ROUTINE PROCEEDINGS

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 1,490, 1,629, 1,657 and 1,668.

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

Order Paper Questions

[*Text*]

LAWYERS AND LEGAL FIRMS HIRED—OTTAWA

Question No. 1,490—**Mr. Cossitt:**

What are the names and addresses of all lawyers or legal firms in Ottawa and District who were hired by the government (a) since April 14, 1980 (b) between July 8, 1974, and May 22, 1979, and, in each case, what amount was received where the fee involved was more than $1,000?

Hon. Jean Chrétien (Minister of Justice and Minister of State for Social Development): For the Department of Justice: The following lawyers were appointed agents of the Minister of Justice of Canada:

1. (a)	G. B. Cooke	Renfrew	N/A
	Michael J. Quibley	Smiths Falls	N/A
(b)	Barnes & Cannon	Ottawa	N/A
	Batt, Robert F.	"	N/A
	Batt & Howard	"	N/A
	Beseau, Paul D.	"	$ 1,710.30
	Bogue, John E.	"	N/A
	Bond, James M.	"	N/A
	Brunn, Karl	Carleton Place	N/A
	Cooke, G. B.	Renfrew	$ 5,741.30
	Côté, François	Ottawa	N/A
	Dent & Francis	"	$ 1,822.15
	Dickinson, Richard H.	Renfrew	N/A
	Dixon, N. D.	Smiths Falls	$ 13,530.84
	Gowling, Henderson & Co.	Ottawa	$ 19,552.50
	Green, Poulin & MacKinnon	"	$ 21,298.50
	Filion, Jean-Paul	Vanier	N/A
	Kane, Paul	Ottawa	N/A
	MacDonald, T. D.	"	$165,202.37
	McNabb, A. A.	Renfrew	$ 14,534.73
	Nicol & O'Connor	Ottawa	N/A
	O'Donnell, Hugh J.	Perth	N/A
	Ostiguy, Raymond	Ottawa	N/A
	Panet, A. De.	"	$ 4,692.47
	Quigley, Michael J.	Smiths Falls	N/A
	Scott & Aylen	Ottawa	$ 1,009.20
	Scott, Cuthbert A.	"	$ 56,970.96
	Scott, David W.	"	$ 70,750.69
	Smart & Biggar	"	$ 19,892.35
	Willson, John E.	Perth	$ 25,906.82
	Willson & Willson	"	$ 1,004.35

CANADIAN UNITY INFORMATION OFFICE—FOLDER CIRCULATED

Question No. 1,629—**Mr. Cossitt:**

1. Did the Canadian Unity Information Office circulate with a memorandum dated October 8, 1980, a folder entitled "About our Constitution" and subtitled "Speaker's Kit" and, if so (a) what was the entire cost to the taxpayer for the printing of all such kits (b) does the kit contain essentially, explanations of the constitutional policies of the government?

2. Is it government policy to spend taxpayers' money to promote the policies of the Liberal party?

3. Were the views of other political parties in Canada included and, if not, for what reason?

Hon. Jean Chrétien (Minister of Justice and Minister of State for Social Development): For the Canadian Unity Information Office: 1. Yes

(a) $900;

(b) The speaker's kit contains basic information on the definition of a constitution, its usefulness and why it is important to change the Canadian Constitution.

2. The Government of Canada must inform Canadians about their country, its system of government and the services offered by the national government. The objective of the document entitled "About our Constitution" is to make Canadians more aware of the importance of the unity of their country and the need for constitutional reform.

3. The information included in the speaker's kit is factual and deals with constitutional reform, to which political leaders of all parties publicly committed themselves during the referendum campaign.

NATIONAL DEFENCE—ANNUAL BUDGET

Question No. 1,657—**Mr. McKinnon:**

What has been the increase in real terms in the Department of National Defence's annual (a) total budget (b) capital budget, for the fiscal years 1970 through 1980-81?

Mrs. Ursula Appolloni (Parliamentary Secretary to Minister of National Defence):

(a) and (b)	Total Budget * less Statutory	Capital Program
1970-71 Actual Expenditures	(7.43)	(18.39)
1971-72 " "	(3.26)	(6.18)
1972-73 " "	(6.20)	(27.04)
1973-74 " "	4.33	23.68
1974-75 " "	(4.91)	(2.46)
1975-76 " "	4.72	19.27
1976-77 " "	2.89	17.56
1977-78 " "	3.41	5.89
1978-79 " "	2.79	8.18
1979-80 " "	(0.23)	11.39
1980-81 Main Estimates	3.50	7.91

* The "increase in real terms" for the total budget has been calculated exclusive of statutory costs.

NATIONAL DEFENCE—INFLATION MODEL

Question No. 1,668—**Mr. McKinnon:**

What was the rate of inflation, according to the Department of National Defence's "inflation model", for the fiscal years 1970-71 through 1980-81?

Mrs. Ursula Appolloni (Parliamentary Secretary to Minister of National Defence): The Department of National Defence Economic Model was established in 1971-72 and therefore the actual inflation rate for 1970-71 is not available. However, it has been estimated and included as an estimate in the table below:

	Fiscal Year	Defence Service Program per cent Inflation
1970-71	(Estimate)	6.5
1971-72	(Actual)	7.09
1972-73	"	8.68
1973-74	"	9.88
1974-75	"	16.45
1975-76	"	13.4
1976-77	"	11.6
1977-78	"	9.7
1978-79	"	9.4
1979-80	"	8.8
1980-81	(Forecast)	10.4

[*Translation*]

Madam Speaker: The questions enumerated by the parliamentary secretary have been answered. Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

* * *

[*English*]

BUSINESS OF THE HOUSE

Mr. Baker (Nepean-Carleton): Madam Speaker, I rise on a point of order. The President of the Privy Council is not here right now but his parliamentary secretary is, so I draw his attention to my point of order. I am a little concerned about my friend's reference to an understanding, as he put it, that there would be one speaker per party speaking on Bill S-2 when the bill comes before the House. I did not quite catch in the translation, what the President of the Privy Council said, so I went out to check it and I found that indeed he had stated that there was an understanding that there would be one speaker per party on Bill S-2. I just want to make it clear, so we do not have any misunderstandings, that the understanding of the President of the Privy Council does not accord with mine, although it is my understanding that the debate on that bill will be very short. I do not believe we ever discussed it on the basis referred to by the minister. I am making this point while the parliamentary secretary is here so that we will not have any misunderstanding of our intentions on this matter.

Mr. Collenette: Yes, Madam Speaker, I concur in the sentiments expressed by the hon. member for Nepean-Carleton. In the discussions which we have had, we spoke about a very short debate on Bill S-2. I do not believe there was any specific agreement to limiting the speeches to one speaker per party, but we hope to get the bill through very quickly tomorrow.

GOVERNMENT ORDERS

[*Translation*]

WAYS AND MEANS

CUSTOMS TARIFF

Hon. Marc Lalonde (for Mr. MacEachen) moved that a ways and means motion to amend the Customs Tariff, laid upon the Table on Monday, April 21, 1980, be concurred in.

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

Motion agreed to.

CUSTOMS TARIFF, NO. 2

Hon. Marc Lalonde (for Mr. Bussières) moved that a ways and means motion to amend the Customs Tariff, No. 2, laid upon the Table on Monday, June 2, 1980, be concurred in.

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

Motion agreed to.

CUSTOMS TARIFF, NO. 3

Hon. Marc Lalonde (for Mr. MacEachen) moved that a ways and means motion to amend the Customs Tariff, No. 3, laid upon the Table on Tuesday, October 28, 1980, be concurred in.

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

Motion agreed to.

* * *

CUSTOMS TARIFF

MEASURE TO AMEND

Hon. Marc Lalonde (for Mr. Bussières) moved that Bill C-50, to amend the Customs Tariff and repeal the South African Trade Agreement Act, 1932, the Irish Free State Trade Agreement Act, 1932, and the United Kingdom Trade Agreement Act, 1937, be read the first time and be printed.

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

[*English*]

CANADA OIL AND GAS ACT

MEASURE RESPECTING OIL AND GAS INTERESTS

Hon. Marc Lalonde (Minister of Energy, Mines and Resources) moved that Bill C-48, to regulate gas interests in Canada lands and to amend the Oil and Gas Production and Conservation Act, be read the second time and referred to the Standing Committee on National Resources and Public Works.

● (1520)

He said: Madam Speaker, when we introduced the National Energy Program on October 28, the government set out aggressively to seek the energy sources and solutions which Canada will need for generations to come. We did so with a determination unmatched by any previous federal government, and we believe we have found a solid way in which to build our energy house.

Our way begins with the clear, strong, nationally-oriented principles of security, opportunity, and fairness. It constitutes a deep commitment by the government to a secure energy future for all Canadians. Also it underscores a basic confidence in this country's ability to confront the world energy situation on our own terms and in our own way.

Today I am pleased to introduce Bill C-48 for second reading. In doing so, I present a key element in the successful fulfilment of the National Energy Program. The Canada Oil and Gas Act will establish a new and modernized regime to govern resources development activity in those immense frontier regions of our country known as the Canada lands.

Two centuries ago, Edmund Burke, the eminent British statesman and political philosopher, wrote the following:

> If we command our wealth, we shall be rich and free; if our wealth commands us, we are poor indeed.

The years have not dimmed the significance nor lessened the impact of those words. Canada is rich in natural resources. Our aim is to allow Canadians from coast to coast the opportunity of sharing the benefits of those riches. Bill C-48 is a significant step in that direction.

I have stated on other occasions that there are three direct action programs essential to solving Canada's energy problems. Members will recall that these include reduced consumption of oil products, rapid substitution of oil by other more plentiful energy sources, and finally, exploration, development and production of domestic oil supplies. It is to this last program dealing with domestic oil supplies that the Canada lands are of vital importance.

Our offshore regions cover an area of some 2.5 million square miles. The territories alone comprise another 1.5 million square miles. Together this is what we call the Canada lands, an area which is almost twice the size of the ten provinces combined.

The promise of this vast frontier region is as enormous as its size. It represents Canada's best prospects for large, new reserves of conventional petroleum. It holds the key to our energy security. If it is true that the future is the most expensive luxury in the world, then there is a substantial downpayment on that luxury, and that downpayment is in Bill C-48.

The existing Canada oil and gas land regulations covering frontier oil and gas rights were promulgated two decades ago. Obviously they are not appropriate to resource development needs today. We cannot continue with a system requiring that holders of rights meet only minimum requirements, particularly minimum work requirements set out in fixed schedules, designed for very broad geographic areas. We must ensure that holders of oil and gas rights pursue vigorous and sustained exploration and development efforts, or relinquish their rights to make way for explorers who will do so.

Oil and gas rights have already been issued for 350 million acres in the Canada lands. Virtually all the area is considered promising in terms of potential reserves. Bill C-48 will convert these existing rights to the new land management regime thereby establishing it in a meaningful way. It will see that this is done within one year of the passage of Bill C-48.

I should like to take a moment to spell out for the House the main elements of the new regime. They can be summarized in seven specific points. First, there will be stiffer work requirements through negotiated exploration agreements which include firm drilling commitments. Second, we will reserve to the Crown a 25 per cent share of oil and gas rights in the Canada lands, to be exercised through Petro-Canada or some other designated Crown corporation. Third, there will be a minimum requirement of 50 per cent Canadian ownership, through the private or public sector, of production from the Canada lands. Fourth, we will ensure optimum employment of Canadians, and use of Canadian goods and services, in oil and gas activities carried out on the Canada lands. Fifth, we will provide ministerial authority to order production to commence and be delivered to Canadian markets, in quantities and at prices specified in the order. Sixth, we will be providing a greater degree of control in the timing, direction, rate, and level of exploration, development and production by various means. These would include drilling and production orders, earlier release of proprietary information, prior approval of transfers and assignment of rights. Seventh, we will ensure that Canadians receive a fair return for their oil and gas resources through a basic royalty of 10 per cent, with an additional royalty of 40 per cent of the net profits of a field.

As I said earlier, the Canada oil and gas act will bring existing oil and gas rights into line with the new regime, but in such a way as to ensure that if these rights are not actively developed they will be relinquished to the Crown. Existing permits, leases and agreements will either be converted to new leases and agreements within a year or will be surrendered to the Crown. Under the new regime, all exploration rights will lead to one type of production rights only, namely, a production licence.

The emphasis in all leases and agreements will be on active development. Even though, as was pointed out in "The Nation-

al Energy Program", Canada may not need its northern resources for domestic markets until the 1990s, we should press ahead with exploration so that Canadians will know that a secure source of oil and gas is available as our safety net for the future.

As in Bill C-20, which this bill replaces, there will be a basic royalty of 10 per cent, reducible where economically justified, to allow commencement or continuation of production. In addition, there will be a form of profit-sharing amounting to 40 per cent of the net profits of an oil and gas field above a 25 per cent rate of return according to the formula set out in the act. Incorporating the fiscal obligations of holders of frontier rights in the act will provide certainty for industry and make for a stable investment climate.

• (1530)

The thrust of the new regime is on the early assessment of the oil and gas potential of Canada's frontier regions. However, this will not be done at the expense of fisheries resources or the environment. There are provisions for a fund to cover costs of regional environmental studies related to oil and gas activities. This fund will be raised by assessing rights holders proportionally on an acreage basis to cover the costs of biological and physical research designed to ensure safety and to ensure the prevention of pollution. There is provision for catch-up assessments to be levied on parties who acquire oil and gas rights in a region where such environmental work has already been financed.

There are a number of provisions in the new Canada oil and gas act relating to the supervision and control of oil and gas activities rather than to the strict land-management regime. These operational provisions more accurately fit into the Oil and Gas Production and Conservation Act of 1970, and so they are put forth as amendments to that act. Items thus covered include:

1. Operating licence to be prerequisite for carrying out oil and gas activities, with an individual authorization in writing necessary for each activity, as well as deposit requirements to ensure submission of data and reports, and requirements for optimum employment of Canadians and utilization of Canadian goods and services;

2. Authority for the chief conservation officer to order the commencement, continuation and cessation of production on the basis of sound engineering principles;

3. Provision for oil spill liability on the part of operators, in particular providing for absolute liability; and

4. Authority to charge operators for outside consultative advice when evaluating and authorizing oil and gas production systems.

The proposed new regime will involve far-reaching administrative responsibilities for its implementation. Judgmental decisions will determine when, where, and how oil and gas rights should be made available for development. Involved in this process will be such factors as the extent of Canadian ownership, and the use of Canadian goods and services. It is therefore our intention that in order to ensure efficiency of administration, and consistency in application of this regime, there will be one national resource management agency. It will be responsible for implementing the Canada oil and gas act throughout the frontier regions.

The element of Bill C-48 which seems to have attracted the most attention, especially that of industry, is the 25 per cent Crown share. I would like to clear up some misunderstanding about this aspect of the bill. In brief, Bill C-48 grants to the Crown a 25 per cent share of existing oil and gas rights in areas where production has not yet begun. This share, described as a "carried interest", does not constitute a free ride for the Crown.

The Crown share can be transferred by the Minister of Energy, Mines and Resources to Petro-Canada or to some other Crown corporation. This corporation must convert the share to a working interest, not later than the time at which a production system is approved for the relevant lands. Thus, the Crown share would be in the form of a working interest some time before the expenditure of 85 per cent to 90 per cent of the total cost involved in bringing a field into production. I stress here that this 25 per cent Crown share does not apply to fields which are already in production, like Norman Wells.

This concept has variously been described as "confiscatory" and "expropriation without compensation". I would like to state emphatically that this is not so. Surely the Canadian taxpayer has the right to retain a share in the ownership of his resources.

Mr. Wilson: After the fact.

Mr. Lalonde: As far as the charge of expropriation is concerned, I point out, to the friend of the multinationals on the other side, that a 25 per cent federal cash incentive grant will be made available to all explorers to offset the 25 per cent Crown share.

The Crown share replaces the Petro-Canada "back-in" provision in the current Canada oil and gas land regulations, and it reflects the substantial contribution by Canadian taxpayers to frontier exploration through such incentives as the super-depletion allowance. The new cash incentive grant recognizes the vital need to know as soon as possible what the frontier region may contribute. I would remind hon. members on the other side of the House that in the past Canadian taxpayers have contributed, in some instances, over 100 per cent of the cost of that exploration. It is only fair that today Canadian taxpayers should be entitled to a share, which we have set at 25 per cent, in the development of those resources which have been found through the contribution of the Canadian taxpayers in the past, and which will be found in the future.

I am sure members are aware of the statements made by some industry spokesmen that there will now be a decrease in oil and gas activity in the frontier regions. These spokesmen have said their plans will have to be reviewed and that investment money may have to leave Canada. I doubt that these people have carefully analysed the National Energy

Program, especially the positive aspects of such elements as the cash incentive grant program. I can say that in discussions I have had with various representatives of the industry in the last couple of weeks, they have indicated very substantial interest in investing in the Canada lands under the new regime.

Some hon. Members: Hear, hear!

Mr. Lalonde: In any event, I would be hard pressed to name any area of the world today where a more favourable exploration situation could be found, both from the standpoint of geological promise and investment climate.

In the United Kingdom, for instance—and I will not talk about the recent 20 per cent tax which the U.K. government has imposed on the oil and gas industry in England—one would encounter a far more severe taxation system involving, in fact, four levels of taxation of petroleum production. In addition, there is one U.K. state enterprise empowered to purchase up to 51 per cent of all oil production, and another one with a monopoly in respect of all gas production. In Norway, there is a Norwegian state enterprise empowered since its inception in 1973 to be a 50 per cent carried-interest holder in oil and gas rights throughout the exploration stage. The percentage share can go higher on the basis of the productivity of a field with the maximum rate attained to date being 80 per cent.

In the case of producing areas such as Indonesia, where the production sharing type of contract is the general mode of doing business, the rate of return obtainable under that system is considerably less favourable than will be the case under the fiscal terms set out in the proposed Canada oil and gas act. As regards moving south to operate in the U.S.A., the limited extent of the areas that do remain available for exploration in the United States are by no means in the same category as Canada's vast frontier regions. The elements of the new oil and gas regime for Canada's frontier, together with the geological promise of these regions, constitute a situation attractive to a degree difficult to find anywhere else in the world.

● (1540)

For some years now industry has been concerned with the need to establish certainty regarding the tenure of oil and gas rights in the frontier regions, as well as the applicable fiscal regime. Industry reaction following the announcement of the National Energy Program has centred on the timing of the proposed new legislation and the opportunity for industry to make its views known.

I share industry's desire for a speedy resolution of these questions. I am introducing Bill C-48 for second reading today so that we can quickly move to the committee stage where interested parties will have the chance to be heard. I might add that if, after having heard witnesses, the committee feels that some appropriate adjustments are required, the government will be open to the possibility of some modifications in order to meet the justified concerns.

[*Translation*]

I should like to add a few words in my own language concerning Bill C-48, a bill to regulate oil and gas interests in Canada lands, which I have just introduced for second reading. People are not particularly aware of the wealth and resources which Canada lands mean for all Canadians. These lands include the Northwest Territories and the offshore regions where Canada has submarine mining rights. When we make the sum total of all these areas, we end up with a surface which is nearly double that of the ten provinces put together.

As a matter of fact, it is a huge area which is enormously rich in terms of oil and mineral resources generally. In fact, all geologists agree that the Canada lands are the most promising for the future in terms of oil and natural gas. Following the exploratory work which has been carried out off the cost of Newfoundland, in the Hibernia field, as well as in Beaufort Sea, there are already very encouraging indications that within the next few years Canada may count on major reserves of conventional oil similar to those which are now being tapped in the west.

Up to now, Canada had granted exploration permits for some 300 million acres of this territory which covers some four million square miles. And Bill C-48 which we are looking into today will make it possible for the Canadian government to update all its current regulations governing the exploration and development of oil resources on Canada lands.

In fact, we have several main objectives in mind with this new system. First of all, exploration agreements will contain stricter project requirements and provide for firm drilling commitments. Also, the government of Canada, on behalf of Canadian taxpayers, will keep a 25 per cent share of oil and gas rights in the Canada lands, which will be handed over to Petro-Canada or some other designated Crown corporation.

All agreements will also specify that at least 50 per cent of the interests developing those reserves will have to be Canadian, from either the public or the private sector. Fourth, through these agreements, we will ensure that the projects to develop oil and gas in the Canada lands will employ as many Canadians as possible and use the greatest number of Canadian goods and services. There will also be provisions to guarantee Canadians a fair share of the returns accruing from the resources committed on their behalf in the oil and gas industry through a basic 10 per cent royalty with an additional 40 per cent royalty on the net profits from a particular deposit.

Finally, Bill C-48 contains several other clauses enabling the minister to ensure that the rate and volume of production are adequate to satisfy the future needs of Canada. It also contains a whole series of provisions so that the government can be sure that exploration in the north and offshore is ecologically sound, and that exploration work and the actual projects are respectful of the environment which, as everyone knows, is extremely fragile in those regions.

[*English*]

I have said that the government wishes this bill to be considered in committee so that it may be considered in detail and so that hon. members may have an opportunity to hear witnesses. We on this side of the House will be very open to suggestions for improvements. I am confident that the members of this House share our concern that the industry should be provided with some certainty as soon as possible regarding the tenure of oil and gas rights in the frontier regions coming under the Canada lands.

I therefore commend Bill C-48 to early consideration in committee, and I commend it to the House generally.

Hon. Michael Wilson (Etobicoke Centre): Mr. Speaker, we are today debating the legislation which will set the framework for energy development in the Northwest Territories, the Arctic Islands and offshore in the north, as well as on the east coast and the west coast, for years to come. It is the framework for what will probably be the most significant area of energy development in Canadian history. Unfortunately, since this bill was tabled on Tuesday for first reading, we have only had two full days to study the bill before we are put in the position of presenting some preliminary views. It is not sufficient time to do justice to the legislation, which is very complex and very far-reaching. Therefore it is important that we have good committee hearings to understand the full complexity and full impact of the legislation.

The results of exploration to date in the Mackenzie Delta, the Beaufort Sea islands, the Arctic islands, and the east coast offshore, have been very exciting to date. There is great promise for the future. It is essential, therefore, that this legislation provide a very positive framework for future development and for increased exploration in these areas. The east coast is a very exciting area, not only because of the size of the potential of the discovery that has been made there to date, but also because of the very strategic location of these new resources in view of our over-all vulnerability to offshore sources of oil, particularly the very volatile Middle East.

● (1550)

Atlantic Canada and Quebec are totally dependent on offshore sources of oil at this time. By 1985 we expect that Ontario will commence using imported oil. Hibernia and other discoveries off the east coast will transform this picture. It will also transform the development of the east coast, not only in terms of the economic development but also in security of supply, and with regard to the regional balance between that part of the country and other provinces, as well as our international balance of payments. It is essential, therefore, to treat Bill C-48 with the utmost respect, to deal with it expeditiously but with great care, because of the impact it will have on our energy development.

The broad objectives of this legislation are worth while and are certainly acceptable. One might go so far as to say they are motherhood; they are intended to increase production and Canadian ownership, as well as to provide a very stable tax environment. I agree with the minister when he says that it is important to have this legislation. We have been waiting for it for about ten years now.

Let me trace the sorry history of the life of this bill, Mr. Speaker. It goes back many years. Until now, the regulations under which the federal government makes oil and gas rights available for development have been the Canadian oil and gas land regulations. These were promulgated under the Public Lands Grants Act and the Territorial Lands Act. In 1970 we were promised new rules under these acts, and in 1973 in the "Energy Policy for Canada, Phase I," the federal government document, it was noted:

—these land regulations are currently under review. No new federal permits have been granted since March 1972.

In May, 1976, the then ministers of energy, mines and resources and of Indian affairs and northern development announced the elements of a petroleum and natural gas bill which was to be placed before Parliament later that year. About a year later we got the Canada oil and gas act and were promised speedy action on it, but 15 months later there was an election so there is still no Canada oil and gas act. Now, almost three years later, we finally see this legislation come to light.

This delay is shocking, Mr. Speaker. It is irresponsible to expect companies to operate in an environment when they have no idea what the ground rules will be. In fact the minister has changed some of the ground rules to the significant detriment, not of the multinationals as he keeps saying in this House, but of the Canadian-owned independent companies that he is looking to, to play an important role in developing the Canadianization of the oil industry. That is the kind of company that is being hurt.

This delay, going back to 1970, has cost Canada valuable years in reaching oil self-sufficiency. It is important that we get on with the job now. If I may say one positive thing, I would commend the minister for finally bringing this legislation forward.

We must study this new legislation very carefully and look at its objectives. It reveals that the stated objectives have been seriously undermined by the specifics of it. Today, I will only judge the legislation on the minister's own criteria, on the over-all objectives to achieve self-sufficiency in this country and to increase Canadianization. These are two of the principal objectives of his National Energy Program. I will also comment on the retroactive nature of the 25 per cent back-in by the Crown, the whole question of offshore jurisdiction for resource ownership, the international implications, and the very important element of ministerial discretion which is rampant throughout the bill.

Let us take the objective of self sufficiency. In the National Energy Program, frontier and offshore reserves are not included in any discussion of the producibility in the industry leading up to 1990. In the program it is stated that conventional sources will produce about 713,000 barrels per day and non-conventional sources will produce about 730,000 barrels per day. These figures are suspect, first of all because of the changed economics brought in by the National Energy Pro-

gram which altered the degree of production on the conventional side and then because of the current deadlock between Alberta and the government. We have seen the non-conventional projects put in limbo. A third project has announced it will not go ahead today, the Judy Creek tertiary recovery program.

There is a very good reason why we have to look toward these frontier resources. There is also a good reason why they are not included in the supply figures in "The National Energy Program", because they are not assured. Their viability has not been proven. There is great promise but the technical problems of transporting the oil to places where it can be used have not been solved, and the over-all economics of development have not been proven. These are important elements in the bill we are studying today.

It is important to ask whether the provisions of Bill C-48 bring these sources closer to reality. It is important to know whether Bill C-48 encourages increased levels of exploration and development. The initial assessment we have made on this side is that the answer to that question is no. One of the public responses we have seen is by Gulf Canada which has cut its northern exploration budget from $400 million to $270 million for next year—about one-third. I find that to be a very serious decision by Gulf Canada.

We must also examine the change in the tax evironment between the prior position and that proposed under Bill C-48. The royalty position proposed under the previous bill, which was not passed, is the same as set out in this bill. As the minister pointed out, the super-depletion allowance which provided a significant amount, in some cases 100 per cent of the cost of the expensive wells up there, was to be changed and has been changed to provide for exploration grants of between 20 and 80 per cent, depending on the level of Canadian ownership.

Under the previous proposed legislation Petro-Canada was given the right to back in if it met two conditions. One was if there had been no significant discovery, and the second was if the consortium was not more than 35 per cent Canadian owned. Under this new legislation, as well as under the National Energy Program there is a 10 per cent basic royalty plus a 40 per cent participating royalty after a 25 per cent return on investment has been achieved, and 8 per cent gas and oil production tax, and an automatic 25 per cent back-in by Petro-Canada, or another state agency. That back-in is there, whether or not there is a significant discovery and whether or not there is a significant degree of Canadian ownership.

● (1600)

The economics have been changed significantly by the proposed legislation and by the energy program. That is a matter which must be taken into account by the government when it is considering expert testimony here in committee.

I do not quarrel that there is a 25 per cent back-in. If the government feels this is necessary, then we can support that. However, I point out there are very high front-end costs involved in exploration offshore and in the northern frontiers. There is a very inadequate pricing regime relative to other countries in the world. This, too, must be taken into account when the over-all economics are considered, whether or not companies feel it is worth their while to spend the huge amounts of money required for frontier and offshore exploration.

The impact of frontier and offshore exploration and development highlights the inadequacy of the pricing regime of the National Energy Program. In the conventional area, the problem is primarily a dispute between the province of Alberta and the federal government. We have urged the province and the federal government to get on with negotiations to unwind this deadlock. But the problem in the frontier is that we do have expensive drilling costs. If the pricing, together with the tax and other royalty requirements, is not attractive enough, then work will not go on. On that particular aspect, I am not encouraged.

I want to point out the difference in the pricing regime. The minister has referred in a passing way to the tax regime in the United Kingdom and Norway. He has omitted any reference to the pricing regime and he also only mentioned part of the tax aspect. He omitted to mention that in England there is a 150 per cent full cost recovery before there is a royalty and taxes are levied.

The economic adviser to the department of energy has stated:

> A crucial element of our policy of economic pricing is that North Sea oil should be sold at world market prices within as well as without the U.K . . . it would be very shortsighted for us to become accustomed to cheap energy supplies at below world market prices—

A paper on energy policy in Norway states:

> It is especially important to economize with non-renewable resources, such as oil . . . It is therefore the view of the government that, even though Norway has become an oil exporting nation, domestic prices of oil products continue to be based on world market prices.

In the case of The Netherlands we find:

> Since the 1973-1974 energy price increase The Netherlands immediately tried to price their own natural gas for domestic use and export at the OPEC equivalent level.

In the 1980 Venice summit, in declaration 7 the comment was:

> There is no justifiable rationale for subsidizing energy prices domestically—

In a policy speech in Australia, the prime minister stated:

> —the oil parity pricing policy is an important part of the over-all plan. We want Australia to be as energy self-sufficient as possible in future years. We do not want Australia to be a beggar for fuel on the international market.

I mention these items today. While we may have one consideration regarding the question of conventional oil as it relates to the debate between Alberta and the federal government, in the case of offshore production, where the costs are so high, it is important to look at the experience of these other countries which are ahead of Canada in offshore development. Where primary resources are offshore these countries have moved quickly to world price. In Canada, as all Canadians know, we are considering not a move to world price but to about 75 per cent or 85 per cent of world price. Today the

Economic Council was proposing 85 per cent of world price and the premier of the province of Alberta has proposed 75 per cent of world price.

It is important to look at what is happening in other countries of the world when we decide how to proceed with very expensive offshore development in Canada. Other countries do not have to contend with icebergs and short drilling seasons. Canada has to, as we all know. The result is that Canada's objective of self-sufficiency has not been moved forward. In fact it has been set back by the provisions of Bill C-48.

There is one other element to which I referred in passing when I was talking about the offshore development on the east coast. This is very strategic as it relates to Canada's supply position. We are relying on the Middle East, Venezuela and Mexico primarily for imports of oil. By taking oil from those parts of the world, security of supply is uncertain. This has been particularly so in the last two or three years. My colleague, the hon. member for Kingston and the Islands (Miss MacDonald), will be discussing this point further in the debate. However, I will comment that Canada has been given a heaven-sent opportunity to free itself from offshore dependency. Other countries would move quickly and aggressively to capitalize on this opportunity. But in Bill C-48 nothing like that is proposed. My initial observation is that the greed of the federal government for revenues and control is likely to set back this very exciting development.

If we are to err, I say let us err on the side of early and full development, to protect ourselves and our future so that we can free ourselves from offshore supplies of oil and thus secure the independence which Canada so richly deserves.

I have stated that we have no problem as far as the 25 per cent back-in for the Crown is concerned. I believe that it is a positive element to have a working interest rather than a carrying interest. I support these two provisions of the bill.

However, I have a very strong disagreement with the retroactive nature of this back-in aspect as it relates to exploration and development in the way it has been done to date. In 1977 the Government of Canada, in order to encourage exploration in these unknown areas of Canada and to understand what we had in the north and in the offshore, introduced a super-depletion allowance and it introduced certain back-in rights for Petro-Canada. These back-in rights would allow Petro-Canada to take a 25 per cent interest if there were no significant discoveries and less than 35 per cent Canadian ownership.

What has been done in this legislation is unfair, confiscatory, and immoral. On reflection, what the government has done is to say the success of the Beaufort Sea and Hibernia is too much to handle. The government has said it must have a part of it, and have it without payment. What happened is that $5 billion has been spent by the various companies in exploration over the years.

Mr. Lalonde: The Canadian taxpayer paid for it.

Mr. Wilson: This amount of $5 billion has been spent, and now Petro-Canada is being given the right to take a 25 per cent share on a retroactive basis without compensation. This is equivalent to a theft of $1.25 billion from these companies which have been operating in good faith.

Mr. Lalonde: Try Norway.

• (1610)

Mr. Wilson: The consequences I see are negative as far as the impact is concerned on existing companies which have been exploring in the Beaufort Sea. It is immoral and it is an embarrassment to this country. We are acting like a banana republic in our relations with people who have operated in good faith.

Let us step back and look at the long-term implications of this.

An hon. Member: Start acting like a Canadian.

Mr. Wilson: If you are going to take things away on a retroactive basis, I ask you to consider for a moment that you have an RRSP. Think what the fellow next to you is going to do about it because it is the same consideration—there has been a tax write-off, the government feels you have received too much and is going to take some of that back after it said you could have it. That is the position these companies are in, and it is totally unfair.

An hon. Member: Gross imagination.

Mr. Wilson: There is no gross imagination there whatsoever. It is there in black and white. It is going to affect us not just in this one area relating to oil exploration and development in the north, but also will affect international confidence in government action of any sort as it relates to foreign investment, and it is going to set back economic development in this country because of that. We have received a black eye in the eyes of the rest of the world and it is bound to affect us in the years to come.

The government has changed the rules in another portion of this bill, and has done so on a retroactive basis. Bill C-20, although it was not legislation, was regarded by the industry as the ground rules under which they would be operating. It allowed for a three-year royalty holiday on production coming from reserves which were proven prior to December, 1982. The purpose of this was to encourage production and exploration in that part of the country. The government, having encouraged that exploration, has shortened the time, making the date December, 1980—which is only three weeks after the bill was introduced. The development programs which had been planned for a period leading up to 1982 have to be cut short. These programs could have been compressed into a tighter time-frame in order to take advantage of the royalty holiday. With only three weeks left, that is impossible to achieve. It is another example of the trickiness of this government.

Let us look at the other primary objective of the National Energy Program, and that is Canadianization. We on this side

of the House fully support that objective and will support the government in any realistic way in achieving increased Canadian ownership of this industry. It is imperative to examine the impact of Bill C-48 on that objective. Will Bill C-48 achieve that objective of increasing Canadian ownership?

An hon. Member: Yes, it will.

Mr. Wilson: Mr. Speaker, I do not agree that it will. We want to examine the witnesses very closely when we reach the committee stage to see how it is affecting the Canadian companies we are looking to to take an increased role in this industry. The preliminary indication is that only a limited number of Canadian companies are of the size to participate in the very expensive programs which must be undertaken in the north and offshore. The new economics of the industry under Bill C-48 and under the National Energy Program will not encourage others to participate. There are very high front-end costs, there is tremendous risk and high taxes as a result of Bill C-48.

As I indicated earlier, the pricing regime the companies will have to operate under is not going to be sufficient to attract investment. We had a slowdown in activity before Bill C-48 came into effect. Now with the changes brought in under Bill C-48 and the National Energy Program, I can see a further slowdown in that activity, and signs of that have been indicated already.

My concern is that the approach to Canadianization will lead to a very heavy involvement in the industry by the Government of Canada, either through PetroCan or through some other Crown corporation. The problem is not how to gain greater participation for Petro-Canada in the Canadian offshore. The provisions of this bill provide many opportunities for Petro-Canada to have a very full involvement. The danger of Bill C-48 is that it will result in too much centralization. There will be too much control vested in one central agency. There will not be enough breadth of decision-making so that the decision to move into this or that prospective area of development will be concentrated in one spot, the Government of Canada. That is wrong. Anybody who has followed the development of the oil industry over the years will agree that is wrong, and Canadians will suffer for it.

If Petro-Canada or the Government of Canada has a dominant involvement there will be insufficient diversity of points of view. The oil business thrives on competition and it thrives on different points of view.

I should like to make two proposals which will develop Canadian participation in this industry to a greater extent than will take place under Bill C-48 as it is today. I hope this may be discussed further in committee. The first is to go back to Bill C-20 and consider the approach taken there, and make some adjustments to the approach on how Petro-Canada or the state would have back-in privileges to any developments in the north.

Canada needs all the participants it can get for northern development. I say that because we have to bring to bear the maximum capital involvement as well as the maximum technological involvement and the differing points of view resulting from a wide range of participants. It will strengthen the Canadian industry and will encourage non-residents to seek out Canadian partners. Under Bill C-48 there is no incentive to make a good effort at expanding Canadian participation past a minimal 25 per cent.

I suggest to the minister that rather than make it a compulsory back-in for Petro-Canada, he allow Petro-Canada to back in if there is not 50 per cent Canadian involvement. Canadian involvement would be encouraged in those projects and we would not have the mandatory imposition of the state.

The second proposal concerns an alternative form of royalty not unlike the case in Great Britain and, I believe, in Norway. It is to allow companies to recover 150 per cent of their total investment and then subject them to a higher royalty, allowing them to get their capital investment back in a faster way. This would improve their investment and allow them to reinvest that money in other development in the north sooner rather than waiting for the very long pay-outs which can take place under Bill C-48 as it stands today. This is an approach which is consistent with the high degree of risk which prevails in the north and in the offshore, as well as the very huge size of commitment. It would be much easier for the less well-capitalized Canadian companies to take a stronger and more active participatory role. The result would be a faster development of the north and certainly would result in broader and more extensive Canadian ownership of the oil industry.

Bill C-48 confirms the Government of Canada's unilateral approach in yet another area of policy, and that is in the area of offshore jurisdiction over resources. Our party believes there is a legitimate right for coastal provinces to have the same rights to their resources as those which have their resources totally underground. We have stated many times we believe this jurisdiction should be guaranteed under the constitution in the same way as the inland provinces.

Some hon. Members: Hear, hear!

Mr. Wilson: The oceans should not be regarded as barriers to these coastal provinces but should be regarded as an extension of their livelihood. This is similar to the position of these provinces as it relates to the fisheries. It is just an extension of that same thought to relate that same principle to offshore resources.

● (1620)

Other colleagues will be elaborating on this fundamental principle, but let me say only that it is essential that this disagreement be settled, and settled as quickly as the disagreement we have with Alberta because, if not, the legitimate development of offshore Newfoundland and Nova Scotia resources may well be delayed for many years, until the companies involved have sufficient confidence to proceed and spend the vast amounts of money required to bring those fields into production.

Let me comment on the economic development we hope will arise out of Bill C-48. We are pleased that provision is made

for the minister to approve plans for the employment of Canadians and for the use of Canadian goods and services in projects under the jurisdiction of Bill C-48. We on this side have been pressing for this, and we look forward to the regulations or the business plan the minister or his colleague, the Minister of Industry, Trade and Commerce (Mr. Gray), will be presenting to companies, so that we can judge the merit of this approach.

We believe this is important because of the job-creating possibilities there are, the increased opportunities to develop technology within this country, and the opportunities to export that technology in future years. The impact of that on our over-all balance of payments can be very significant, and this is something we believe is very important to keep in mind in the development of those regulations. However, it is essential to provide the companies with these ground rules beforehand so that they know what they are dealing with and how to conduct themselves in the development of these offshore resources. It is essential that in the development of these ground rules we limit the amount of discretion the minister has, and give the participants as firm an understanding as possible of what constitutes good behaviour in the use of Canadian people and products in these developments.

While I am on this subject I would like to draw the attention of the minister to a matter which my colleague, the hon. member for Calgary Centre (Mr. Andre), raised in the House the other day and of which the minister disclaimed any knowledge, that is, the question of the purchase by Petro-Canada of a drilling platform which, we understand, has been ordered from Japan.

The drilling platform will cost $150 million. It is a Sedco designed platform, and Thompson Drilling Company, owned by Atco Industries, a Canadian company, has had four identical rigs built in Canada, three in Halifax and one in Vancouver. Now we see Petro-Canada, the Canadian state-owned company, going to Japan to buy this same rig. We have asked the minister to get an explanation of this from Petro-Canada, and we ask him to impress upon Petro-Canada the importance of following the basic policies he is setting forward in this bill in the conduct of its activities. I hope the minister will be reporting to this House in a short period of time as to the reasons which led Petro-Canada to make that decision. It runs contrary to everything the minister has said, and I am surprised that he has not been on top of it prior to this.

Let us step back for a minute and look at Bill C-48 as it affects development in this huge area. If the result of Bill C-48, as I set out in the section of my remarks with respect to self-sufficiency and how we are going to take ourselves to self-sufficiency, is truly a slowdown in activity, the north will be affected in a very serious way. We have seen indications of budget cutbacks already. Job opportunities for native peoples will decline. Manufacturers and suppliers of goods in Alberta and central Canada will see orders to which they were looking forward to receiving, vanish.

I refer again to the Economic Council report which notes that the major opportunity for Canada to get out of the economic doldrums it is in today is through energy development. We do not see a sufficient forward thrust in Bill C-48 to move us in the direction to which the Economic Council refers. Major opportunities for economic development will be lost, and it is very important today at a time when one million people are unemployed and when we have a $17 billion deficit on our manufacturing trade—to say nothing of what this can do for energy supplies—that we err on the side of development and not on the side of greed.

I will not cover the question of the environment. My colleague, the hon. member for Hillsborough (Mr. McMillan), will be speaking to the House later with respect to the environment, but I wish just to note that that is a very critical element of this bill because of the very fragile nature of the environment and the ecology in the parts of the country which are affected, the north as well as the east coast offshore. We will be looking very closely at the environmental impact and at the regulations to be forthcoming as a result of this bill.

One final matter I wish to discuss is that of ministerial discretion. In reading this bill it is clear that there are many elements of ministerial discretion. This is of grave concern to me and, I believe, would be of grave concern to the people in the industry who have suffered quite seriously as a result of the discretion the minister has used to date in his very heavy-handed approach regarding the 25 per cent retroactive confiscation of the work which has been done to date. Against that background, participants in the industry must query whether there will be other areas in which the minister will exercise his discretion in a negative way. I have identified 23 significant areas of ministerial discretion. I believe these must be reviewed very carefully in committee. Petro-Canada can be designated the operator, and fields can be delineated by the minister and not by the industry. The power is particularly dangerous in the hands of a minister who has the record of this one.

In summary, we are pleased to see this bill come forward. We have waited, as I said earlier, since 1970 for legislation governing development in this part of our country. The objectives of the bill are worthy ones, but the bill is singularly ill-conceived in its structure with respect to the greed of the Government of Canada and its desire for control.

The government is undermining the objectives that the bill and the National Energy Program have set out to achieve. In the two key areas of self-sufficiency and Canadianization, the objectives of the National Energy Program have been undermined. This is a common thread in Bill C-48 and also in the Petroleum Administration Act, and I believe that the committee must give very careful study to certain elements of this bill in order to ensure that these objectives are not undermined.

I urge the Government of Canada to be flexible, as the minister has promised the House today, to be openminded, and to put the interests of the country ahead of the interests of the government in achieving what we want to achieve in the development of these resources. The Government of Canada has a grave responsibility to all Canadians with respect to economic development and security of supply. Its policies in Bill C-48 would lead toward an insecure energy future. We are

risking economic development, and I urge the minister to weigh very carefully the advice and the views of experts who appear before the committee.

• (1630)

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I am very pleased, on behalf of the NDP, to take part in this debate on Bill C-48. Previously the Canadian oil and gas regulations were debated only in the boardrooms of government departments and of oil companies. Some of the provisions in the bill governing the industry in the north and offshore are set out in some detail. As a matter of fact they are set out in so much detail that I agree with the hon. member for Etobicoke Centre (Mr. Wilson), who spoke before me, that it is very difficult, as a result, to deal with this bill in a lot of detail this afternoon, a bill which we received only 48 hours ago.

What I want to do is to discuss major parts of the bill, and later on to deal in committee with some of the other provisions of the bill. I should say right away to the minister that we in the NDP oppose the bill, and I will give some reasons as to why we oppose it. One of the major reasons is that in the past Canadians have really been international patsies with respect to our policy which allowed companies to come in and develop our oil and gas, especially in the north where the Government of Canada, which pretends to know better and which should know better, allowed quite open development.

The hon. member for Etobicoke Centre said we were somewhat like a banana republic in the sense that we seemed to be depriving people of property and investments which they had made in good faith. I, too, am against depriving people of property and investments made in good faith, but when I heard the hon. member for Calgary Centre (Mr. Andre) yell about the "immorality of the situation" being staggering, to use his words, I thought of what my constituents think about the immorality of the situation of, for example, Dome Petroleum in the Beaufort Sea. The fact is that that is a company which has been subsidized almost completely by public moneys, a company with all kinds of tax write-offs, the most incredible tax write-offs, a company which has never paid and is not paying any income tax. That company has admitted it in Victoria at a symposium and a debate which I attended this summer with the president of the company. My constituents think it is pretty immoral on the part of the company and pretty stupid on the part of the government to allow that situation to occur.

I have said that we have had a resource give-away unparalleled in any country in modern times, and I would draw hon. members attention to an article written way back in 1973 by Professor Andrew Thompson entitled "Canada's Petroleum Leasing Policy—A Cornucopia For Whom?", and subsequent articles written on Canada's leasing policies in the north. It is quite clear, if you read some of the work by Dr. Thompson and others, that they talk about a free entry system and about rights that are excessive, which go on and on, that there is no end to these free rights. They talk about a system which does not promote turnovers and does not promote government intervention.

But that is in the past, is it not, Mr. Speaker? In the past we have seen, under Liberal governments by and large, that of the 290 million acres held under permit in our frontier lands, only 110 million acres are held by Canadian-controlled companies, and of the Canadian-controlled companies, Petro-Canada holds 60 per cent. When we look at this bill, when we examine it in detail, we should remember that it is the same old gang, the same sponsor who brought in the previous regulations which I have described as a resource give-away unparalleled in any country in modern times, who is bringing in these new regulations. The question arises as to why they have changed. Is it because we have a new minister, the genial and amicable member for Outremont (Mr. Lalonde)? He is smiling, not because I said that but because he is just back from Paris.

Some hon. Members: Oh, oh!

Mr. Waddell: Some of my colleagues say that "old iron-clad" is back from Paris.

An hon. Member: Latex man.

Mr. Waddell: In any case, Mr. Speaker, one has to ask why they have changed. If you had listened to the minister speak, as I did a few minutes ago, you would have found it to be, as Mr. Diefenbaker used to say, the greatest conversion since Saul on the road to Damascus. Suddenly the minister proposes a new program of Canadianization. Essentially this is why we oppose this bill.

I want to say something about Canadianization. I have a different word for it. It is not a new word and you can look it up in the dictionary. I call it "lalondization", or "lalonding". "Lalonding" is defined as the illusion of control by Canadians when, in fact, it is the same old control by foreign oil companies. That is what this bill is.

An hon. Member: What dictionary are you using?

Mr. Waddell: It is a west coast dictionary. I say that because many people in the country, many well-meaning people, are really concerned—I think people are concerned in spite of what the Conservative party says—about the large oil companies and the shape of the development through these companies in the future. In spite of what the hon. member for Calgary Centre might say, many people are concerned, and they tend to want to support the government on this because they are in favour of Canadianization. Who is not? The Liberals are, we are, and the hon. member for Etobicoke Centre said a few moments ago that he was. But the problem is that many Canadian people think that Canadianization really means public control. Well, it is not public control, because if you look at the oil and energy policy you find there are no detailed provisions for public control. Which companies will Petro-Canada take over, when, how much are they going to pay, how are they going to do it? There is nothing there.

Mr. Hopper, president of Petro-Canada, when asked those questions, said that there are really no companies for sale right now. So it should be made quite clear to the Canadian people that Canadianization, or lalondization as I call it, does not include right now public takeovers and public ownership. It does not even include Canadian control. That is why I call it "lalonding", because even after this bill is passed and the provision for a 50 per cent Canadian ownership in frontier lands before production is allowed, is in effect, it will still be possible to have control from New York or from other parts of the United States where it has always been.

Let me give you two examples. The previous member for Winnipeg North Centre, before the present member who is in the front row of our party, the first leader of our party in the House, J. S. Woodsworth, used to go around the country with a blackboard, I am told, and he used to explain, through figures on his blackboard, what was really going on. I cannot bring a blackboard to the House of Commons, so I ask hon. members to bear with me when I give a few figures to illustrate my point. I will try to go slowly and make it very simple.

Let us take the case where Imperial Oil and Petro-Canada under this new scheme, if it does not change but goes through as it is, were to go into a project 50-50. Remember that 70 per cent of Imperial Oil is owned by Exxon, the largest multinational oil company in the world, and Petro-Canada, of course, is a government-owned oil company. If there were to be 100 shares in this consortium of Imperial Oil and Petro-Canada, Imperial Oil would take one-half and Petro-Canada would take the other half. I said that Imperial was approximately 70 per cent foreign-owned, which means approximately 30 per cent Canadian-owned. If the Americans laid claim to their share of the 50 shares taken by Imperial, they would get 70 per cent of 50 shares which would be 35 shares, and the remaining Canadian portion would be 15 shares. Then the 50 per cent of 50 shares of Petro-Canada, since it is 100 per cent Canadian owned, would be classified as Canadian.

• (1640)

In order to take advantage of this new act, the Canadian ownership rate is established in a white paper by the Petroleum Monitoring Agency. Judging by that standard, all Canadian-owned shares are classified as Canadian. If we take the 15 shares of Imperial and the 50 shares of Petro-Canada, it would give us a project with 65 per cent Canadian ownership and about 35 per cent foreign ownership. So, it would qualify. We would have 50-50, Imperial Oil and Petro-Canada, and suddenly we have a Canadian project which can produce, even though Imperial will control 50 per cent. I do not call that Canadianization; I call it lalondization. It is the first example of lalonding.

I should like to give a second example which will make it even worse. Let me take a case where Imperial goes in with 70 per cent. It could be Shell, Gulf, Texaco or any foreign company which the government does not propose to touch. They did not win in cabinet or whatever. The government did not have the courage to interfere with the foreign companies. It is still taking all the flack anyway, so it might as well have interfered with them. Returning to my example of Imperial with 70 per cent and Petro-Canada with 30 per cent, it would still qualify for a production licence.

That is strange, but let me explain how it works. We must remember that Imperial is 70 per cent owned by Exxon; 70 per cent of 70 shares would be 49 shares or 49 per cent. The Canadian content of Imperial would be 30 per cent of 70 shares, which would be 21 shares or 21 per cent. Of course Petro-Canada would be 100 per cent of 30 shares, which would be 30 shares, or 30 per cent. The result would be that this project, in which Imperial has 70 per cent of the action, under the new scheme would be 49 per cent foreign-controlled and 51 per cent Canadian controlled. Therefore, it meets the requirements. It is another example of "lalonding". It gives the illusion of Canadianization, but in reality, as was pointed out in my dictionary definition, we would have a consortium controlled by a foreign multinational.

I would ask subsequent Liberal speakers to challenge my figures. I see the parliamentary secretary indicating no. I gather my figures are unchallengeable.

Mr. Lalonde: Don't go too fast.

Mr. Waddell: The minister said that his other chief gem in this bill is that the Crown would get a 25 per cent interest, the radical measure which incensed the members to my right. I ask the minister to read about a little deal which the Government of Canada entered into in 1945 between His Majesty the King and Imperial Oil Limited for the Norman Wells project in the Mackenzie Valley in the Canadian Arctic. In that project, which was a voluntary scheme, the government took 33 per cent. Now, under this radical scheme, which is not a voluntary one, it will take 25 per cent. This is another example of lalonding. It gives the illusion of doing something, it gives the illusion of a progressive policy, but really nothing is being done at all.

This bill affects the NDP concern about multinational oil companies, that they do not operate all the time on the basis of the Canadian national interest. The minister should read some of the literature written about these oil companies. For example, there is the book entitled "The Seven Sisters", which was written by Anthony Sampson. I recommend it to all my friends in the House. The evidence is clear that they do not always operate in the best interests of a national country, to put it mildly. We have seen it in Canada. The hon. member for Oshawa (Mr. Broadbent) raised it in the House when he brought forward the example where Exxon had an agreement to take Canadian technology from the tar sands and to take the technology from Imperial. There is nothing in the bill which deals with the transfer of technology. There is something in the bill which deals with a fair opportunity provision for Canadian industry, but it is not enough. When that oil runs out we want an industrial base for Canada. That must be examined in committee.

With respect to environmental matters there is very little in the bill. The hon. member for Nunatsiaq (Mr. Ittinuar) will speak in far greater detail about that important matter. There is no mention of native claims in the bill. Perhaps I did not expect them to be included in the bill, but I did not hear the minister mention anything about them or that they were a priority. The drilling and the exploration will just go on as usual, forgetting the legitimate claims of the native people of the north.

We in the New Democratic Party adopt the principle that oil belongs to the state. We say that nothing will change the importance of oil in the next 20 years. So, it is crucial what we do now with that oil.

I should like to make reference, as did the minister, to what was done in Norway and Britain. I should like to quote from the book entitled "Arguments for Socialism" which was written by Mr. Tony Benn. He was the minister responsible in the Labour government for setting up the control over North Sea oil. Page 74 of this book reads in part as follows:

> —our job was to make sure that the resources of the North Sea were exploited for the benefit of the nation as a whole and not solely for the benefit of a handful of multinationals controlled mainly from America.

Bill C-48 ensures that the Canadian north will still be part of the same old regime; it will still be controlled in the same manner.

I should like to compare the manner in which Norway handles it with what the minister is doing in Canada. Even under the new provisions of Bill C-48 we will still have lax rules and requirements. In Norway, special corporate taxes on multinational companies in the offshore mean that the companies pay 85 to 90 per cent of gross revenues in taxes. Despite this and despite what friends to my right say, Shell, Exxon, Mobil, Gulf and Phillips are still drilling in Norway; they are not pulling out. By contrast, Bill C-48, the radical measure brought in by the minister, imposes a royalty of only 10 per cent on oil and gas, compared to 35 per cent for that other radical province, Alberta. Also there is a provision for an incremental royalty of 40 per cent of net profits.

In committee we will be required to go into what "net profits" mean and the various write-offs. Any oil or gas discovered on or before December 31, 1980, is exempt from paying royalty for three years. The 40 per cent tax on net profits, after all these deductions, will be reduced considerably. Past income tax deductions reduced the nominal tax rate of 36 per cent for the petroleum industry to an effective rate of only 10 per cent from 1974 to 1979. Norway's state oil company, State Oil, inherits a 50 per cent ownership in any new oil or gas concession. The equity can rise as high as 70 per cent, and most of State Oil's share of exploration costs is picked up by the multinational oil companies. Bill C-48 provides a 25 per cent interest to be picked up by the federal government through Petro-Canada or another Crown agency. The Crown will not have to pay for previous exploration costs when it exercises this option but would pay 25 per cent of production costs.

• (1650)

Britain's state-owned oil company, British Petroleum, nationalized by Sir Winston Churchill, has first claim to 51 per cent of offshore oil production. The Conservative government in Britain recently levied a 20 per cent surtax on the profitable North Sea oil industry. The industry in Canada now claims that the 25 per cent government interest is a confiscation. But the Canadian taxpayer, in the past, has put up over 90 per cent of the cost of far north and offshore oil exploration.

Under the new National Energy Program the government will give grants up to 80 per cent of the cost of exploration on Canada lands for Canadian companies. I find it incredible that the hon. member for Calgary Centre and the hon. member for Etobicoke Centre complain about the 25 per cent interest when you consider how much money is being put up by the Canadian taxpayer. That is the point, Mr. Speaker—how much will be put up in the new National Energy Program? If you take what will be put up, the 80 per cent of the cost of exploration, this combined with tax breaks means that the taxpayer will put up 93 cents for every dollar spent by a Canadian company, and 72 cents of every dollar spent by a foreign company on Canada lands. Under these terms this 25 per cent interest is a give-away.

There was talk of industrial benefits and industrial spin-off. Norway has strict requirements—the source of supply for the industry must come from Norway. Norway supplies approximately 50 per cent to 60 per cent of all deliveries for offshore development. Their offshore industry now employs 36,000 people, which is 9 per cent of all industrial employment. Rig construction, petro-chemicals and refining have been developed for Norwegians, not by multinationals. Canada has the potential to develop a supply industry. It is only the Davies Shipbuilding Company in Quebec which builds semi-submersible rigs at the moment. Their major equipment components such as draw workers, pumps and large diesel engines are all imported. Our east and west coast industries could be manufacturing ships, pipe, rigs and equipment.

Strict Canadian content rules seem to be necessary and are workable, as is shown in Great Britain and Norway. I could go on and on with this comparison with Great Britain and Norway. The minister raised the subject and that is why I, too, raise it. This is another "lalonding" scheme which gives the illusion of being progressive when in fact it is not.

Mr. Speaker, I wish to say something about the sleeper provision in the bill which needs to be debated in committee. That is the section which defines Canada lands. It defines Canada lands as being lands in the Yukon Territory and the Northwest Territories and those sub-marine areas adjacent to the coasts of Canada. This raises the question of the provincial role in offshore oil and their role and control over resources. Sooner or later the government will have to face this.

It seems to us that the Atlantic provinces are facing economic hardships and difficulties. What Atlantic Canada needs—and I say this as a westerner who can see the real facts around me—is a resource base so that its people do not have to

go cap in hand to Ottawa and so that they do not have to rely on the charity of central Canada, as we in the west do not have to do that any more. I woud like to see Atlantic Canada in that position. They need a good resource base. That is why the provinces must have primary claim and ownership over their offshore resources.

Ownership is a bundle of rights. There are many things involved in ownership. For example, it does not mean that the federal government will be completely cut out. The federal government has control over shipping, fisheries, and defence, and certainly it has a strong claim to environmental control and protection in the coastal areas. Basically, the government must recognize—and it is not recognizing it by waving this red flag before the bull—that at some point it must make an agreement with respect to offshore resources. Perhaps this might be better dealt with in the constitution committee, but I raise it at this point anyway.

I wanted to say one special word on my own behalf before I go on to another matter with respect to the environment. It is very important that in this bill and in the committee we go into some detail about the northern environment. It is our last frontier, our last environment. I have been there and I have seen the incredible environment in the Beaufort Sea and the Mackenzie Delta. I do not want to see it spoiled. I think we can have oil and gas production there. I think it can be done, but it has to be done carefully.

I draw hon. member's attention to a speech given by Sam Raddi of Inuvik, Northwest Territories. I will not read it into the record. It is a speech he gave on January 28, 1976, to the Berger commission. What Sam Raddi said was that "for generations we have been told that as go the animals so go us. If the animals, the fish and the whales of the Beaufort Sea and the surrounding area, ever disappear, then we will disappear, the Eskimo people will disappear." That is a thing which we cannot see happening in Canada. That is why we must go very carefully in the area of environmental protection.

I want to discuss one further aspect of Canadianization. I spoke in the House on November 21, and in response to my speech I received a letter from a Mr. Conrad M. Black, who is the chairman of the executive committee for a small company in Toronto called Hollinger Argus Limited, located at 10 Toronto Street. Since Mr. Black did not agree with some of the things I said about Canadianization, and it pertains to what I am saying now, I will read the letter into the record. I do so because the minister also got a copy of the letter. It certainly is not a confidential letter. Mr. Black wanted a chance to respond to some of the statements I had made. He said:

Dear Mr. Waddell:

I have read with some astonishment your reference to me on page 4955 of *Hansard*, reporting your comments in the House of Commons on November 21, 1980. The statement, "We will simply replace the Rockefellers with the Conrad Blacks or the Bob Blairs", is so demonstrably untrue that I cannot allow it to pass without comment.

I believe it is well known to the government and to the official opposition that I, personally, support the announced objectives of Canadianizing the energy industry, according the federal government a greater fiscal benefit from the operations of that industry, and maintaining Canadian energy prices somewhat below the world price level.

I digress there. I know that the government has the support of the chairman, at least in respect of Argus. So much for their radical policy. I continue reading from the letter:

I part company, however, with the authors of the National Energy Program in so far as that program, if it is not amended, will increase Canada's strategic dependence upon foreign energy sources rather than reducing it and will go a long way toward strangling the domestic private sector in the energy industry, while inflicting serious unemployment and a loss of technological skills upon both eastern and western Canada in the aftermath of the departure of the megaprojects; nor do I, as a citizen, feel that the public interest is particularly well served by gratuitously antagonizing even the most patriotic and least self-serving elements of the private sector, as this budget and energy program and official reaction to criticism of it have tended to do.

He parts company and joins my friends to the right. I am used to that, Mr. Speaker.

The Acting Speaker (Mr. Blaker): I am sorry to interrupt the hon. member but, it being five o'clock, there is now other business with which we must proceed.

Mr. Waddell: Mr. Speaker, I will finish reading the letter and give my reply to it later this evening.

* * *

● (1700)

MESSAGE FROM THE SENATE

The Acting Speaker (Mr. Blaker): I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed the following bills, to which the concurrence of the House is desired:

Bill S-16, an act respecting the President of the Lethbridge Stake of the Church of Jesus Christ of Latter-day Saints;

Bill S-18, an act to amend and repeal an act to incorporate General Security Insurance Company of Canada; and

Bill S-10, an act to amend the Corporations and Labour Unions Returns Act.

Further, I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed the following Bills:

Bill C-47, an act for granting to Her Majesty certain sums of money for the Government of Canada for the financial year ending March 31, 1981; and

Bill C-49, an act for granting to Her Majesty certain sums of money for the Government of Canada for the financial year ending March 31, 1981.

Business of the House

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Blaker): It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Parkdale-High Park (Mr. Flis)—External Affairs—Closure of Polish border—Possible threat to world peace; the hon. member for Surrey-White Rock-North Delta (Mr. Friesen)—External Affairs—Poland—Inquiry regarding context of Prime Minister's note to Chairman Brezhnev; the hon. member for Portage-Marquette (Mr. Mayer)—Energy—Gasohol—Inquiry whether consideration given to removal of excise tax.

It being five o'clock, the House will now proceed to the consideration of private members' business as listed on today's order paper, namely, private bills, notices of motions (papers), and public bills.

* * *

BUSINESS OF THE HOUSE

Mr. Collenette: Mr. Speaker, on a point of order, there have been discussions among the parties concerning Bill S-18, which you just informed the House was passed by the Senate earlier this afternoon. There has been agreement that this bill will be dealt with later in private members' hour, following royal assent and following the conclusion of Bill S-12, and that Bill S-18 will be dealt with in all stages, including Committee of the Whole, this afternoon before six o'clock.

Mr. Baker (Nepean-Carleton): Mr. Speaker, that is precisely the agreement. We would also be agreeable to not seeing the clock in the event that there should be a few minutes past the normal adjournment hour required so that the matter can be completed.

Mr. Knowles: Mr. Speaker, we are in agreement.

The Acting Speaker (Mr. Blaker): The House has heard the arrangement as related by the parliamentary secretary and the House leaders of the two opposition parties. Is there agreement to proceed in that fashion?

Some hon. Members: Agreed.

PRIVATE BILLS

[*Translation*]

CANADIAN MERCHANT SERVICE GUILD

Mr. Pierre Deniger (Parliamentary Secretary to Minister of State, Multiculturalism) moved that Bill S-12, respecting the Canadian Merchant Service Guild, as reported (without amendment) from the Standing Committee on Miscellaneous Private Bills and Standing Orders, be concurred in.

Motion agreed to.

Mr. Deniger moved that Bill S-12 be read the third time and do pass.

He said: Mr. Speaker, I am really pleased this afternoon to introduce to the House and to Canadians on third reading the bill concerning the Merchant Marine of Canada, that is the new incorporation legislation. First I wish to extend my thanks to the member for Dartmouth-Halifax East (Mr. Forrestall) as well as to the member for Comox-Powell River (Mr. Skelly).

When we refer to the hon. member for Dartmouth-Halifax East, we refer to the member of Parliament who probably knows maritime circles better than anyone else. That member has dealt so much with maritime issues in his province and throughout Canada that he has now made a name for himself in maritime circles in Canada, especially in the Atlantic region. As for the member for Comox-Powell River, although he was elected at the same time as I was, I think that already on the Pacific coast his authority in maritime circles has made him a noteworthy member and colleague.

Mr. Speaker, this bill has been requested by Mr. Robert Cook and Mr. Maury Sjoquist, respectively President and Secretary-Treasurer of the Canadian Merchant Service Guild of Canada, who are obviously commissioned by the Guild to this end. The Guild was created in June, 1919, essentially to provide a fraternal union of Canadian seamen and to provide insurance for seamen and their dependants, in accordance with the provisions dealing with the benefit fraternal societies, as provided for in section 2 of the constitutive act.

Madam Speaker, the Guild is a fraternal union of seamen and for a long time its membership has been limited to licensed seamen and maritime pilots. As regards its activities as a fraternal benefit society, the Guild has not issued insurance coverage to anybody for over 50 years.

THE ROYAL ASSENT

[*Translation*]

A message was delivered by the Gentleman Usher of the Black Rod, as follows:

Madam Speaker, the Honourable the Deputy Governor General desires the immediate attendance of this honourable House in the Chamber of the Honourable the Senate.

Accordingly, Madam Speaker with the House went up to the Senate chamber.

And being returned.

Madam Speaker informed the House that the Deputy Governor General had been pleased to give, in Her Majesty's name, royal assent to the following bills:

Bill S-13, an act to revive Montilac Ltd. and Socam Ltd.

Bill S-14, an act to revive Tremus Industries Limited.

Bill C-47, an act for granting to Her majesty certain sums of money for the Government of Canada for the financial year ending March 31, 1981—Chapter No. 41.

Bill C-49, an act for granting to Her Majesty certain sums of money for the Government of Canada for the financial ending March 31, 1981—Chapter No. 42.

● (1710)

PRIVATE BILLS

[*Translation*]

CANADIAN MERCHANT SERVICE GUILD

The House resumed consideration of the motion of Mr. Deniger that Bill S-12, respecting the Canadian Merchant Service Guild, be read the third time and do pass.

Mr. Pierre Deniger (Parliamentary Secretary to Minister of State, Multiculturalism): Madam Speaker, I have just had the good fortune of seeing again Mr. Justice Antonio Lamer, the representative of the Governor General and a former professor of fiscal and criminal law of mine. I had not seen him in at least five or six years. And here he is the representative of the Governor General and here I am a member of the House of Commons. Who would have thought that possible ten years ago!

As I was saying, there are today 4,693 members of the Guild who can be found all over Canada. Classified by categories, there are 1,197 captains, 1,900 executive officers, 1,200 mechanics and 396 pilots. There are 22 permanent employees.

As of September 30, 1979, the Guild had $344,000 in assets; it had revenues amounting to $1,193,000, and expenses amounting to $1,146,456. Its structure has changed considerably and become much more complex in the process, so that it

no longer corresponds to its statutory description. One now has to go by national statutes.

In short, Mr. Speaker, time being of the essence as there are other bills on the order paper, today the Guild needs a new incorporating act for many reasons. It must, by law, be given powers, purposes and aims that conform to the activities it has pursued for a long time and wishes to continue to pursue. In addition, this act must ratify what it has done in the past, and do away with any ambiguity with regard to its legal existence. Finally, the act must be flexible enough to allow it to develop, to expand its field of activity so that it can fully achieve its main objective, namely, the preservation of the interests of its members. This act, as it stands here before us, seems to be most adequate under the circumstances. In closing, Mr. Speaker, I should like once again to express my appreciation for the co-operation of hon. members of the Progressive Conservative Party and hon. members of the NDP in the matter of this bill which I consider important, not only because the bill itself is important but I feel the Guild is of exceptional importance. I really appreciate that co-operation.

● (1720)

[*English*]

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, first of all I want to say that the matter has been dealt with in an exhaustive way in the other place and I want to conform to my colleagues that several of us have looked at this bill closely. Inasmuch as the charter for the guild dates back to 1919-1920, some 60 years ago, it is not unfitting they would want to bring their charter into line with the requirements of the 1980s.

In reviewing the matter, I have one brief question which I will put at a later stage in Committee of the Whole. It has to do generally with an assurance from the sponsor—

Mr. Knowles: We are on third reading.

The Acting Speaker (Mr. Blaker): Order, please. I recognize the hon. member's difficulty because I had the same one myself. We are now in third reading. If the hon. member has a question he wants to put, or if there is some procedure he wants to follow, it might be wise to keep that in mind. When the hon. member sits down, we will finish third reading of this bill.

Mr. Forrestall: Mr. Speaker, my apologies. I was not aware we were on third reading. I have only one observation to make. In the development of the sections of the new act I had an earlier concern that there might be a transfer of liability from the association's various chapters, from wherever they may be located in Canada, to the national body, or from the national body back to the various branches. However, I am satisfied that that is not the case. I am quite prepared now to welcome the upgrading of the Canadian Merchant Service Guild charter. I would like to note on the record what an active role the 3,000 or 4,000 members of the Canadian officers guild have played in the last 60 years in the development of this country.

They have demonstrated leadership in many areas, including safety at sea, modernization of ships, care and attention for crews, and care for the men who have served on ships. They have served actively and meaningfully not only at sea but also on shore.

We can do no better in this chamber than to accommodate the requirements of the Canadian Merchant Service Guild and give speedy passage to the bill now before us.

Hon. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, as the sponsor of the bill has pointed out, my colleague, the hon. member for Comox-Powell River (Mr. Skelly), represented us on the committee which dealt with the bill. On his behalf I am happy to indicate our readiness to support it on third reading. I do so not only on his behalf, but in recognition of the fact that, although I was not here 60 years ago when the first charter was granted, I did have contacts with the Canadian Merchant Service Guild in the 1940s and 1950s. I know of the good work this organization has done, and I agree with my colleagues who have spoken that this guild deserves to have its charter updated. Mr. Speaker, we are happy to give third reading to this bill.

Motion agreed to, bill read the third time and passed.

The Acting Speaker (Mr. Blaker): Earlier the House indicated its intention to consider and pass all stages of Bill S-18 this afternoon. We will proceed in that fashion.

GENERAL INSURANCE COMPANY OF CANADA

Mr. Dennis Dawson (Parliamentary Secretary to Minister of Employment and Immigration) moved the first reading of Bill S-18, to amend and repeal an act to incorporate General Security Insurance Company of Canada.

Motion agreed to, bill read the first and second times, considered in committee, and reported.

Mr. Dawson moved the third reading of the bill.

[*Translation*]

He said: Mr. Speaker, on behalf of the group comprising 1,300 caisses populaires, 11 federations and thousands of members of the caisses Desjardins, I wish to thank hon. members on both sides of the House for the wholehearted co-operation they have given the Desjardins group in this matter. We apologize for the urgency of the situation, and we thank them. We may be sure that the members of the caisses Desjardins will benefit considerably from their co-operation.

Hon. Roch La Salle (Joliette): Mr. Speaker, I see there is excellent co-operation in the House today. In less than a few minutes, two bills have already been passed. I rejoice for my colleagues and the government members in this co-operation and in the apportunity I am given to join in, in view of the urgent need for this act, the sponsor of this bill for the greater good of all the members of the caisses Desjardins, a well-known name back home, which is synonymous with progress.

• (1730)

[*English*]

Hon. Stanley Knowles (Winnipeg North Centre): It is because the request came from the caisses populaires that we are prepared to agree to the speedy passage of this bill. We are happy to give it third reading. We are doing pretty well today.

The Acting Speaker (Mr. Blaker): In that case I observe there is not very far to go. Is it the pleasure of the House to adopt the motion?

Some hon. Members: Agreed.

Motion agreed to, bill read the third time and passed.

The Acting Speaker (Mr. Blaker): The hour provided for the consideration of private members' business having expired, I shall now leave the chair until eight o'clock this evening.

At 5.32 p.m. the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*Translation*]

CANADA OIL AND GAS ACT

MEASURE RESPECTING OIL AND GAS INTERESTS

The House resumed consideration of the motion of Mr. Lalonde that Bill C-48, to regulate oil and gas interests in Canada lands and to amend the Oil and Gas Production and Conservation Act, be read the second time and referred to the Standing Committee on National Resources and Public Works.

Madam Speaker: When debate was suspended at five o'clock, the hon. member for Vancouver-Kingsway (Mr. Waddell) had the floor. The hon. member for Vancouver-Kingsway.

[*English*]

Mr. Ian Waddell (Vancouver-Kingsway): Madam Speaker, I will continue to read the letter from Conrad Black to me. Starting with the first paragraph, it reads;

For your information, according to our figures, Norcin Energy Resources Limited—

Some hon. Members: Hear, hear!

Mr. Waddell: I do not know whether my friends are applauding Norcin, Conrad Black or the Speaker.

Some hon. Members: The Speaker.

Mr. Waddell: It goes on to read:

—the corporate connection that presumably caused you to bandy my name about in the distinguished company of the Rockefellers and Bob Blair, stands to lose in 1981 almost 60 per cent of its projected natural resource income. This represents a loss of about $1.30 per Norcin share, and at the multiples that currently obtain in stock market evaluation, this would mean that my associates and our minority shareholders and I would be called upon to endure an apparent loss on our investment of about $150 million. In exchange for this, no discernible benefit is conferred upon us, and if you can explain to me how this process leads to my own enrichment or elevation to economic parity with the Rockefellers, I will be deeply grateful.

There are now various proposals before the minister and his colleagues which, without impairing anticipated federal revenues or varying the espoused objectives of the federal energy policy, would enable the private sector to participate usefully and to the profit of all Canadians in the achievement of those objectives. I am hopeful that in the climate of construction moderation, our company and most other companies in this industry have observed, and which has been generally reciprocated by the federal government, modifications in the broadest public interest can be achieved.

You will appreciate that utterances such as yours cited above, disparaging me personally and endeavouring to stir antagonism toward prominent industrialists who seek nothing other than the emancipation—

I repeat the word "emancipation".

—of this country from the vagaries and caprices of international oil cartels and influences, are very unhelpful.

If you would like any elaboration from me on our position on these complicated subjects, I would be happy to provide it; and, in any case, without being self-righteous about it, I would ask you, given the importance of the subject to all Canadians, to try to be a little more statesmanlike than you were in your remarks of November 21. It is not my place to rebut all of the inaccuracies in that speech, as this is the job of your parliamentary adversaries, but I feel entitled to object to demagogic and misleading reflections upon myself.

Yours sincerely,

Conrad M. Black

• (2010)

A carbon copy was sent to the Minister of Energy, Mines and Resources (Mr. Lalonde), PC, MP.

First of all, I would say that I certainly would not make any personally disparaging remarks about Mr. Black. Obviously we do not agree politically. I might say that if he were as generous as the Rockefellers, perhaps my remarks might have been considered more accurate. I should like to give him a chance to reply. I will be writing to him. He cannot appear in the House, but perhaps he could run for my friends the Liberals or for my friends the Conservatives. In his letter he expressed support for both their positions. Alternatively, I invite him to debate with me at Hart house at Toronto University. I would be prepared to debate with him any time on these topics.

Mr. Speaker, I want to answer Mr. Black and answer my friends in the Liberal party in this way. I suppose the question could arise: would Canada be better off if her petroleum industry were owned and controlled by private Canadian companies rather than private foreign-controlled companies? In terms of preventing the transfer of wealth to foreign shareholders and having the wealth reinvested in Canada, the answer is obviously, yes, it would be better off. But in terms of developing energy resources for the public interest—and this is what my constituents are concerned about—there is little difference between the methods and objectives of the Canadian capitalist and the foreign capitalist. Each has as his objective the maximization of profit, and to achieve this, the private oil industry pushes, first, for higher prices, second for more sales through exports, and third, for more tax concessions. In reality, the public's long-term interest of security of energy supply at reasonable prices is compromised by a "Catch-22" position of the energy industry. Higher prices and more tax incentives supposedly mean more new discoveries, which mean more exports, which mean more shortages, which mean higher prices and more tax incentives. Unfortunately, we are dealing with a non-renewable resource, and Canadian consumers and taxpayers, not Mr. Conrad Black, not my friends in the Liberal party and not my friends in the Conservative party, end up being the ones who are the losers.

I conclude by saying that this is a complicated bill which should be examined in committee. There are nine major points to it. The first is that it gives the Crown a 25 per cent interest in the production. This has not yet taken place. I have dealt with that matter and shown the weaknesses compared to Norway and to the United Kingdom. The minister himself brought this out. If they can do it rationally and logically in Norway and in the United Kingdom, countries very much like Canada, why can we not do it in Canada? That is what the public will ask. The second is the new production permits. To produce in the north and offshore, 50 per cent Canadian ownership will be required. I have shown in my speech that this is a ruse, they "lalondized" it, it is an illusion, a loophole, and you can get around it. Third, they will renegotiate agreements with existing exploration permit holders to require them to drill. That is a good idea. Fourth, there will be a new royalty system which I have explained. It is not enough, it is too little, it is even less than in Alberta. Fifth, the Crown will require Petro-Canada to be an operator at some points, and I agree with that. Sixth, the Crown can order Petro-Canada to drill after significant discoveries have been made, and that is a good idea. Seventh, payments will be required for a fund called, "The Environmental Studies Revolving Fund." This is not enough. It has to be considered in much greater detail and there must be stricter provisions. My colleague, the hon. member for Nunatsiaq (Mr. Ittinuar) will talk about that later. Eighth, there will be a 30 days' notice on transfers and the government will have the right to block transfers for leases. That is a good idea. Finally, there will be provisions to make information on exploration and what they get out of the wells available to the public. That is a great idea which is long overdue because all the information available in this country on how much supply we have is information coming from the oil industry.

I look forward to seeing this bill in committee. Before I sit down, Mr. Speaker, I want to say one final word. When I have advocated more government involvement, I did that not because I want a big government bureaucracy but because I see it as the proper way to spread the wealth, a way to bring about some justice and equity, a way which would give a break and which would require some co-operation. I see that there could be some problems with it and those problems will have to be examined, but that way wealth could be spread throughout

society—to my constituents, for example. A decade ago the people of my generation thought of things somewhat differently than we do now. We thought of sharing and of community values; we talked a bit about those things. A representative of that generation died this week. He talked about values which were different than the private pursuit of happiness and wealth.

● (2020)

In closing, I should like to quote from one of his songs which reflects what I am saying. It reads:

I read the news today, Oh boy
About a lucky man who made the grade
And tho' the news was rather sad
Well, I just had to laugh.
I saw the photograph
He blew his mind out in a car
He didn't notice that the lights had changed
A crowd of people stood and stared
They had seen his face before
But nobody was really sure if he was from the House of Lords.

It was a song which reflected a generation trying to change society into one which did not pursue money and wealth for the sake of pursuing them, but thought of sharing and a better deal for the ordinary person. That is the manner in which we will approach this bill in committee.

[*Translation*]

Mr. Raymond Savard (Parliamentary Secretary to Minister of Public Works): Mr. Speaker, it is with great pleasure that I rise to speak on such an important topic as the energy future of our country. Bill C-48 before us will enable each and every one of us to benefit from new resources and will ensure security and especially fairness for all Canadians. I am privileged to represent here in this House the riding of Verdun. For the most part, Mr. Speaker, Verdun is a working class riding.

Most of my constituents show no concern over the daily workings of international politics and the way in which oil prices are set. They do not follow very closely the technical and complex negotiations regarding pricing, price per barrel, and so on. They are more anxious to know how much it will cost them to heat their house or apartment and how much more than the last one a fill-up will cost. This is a difficult period in which to develop an energy policy which will maintain reserves and satisfy consumer requirements. But that is precisely the challenge.

In my opinion, Mr. Speaker, the energy program we are now discussing succeeds in meeting this challenge. This program treats everyone concerned, namely the consumers, the producers or oil companies, the provinces and the federal government, equitably and fairly. Let us look at the current situation of the Canadian oil industry. We are now importing 20 per cent of our crude oil requirements and quickly eating away at our supply of less expensive western Canadian crude.

In spite of our efforts to develop our expensive domestic sources of crude oil in Newfoundland, the Beaufort Sea and the tar sands, the Canadian Petroleum Association has estimated that we shall still have to import up to one third of our domestic requirements in 1985 before our domestic production can rise to the level of self-sufficiency. As much as we try, our country will not be able to conserve or substitute enough natural gas or other energy sources to replace this oil in cases of shortages. This is why we had to develop a national energy policy which showed courage and which would create the political determination and the national will to solve these problems. First of all, we must ensure that the Canadian people realize that crude oil and natural gas are our two major natural resources. They are the foundation on which we could build a Canada whose social and economic development would be the envy of every other country of the world for decades to come. We could build a Canada which would no longer depend on uncertain oil supplies from foreign countries, a Canada which would show a surplus in international trade and whose main problem would be to fill all the jobs created in new industries from Newfoundland to British Columbia. But this result is not guaranteed, Mr. Speaker. To meet this objective, we must first of all aim for independence in the field of energy, which would make us self-sufficient and place control of our oil industry in the hands of Canadians, as it should be. This means that we must replace the perhaps insecure foreign supply sources for which we pay a price which harms our economy by secure sources of Canadian oil, which would at the same time consolidate our economy. The Canada oil and gas act administered by the National Resource Management Agency will be the main instrument for meeting these objectives.

This act is designed to promote oil and gas exploration in frontier areas to discover the substantial new reserves needed by Canada. The provisions of this legislation will give greater control to the government through its activities, which will also help promote oil and gas exploration and development.

[*English*]

To answer my friend on the other side in the NDP, and to allay the fears of all Waddellists and environmentalists, let me make it clear that this exploration will not be carried out at the expense of the fisheries and the environment. Our bill is very clear on this point.

[*Translation*]

It is a simple matter of choice, Mr. Speaker, for which the government must receive the support of the people and that means some sacrifices because of the price increases. Even if those increases are much more limited than those proposed by the Progressive Conservatives, all Canadians and not only oil companies and producing provinces would benefit from that program.

Mr. Speaker, the people in Verdun are all for a prosperous province of Alberta and believe that all producing provinces

should get what they are entitled to. But they still find it difficult to understand certain facts. They know that people in Alberta pay the lowest taxes in Canada, that their oil products cost about 25 per cent less than anywhere else in the country and that Alberta has a heritage fund of several billion dollars to ensure its economic future. The people in Verdun, Mr. Speaker, like other Canadians in eastern Canada, think that Albertans are entitled to that wealth. What we fail to understand is to what extent Mr. Lougheed has forgotten the recent history of Canada, complaining as he does of having been cheated and of not getting his fair share.

[*English*]

But, no, Mr. Lougheed said that Alberta has always been, and is continuing to be, shortchanged. He said Alberta is entitled to the OPEC price for its oil because it is the fair market price. He said he was trying to protect a rapidly depleting resource, and, finally, that the provinces are the sole owners of their resources and should therefore be the only level of government permitted to tax them. Let us consider his arguments one at a time.

While it is true that Alberta's conventional oil production is peaking and will decline through the 1990s, this ignores the fact that Alberta has enormous natural gas, tar sands and coal reserves. According to federal energy estimates, Alberta had the equivalent of 18.7 billion barrels of oil last year compared with 18.5 billion in 1970. This represents oil, natural gas and tar sands designated for the two functioning tar sands plants. It does not even include another 25 billion barrels from the tar sands which can be reached with existing technology. So, Alberta has enormous resources for its future.

● (2030)

Ottawa needs a greater share of the oil tax revenues to offset the harmful effects of rising energy prices, to diminish big differences between rich and poor provinces, and to help restructure the Canadian economy so that it becomes less dependent on scarce oil and more energy efficient.

Mr. Lougheed's demands for higher oil prices would mean more inflation. But that is only the beginning, as our energy paper points out. Because consumers would have to pay more for oil and gas they would have less money for other goods and services. This reduction in total demand in the economy would mean more lay-offs, plant shutdowns and less economic growth. The rest of the country cannot accept Mr. Lougheed's demands for higher oil and gas prices and a bigger share of those prices going into the Alberta treasury and its heritage fund. Even the new federal proposals leave enormous wealth in Alberta's hands over the 1980s of at least $100 billion, with $30 billion going to the heritage fund to earn income for future generations. Albertans will continue to have the highest incomes and the lowest taxes in Canada for many years to come. The federal energy proposals represent an effort to achieve a fair balance between the federal and Alberta positions.

[*Translation*]

Mr. Speaker, the budget attempts to use the energy industry as a factor of growth for Alberta and the country as a whole. The action considered by Mr. Lougheed, namely, a 15 per cent decrease in oil production and the temporary freeze on a big tar sands development project, would delay this growth, which would hinder industrial development, particularly in Alberta. The people in Fort McMurray and Cold Lake, rapidly developing communities, are likely to be concerned that this legislation will slow down this growth.

[*English*]

Mr. Speaker, the one newspaper in this country which most closely allies itself with Mr. Lougheed's policies is probably the Edmonton *Journal*. Certainly it is a paper which most often stands squarely against what Ottawa does with regard to its energy policy. But listen to what it said in its editorial of November 13 regarding the tar sands project:

> What does Alberta gain by delaying approval of oil sands development permits? In a word, very shaky leverage. If the premier abandons his demand for a global agreement on energy pricing, what bargaining power does Alberta have left?
>
> The risks involved in delaying the oil sands projects are even greater. The Alsands and Cold Lake projects represent $16 billion worth of development, 280,000 barrels of oil a day, capable of replacing $4 billion a year (1980 prices) of imported oil. How long can Alberta reasonably expect Ottawa to stand by while the national goal of energy self-sufficiency by 1990 disintegrates . . . If Alberta shows no sign of movement at least on synthetic oil pricing, is it reasonable to expect the national government not to act in the national interest? How long should Alberta defend its position? What price should Albertans be asked to pay to support that defence? And how long is Canada prepared to wait while we decide?

The Edmonton *Journal* published that not even one month ago, Mr. Speaker, and still Mr. Lougheed wants to blackmail the people of Canada by threatening to destroy our chance for energy self-sufficiency.

[*Translation*]

In an eleven-page advertising supplement published in *The New York Times*, it is reported that according to the Alberta government, the standard of living of Albertans is 25 per cent higher than that of any other Canadian living in the same conditions. The budget deals therefore with the question of sharing among all the regions of Canada.

In 1979, the federal government received less than 9 per cent of total oil revenues, while the Alberta government collected over 50 per cent. In Texas, for instance, the state gets only some 25 per cent of revenues. In Australia, the state get only 15 per cent of oil revenues, while the federal government receives 48 per cent. The National Energy Program's prime objective is to ensure safe supplies and allow Canada to do away with dependence on the global oil market. It also aims at keeping a competitive edge over our American neighbours. This is why the domestic price should never exceed 85 per cent of the American equivalent. Our Canadian industry will derive no benefit, however, if Alberta retains all or an excessive part of oil revenues.

Our aim, Mr. Speaker, is to achieve 50 per cent of Canadian ownership in the Canadian oil industry by 1990, and this is an essential facet of the National Energy Program. Our goal is to ensure that Canadians receive at least half of the direct benefits generated by the growth of an industry whose cash flow will quadruple over the next ten years. Clearly, that objective meets with our economic expectation and can only have benefits for Canada. More important still, benefits should be maximized. A constant supply of "reliable" oil and gas would be ensured long term by a stronger Canadian presence in the oil industry. And this includes a stronger and larger presence of the public sector in the industry.

So this is what we are doing at the government level to improve this country's energy position. But our National Energy Program also calls upon the individual Canadian to pitch in. We are doing this through two major programs that would conserve energy and reduce the costs to home owners. The first one is the well known CHIP program. As parliamentary secretary to the minister responsible for the administration of that program, I am proud to state that it has been one of the most popular initiatives taken by this government over these last few years.

This program is part of a federal scheme designed to check the growth of energy consumption by improving the insulation of homes. Subsidies are granted for insulation purposes to owners and tenants of homes in three-storied or smaller buildings. In April 1979, the terms of the program were amended, so that 100 per cent of the material costs up to $350 and one third of the labour costs up to $150 are now eligible. Related expenses are also eligible, such as those incurred for weatherstripping, caulking, ventilation of roof space, thermal blinds, bedded protection for lighting fixtures. The eligibility date was set at 1961 for all provinces.

[*English*]

That could happen to anyone; anyone can lose his breath.

[*Translation*]

Thanks to these changes, this program is in much greater demand.

[*English*]

I remember the first time I heard an hon. member on the other side do exactly the same thing as I just did.

[*Translation*]

Mr. Speaker, up to November 1980, the federal government has paid to Canadians over $261 million in subsidies under this program. So we urge Canadians to conserve energy by converting their oil heating system to electricity or natural gas. In order to inform the people about conversion, I should like to give the following example: The owner of a building with four individual heating systems may, if he so wishes, convert those four systems into one central system and be automatically eligible to a 50 per cent grant up to $3,200, and so on for each individual system. Of course, this federal offer is subject to the federal-provincial agreement.

In conclusion, Mr. Speaker, I sincerely believe that the energy policy put forward by our government is one of the best ever introduced in this Parliament. The people in my riding as well as all Canadians will be able to take advantage of this program. We may rest assured that the future will show that we were right even though the official opposition is critical of our proposal.

• (2040)

[*English*]

Mr. Friesen: Would the hon. member permit a question?

Mr. Savard: No.

Mr. Tom McMillan (Hillsborough): Mr. Speaker, I am pleased to participate in the debate on Bill C-48, "An act to regulate oil and gas interests in Canada lands and to amend the Oil and Gas Production and Conservation Act". I do so primarily as the environment critic for the official opposition. My pleasure is not because this bill is a sound one from an environmental principle point of view. The bill is, in fact, an affront to environmental principles. In a few moments I will be elaborating on that point. Other hon. members on this side will be giving learned analyses of the various shortcomings of the bill in total.

For my part I would like to concentrate on those aspects, and there are several, which relate to the environment. Generally, the bill seeks to impose new rules for oil and gas exploration and development on federal lands in the north and the offshore areas. These rules dictate the terms for the leasing of Crown lands for oil and gas exploration and development, for the participation by the federal government in such initiatives, for licences to private oil and gas companies involved in Crown lands, for royalty payments, and for the compulsory production of oil and gas under specified conditions.

Finally, there is clause 49 which concerns the environment. Basically, clause 49 establishes a revolving fund, the Environmental Studies Revolving Fund. As I see it, it is really two funds which are to be composed of mandatory contributions from companies participating in oil and gas exploration or development on Crown lands. The total amount is not to exceed $15 million. Incidentally, the draftsmanship of this particular clause—and, I think, of the bill in general—is terribly shoddy. For example, it is not clear in clause 49 whether there are two funds or one fund; whether the $15 million is for each of the funds or whether it is a total of $15 million for the two funds together. I presume, however, that what we are talking about is a double-barrelled single fund totalling $15 million.

In any event, the purpose of the fund or funds seems to be to finance studies relating to oil and gas-related enterprises on Crown lands, presumably of an impact assessment sort. If I may quote subclause (6) of clause (49), it reads:

The minister may direct payment from the relevant fund of the reasonable costs of such environmental studies of Canada lands as he determines are necessary in order to decide whether or not to authorize exploration or development under this act or any other act of Parliament.

One of the most jarring notes is that the environmental fund is to be administered, not by the Minister of the Environment (Mr. Roberts), but by the Minister of Energy, Mines and Resources (Mr. Lalonde) and by the Minister of Indian Affairs and Northern Development (Mr. Munro). Such a provision perpetuates the truly stupid or, if I may say so, even malevolent approach taken by this government as far as the environment is concerned in other areas.

Funds for environmental purposes must be allocated to those who are designated by Parliament to be responsible for environmental matters. The Department of Energy, Mines and Resources is no such agency, nor is the Department of Indian Affairs and Northern Development. Clearly, if an environmental fund is to work, it should be allocated directly to two departments. The first is the Department of the Environment. Under the Government Organization Act, 1979, section 14, Parliament directed in part that the powers of the Department of the Environment should extend to and include "the co-ordination of the policies and programs of the Government of Canada respecting the preservation and enhancement of the quality of the natural environment".

The second department which should receive funding for such environmental purposes is the Department of Fisheries and Oceans. The energy initiatives envisaged by the government's recent "energy budget", including Bill C-48, will accelerate activity in the Arctic. Based on current information, much of that activity will impact directly on marine areas. That is the area which Parliament directed the Department of Fisheries and Oceans to handle. Yet, there is no mention of funding for that department either in the budget itself or in Bill C-48.

In the event the government wishes to brush this aside too quickly, let me cite one example of the perilous situation now faced by that department which might well bring them to their collective senses. The Arctic biological station at Sainte-Anne-de-Bellevue is the only government lab doing major Arctic marine biological research. Staff at the station in the fiscal year 1979-80 was reduced by over 20 per cent from the previous fiscal year and there is a further 20 per cent reduction slated for the fiscal year 1980-82.

The initial allocation of funds to the Arctic Biological Station for 1980-81 was $270,000. However, after discounting the costs for Atlantic programs, building maintenance and services, the station was able to devote a meagre $40,000, only $40,000 in total, to Arctic biological studies. This represents about 17 per cent of what was available for the same Arctic projects in the fiscal year 1977-78, the last "normal" year of funding for the Station.

Last spring, just a few months ago, after questions in the House and various front-page exposés in the press, the government did manage to make an additional amount of money available, but that was only $100,000. Arctic marine research in government has been eroding at an alarming rate since 1974. The Arctic research which has occurred has largely been facilitated by industrial proponents interested in oil and gas development. Such support must be commended, but it underlines federal avoidance of responsibility, both nationally and internationally, to govern development activity in the Arctic.

• (2050)

Channelling environmental funds to the Department of Energy, Mines and Resources and the Department of Indian Affairs and Northern Development, as contemplated by Bill C-48, would serve only to further strangle the federal agencies in the execution of their major responsibilities in these matters.

The territorial governments in the north are responsible for wildlife and that responsibility carries with it the need to maintain all wildlife resources upon which native people are so dependent. So they must also be guaranteed sufficient funds to fulfil their mandate—a mandate that will surely get lost in the energy urgencies and development mentalities of the Department of Energy, Mines and Resources and the Department of Indian Affairs and Northern Development. In my view, the role of those two departments in environmental areas needs to be greatly reduced as a matter of general principle. The fact is that whole chunks of environmental policy under federal jurisdiction are within the authority of departments other than the Department of the Environment, to the point at which that Department is a secondary player and, in some cases, not even a player at all.

In no place is that more clear than, for example, the Arctic Waters Pollution Prevention Act, passed in 1972. It was introduced in large part to assert Canada's sovereignty north of the 60th parallel, or at least to exercise Canada's extra-territorial jurisdiction there. The main legislative purpose was to control the use of technology in the north so as to maximize the benefits and prevent a disaster. The principal thrust of that particular act was to prevent the pollution of Canadian Arctic waters from shipping, from land-based installations and from commercial activities such as oil drilling carried out on the continental shelf.

I do not want to go into detail about that act; I only want to draw a parallel between the Arctic Waters Pollution Prevention Act and Bill C-48 to illustrate my general point. In essence, the act prohibits, under prescribed conditions, the deposit of waste in Arctic waters, on Arctic islands and on the mainland. It emphasizes prevention, for example by providing for the appointment of pollution prevention officials and so on. It also contemplates the possibility of pollution from accidents or unforeseen causes; it provides for civil liability for damage resulting from the deposit of waste and addresses the question of clean-up costs and damages.

Even that sketchy description shows clearly the parallel between the Arctic Waters Pollution Prevention Act and clause 49 of Bill C-48 which deals with environmental studies. Both are, first and foremost, environmental in their purpose and thrust. Yet neither acknowledges the existence of the

Department of the Environment, much less gives that department any authority.

The Minister of the Environment is the forgotten man in this government. Maybe he does not even exist, Mr. Speaker! I sometimes wonder whether he is a phantom. Certainly he is rarely in the House, even at question period, and he is not here tonight. I wonder why neither he nor his parliamentary secretary is present for this most important debate. Just as the minister should be front and centre when a matter of such importance as the Arctic Waters Pollution Prevention Act is discussed, so also should he be front and centre during any debate on Bill C-48. If we are to have a "phantom of the opera" in this House, then the Minister of the Environment should have a front seat.

In the Arctic Waters Pollution Prevention Act, the governor in council is delegated certain powers under section 26. On May 14, 1971, that order in council authorized the powers to be delegated to three departments. The regulation of shipping was delegated to the Department of Transport; control of waste deposits was delegated to the Department of Indian Affairs and Northern Development and to the Department of Energy, Mines and Resources, as well as to the Department of Transport where waste is deposited from ships. It might be understandable, perhaps, that the Department of the Environment was left out of the Arctic Waters Pollution Prevention Act because the legislation effectively predated the establishment of that department in August, 1972. On the other hand, the act could have been amended or the order in council could have been changed.

But why, in December, 1980, eight years after that department was established, does it receive the same adverse treatment in Bill C-48, which we are debating tonight? This raises a fundamental question as to the way in which the government approaches—or does not approach—environmental issues, especially in the north. At least five departments are engaged in pollution control under the Arctic Waters Pollution Prevention Act and many more are involved in arctic pollution prevention if other acts are considered.

The situation that is being perpetuated by Bill C-48 has led to confusion about who is responsible for what. It has led to a proliferation of authority which has seriously weakened accountability. Duplication and overlapping of authority and initiative have hampered sound action. Bill C-48 will compound the problem.

Far worse, Mr. Speaker, Bill C-48 gives authority for environmental assessments to the two departments which have a vested interest in the very projects that might threaten the environment. That is like hiring the town arsonist as fire chief. The Department of the Environment was established because the government recognized such a danger in assigning environmental assessments to "proponent" departments such as Energy, Mines and Resources and Indian Affairs and Northern Development.

I should like now to quote something from the 1970 Speech from the Throne, as follows:

> There is an inherent conflict of interest . . . between those who are seeking the exploitation of non-renewable resources and those who are charged with the responsibility of protecting the environment.

How does that ringing statement of principle jibe with clause 49 and with Bill C-48 in general? There is a definite conflict, a contradiction—even a flip-flop.

Considering the kind of conflict of interest between development and protection that is enshrined in Bill C-48 and in almost every other piece of environmentally-related legislation presented by this government: it is no wonder that the government's performance to date in protecting the northern environment has been savagely criticized by environmentalists, conservationists, scientists, the public and even government officials. The most obvious example of this criticism relates to resource exploration and development by Dome Petroleum Ltd. and its subsidiary, Canadian Marine Drilling Ltd., know as Canmar, in the Beaufort Sea area.

The government received applications from Dome Petroleum Ltd. in late June, 1979. Those applications were for harbour facilities at McKinley Bay—I think that was an overwintering harbour—at Tuk Harbour, a deep harbour entrance, and at Wise Bay, a fuelling staging area.

Without getting into the complexities of environmental assessment procedures may I summarize the procedure that is usually followed—at least in theory—in these matters? First of all, an initial environmental screening is done to determine whether the project has significant environmental consequences. Then a formal environmental review and assessment are conducted if the initial screening identifies a significant environmental impact. This assessment is co-ordinated by the Federal Environmental Assessment Review Office of the Department of the Environment.

● (2100)

The office is commonly referred to as FEARO. The catch is that the Department of Indian Affairs and Northern Development is the federal government's principal operating arm in the Yukon and the Northwest Territories. There is clear evidence that DIAND was successful in getting the federal government to approve the applications without assessments of the environmental consequences—against the advice of its own front-line advisory bodies, against common sense and public pressure, and against any environmental principles one might care to mention.

The two government environmental advisory bodies whose advice was flouted were the Arctic Waters Advisory Committee (commonly known as AWAC) and the Regional Ocean Dumping Advisory Committee, RODAC. The latter, that is the Regional Ocean Dumping Advisory Committee, recommended, for example, that the issuance be deferred of any ocean dumping or associated land use permit for dredging or harbour development at McKinley Bay "until the initial environmental evaluation report has been filed by the company and assessed by the government". Yet that permit—the permit in that particular case—was issued along with others in late August, within only weeks of application.

The Canadian Arctic Resources Committee, in a first-class study by Dr. R. William Rees, published in *Northern Perspectives,* sums up the situation succinctly. With your indulgence, Mr. Speaker, I will quote from Dr. Rees' report. He said:

> The over-all conclusion pertaining to The Environmental Assessment and Review Process is inescapable. Given the "ludicrous" time-frame, skimpy data base, and direct interference from Ottawa, the best efforts of AWAC/RODAC could not satisfy the minimal requirements of a rigorous and effective screening process.

That is damning evidence indeed. The findings of Dr. Rees, which I have just quoted, are well supported in a confidential report, which I have, of the government's own Arctic Waters Advisory Committee dated February, 1980. I do not have the time to quote this at length, but let me refer to just a few passages which tell the tale. That confidential report of the government's own advisory committee stated "in the past—

Mr. Deputy Speaker: I regret to interrupt the hon. member, but I must advise him that his allotted time has expired. I am sorry. I was mistaken. I am advised by the Clerk at the table there is still some time left and I apologize to the hon. member.

Mr. McMillan: I will continue with my quote, Mr. Speaker.

> Government decision-making processes resulting in approvals for land-based support facilities and dredging for the approach to Tuk and inside McKinley Bay did not meet the minimum standards for adequate environmental review and assessment.

The same report continues:

> It appears that senior officials in Ottawa . . . decided to "avoid any time-consuming and administrative hindrances" in securing the necessary approvals for the proponent (Canmar).

Another quote from the same report reads:

> Recommendations that were specific and required standards of performance from Canmar or more thorough review which might have caused delays were not implemented or significantly altered by Ottawa to make them ineffective.

Finally, we read the following:

> The compromise of the environmental review processes has potentially jeopardized not only the environment but the governmental review and decision-making processes as well.

The AWAC report from which I have just quoted documents the assertion, on page after page, that Canmar—and I use this as but one example—is violating and is being allowed by the government to violate operating conditions set by the government itself. Those violations are outlined in great detail in the February, 1980, draft report of the government's own Arctic Waters Advisory Committee.

In my opinion, the government must be able to manage the total social and physical environment in the Arctic in the face of an influx of southern technology. That geographical area covers something like 40 per cent of the territory of our country. Although vast, it is the most environmentally vulnerable region in all of Canada. Because of the frigid climate, a major oil spill or a well-site blowout here would have disastrous consequences for the delicate ecosystems, as well as the traditional lifestyle of the native people. We cannot wait until the damage has been done in the Arctic or in any other such area because, according to experts, it may well be irreversible. The environmental screening procedures will have to be tied more closely to the development approach concept. There must be a streamlining of the entire process so that industry, and government both—not just industry, but government, too—know how to operate by the rules.

At present, there exist some 23 pieces of legislation to regulate activities like Canmar's. The government needs to examine a process by which a one-window approach to legislation and regulation can be achieved. Bill C-48 compounds the problem. It does not mitigate it.

I wish to draw your attention, Mr. Speaker, to subclause 11 of clause 49. That subclause says:

> The governor in council may make regulations for the administration of the relevant fund.

This much we do know. The section to which I have referred is shrouded in ambiguity. We do not know what the regulations are to be. It is openended. It makes reference to regulations, but it does not define them. It just authorizes that they be made. I ask myself, and I invite the House to consider, the following: given the ambiguity and the openended nature of that subclause, what principles will guide the use of the fund? What is to ensure the maximum access to it by the public and others? Certainly there are examples of funds being established to which, in practice, access is difficult if not impossible. The Maritime Pollution Claims Fund is a case in point.

The government continuously hides behind regulations. It leaves much of the true force and thrust of its legislation—in this case as in so many others—to regulations and to federal bureaucracy. That is not acceptable, in my view. Among other things, such a situation frustrates the purpose of Parliament and the goals with respect to which Parliament is being asked to legislate. In my opinion, there must be a more specific mandate under legislation to government, whether it has to do with environmental funds or any other subject.

Clearly amendments are required; there must be direction to administrators in the public service as to how the funds are to be allocated, along with an accountability system to ensure that such funds are not being institutionally frozen or flushed through senseless programs. Above all, the legislation must recognize the role already assigned by Parliament to various government departments, the Department of the Environment and the Department of Fisheries and Oceans in particular.

• (2110)

More than anything else there has to be the will to honour environmental principles. There has to be some consistency in legislation. There has to be a dedication and devotion to the environment for its own sake. Environment principles should be viewed as ends in themselves, not as a subterfuge for government inaction. This government's good faith in environmental matters, as in so many other areas, is seriously in doubt in my estimation.

To use an example, in 1979 the Environmental Assessment and Review Process panel appointed by the Minister of State for Science and Technology and Minister of the Environment to assess the Alaska highway gas pipeline concluded that

because of severe deficiencies in the information put forward by the pipeline company, "it is not possible to complete an environmental impact review at the present time". Despite that conclusion, neither Foothills nor the government's own Northern Pipeline Agency has made any progress toward meeting the deficiencies which have stalled the environmental assessment. Indeed, as if to induce environmental disaster, the government has already approved surveying and other work on the right-of-way through the Yukon, despite the fact that the EARP analysis identified major environmental reservations on that route and requested work on alternative routings. The Northern Pipeline Act passed by Parliament on April 4, 1978 required by law that the pipeline be built according to broad objectives which included "minimizing any adverse effect on the social and environmental conditions of the areas most affected by the pipeline". Clearly, the purposes of that act are not being met. Quite apart from the issue of accountability of Parliament, the situation is bound to create impasses to the eventual construction of a pipeline in the Yukon. Unless the present government has its head completely in the sand, which is quite possible, they will be aware of the mounting legal and other difficulties their actions are generating.

Even within the government, responsible officials are as perplexed as I am and as are my colleagues on this side of the House. Senior officials in Environment Canada's western and northern region have said, according to a confidential memo to which I have been made privy:

> Based on our experience with the Northern Pipeline Agency, on the basis of what we have seen, we would not recommend a single agency approach because, in the case of the Northern Pipeline Agency, it is prepared to expedite construction of the pipeline, rather than to protect the environment. We feel that a more direct involvement by DOE would be better.

This kind of deliberate fiddling, and I use that word judiciously, with important environmental matters in the government's decision-making is all the more astonishing when we compare it to the recent Q & M pipeline decision. In yesterday's *Globe and Mail*, the National Energy Board chairman, Mr. Edge, referred to the environmental problems which led the board to reject the bid by a consortium of companies to build a gas pipeline into the maritimes. At page 11-8 of their April 1980 "Reasons for Decision" the board said and I quote:

> —the board wishes to stress that Q & M has not satisfied the board that the pipeline could be constructed in an environmentally acceptable manner.

Consistency in decision-making—particularly environmental decision-making—is obviously not something of importance to the government.

I, as a maritimer, wonder sometimes why it is that when a project like the Q & M pipeline, which is so important to my region, is at stake, the federal government suddenly decides it is going to be concerned about environmental matters and to hold up the project on the basis of environmental principles, while other projects which have equal cause to be looked at from an environmental point of view are allowed to go ahead without any environmental assessment required despite the government's own regulations.

We require more than legislative consistency or the removal of conflicts of interest posed when departments engaged in protecting the environment are the very ones involved in promoting major projects which are going to damage the environment. More fundamental than most of the themes I have talked about, there must be a will by the federal government and by the cabinet, in particular, to honour environmental principles. There must be a consistent adherence to environmental principles because they are worthy in their own right. That is what we require from this government.

The government's good faith in environmental questions is seriously in doubt. In my view this government does not care about the environment, and that fact is reflected in Bill C-48. Is it not ironic that the Minister of the Environment should have been given special responsibilities for constitutional matters? He has been asked by the Prime Minister (Mr. Trudeau) to aid in a major way in piloting through this House the resolution on the constitution. Yet the government's own charter of rights for which the Minister of the Environment has special responsibility makes no mention whatsoever of environmental rights. Is it any wonder, sir, that Bill C-48, by the same token, is such a serious affront to sound environmental principles? It is a shoddily drafted bill; it is a bad bill. Worst of all, as far as the protection of the environment is concerned, it is a dangerous bill.

● (2120)

[*Translation*]

Mr. Yves Demers (Duvernay): Mr. Speaker. I am pleased to speak on this extremely important matter, Bill C-48, which spells out Canada's energy policies for years to come. Among other things the bill will enable us to reach three aims: security of supplies and subsequently self-sufficiency for Canada, access for all Canadians wherever they live in Canada to wider participation in energy industries, especially gas and oil, and finally fairness of prices and sharing of revenues among governments and industries.

The program is based on Canada's extensive energy potential. The country is already producing more energy that it can consume and it can use its surpluses of electricity, natural gas and other fuels such as solar, wind and tidal energy to make up for its oil shortage. Total demand for oil will therefore be sufficiently restrained to equal domestic supplies at the end of this decade. The prices of natural gas will increase more slowly as a result of negotiations between the federal government and the producing provinces thus remaining lower than the normal prices of heating oil. The natural gas distribution system will also be extended here and there to serve the main cities throughout Canada and the prices of natural gas in eastern Canada will be standardized to promote its use as a replacement for heating oil in residences as well as in industries. The replacement of oil by natural gas, electricity and other energy sources will be supported through federal consumer grants in order to reduce the use of oil to 10 per cent of the total energy demand in residential and commercial sectors before 1990. We propose to subsidize people who convert their heating systems

from oil to gas or electricity. We will subsidize those conversions up to a maximum of $800, thus paying 50 per cent of the costs. Still, before going ahead with this program we must negotiate its details with the various provincial governments, but the province of Quebec is being reluctant in some respects. There are no problems, they agree, with regard to conversion to gas but where conversion to electricity is concerned, that is, conversion from oil to electricity, the leaders of the Quebec government are being difficult because they know full well that if a larger number of Quebeckers convert to electricity, the province will then have less electricity to export to the United States. At the present time, the province of Quebec, through Hydro-Quebec, is selling its electricity at roughly the domestic price for other Canadian energies. In other words, in Quebec it now costs about the same, give or take a few dollars, to heat one's house with electricity, oil or gas.

In December, the cost of fuel oil may be a bit higher than that of electricity, but when the price of the latter goes up by about 12 per cent in January, it may cost slighly less to use fuel oil than electricity. Be that as it may, prices are now about the same, and thus electricity is sold in Quebec at the domestic price. But if Quebeckers consume less electricity, then Hydro-Quebec can sell it in larger quantities to the United States at world prices. I recently had a conversation with the Quebec minister who told me he thought that market would bring the province of Quebec about $1 billion in the next few years.

Personally, I feel that opposing the conversion of oil heating to electricity is being dishonest toward the policies of the Canadian government, as well as those of the government of Alberta, because in so doing, Quebeckers will be allowed to use Alberta oil at a cost price by about 50 per cent lower than the world price thereby enabling the province to export electricity to the United States at world prices. That is therefore extremely dishonest and jeopardizes the Canadian energy policy as a whole.

There is also another factor. If we disallowed subsidies for converting from oil to electricity, some areas in Quebec would be greatly prejudiced, areas like Abitibi, Mont-Laurier, northern Quebec, because the people in the larger urban centres like Montreal, Quebec City or Trois-Rivières will have the option of converting to natural gas because the pipeline will be extended to serve those cities, whereas the distribution system will not reach, at least not for several years, the smaller communities. Therefore, if the government refuses to subsidize alternate conversions, the people in those small communities will be forced, if they want to convert, to pay the full price out of their own pocket.

The Canadian Constitution as it now stands gives the Government of Canada the authority to tax energy resources and to set prices. The government intends to maintain that policy in the new constitution. However, Quebec Premier René Lévesque, who wants separation, says: no, the federal government has no right to tax and to set prices for energy because some day it will want to tax the electricity that Quebec sells the United States.

And yet the domestic price of oil is now $19 a barrel and the international price is $38 a barrel. In fact, because of this policy of the Canadian government, in the last five years, from 1974 to 1979, Quebeckers have had to pay $9 billion less for their oil than if they had paid international prices. Moreover, if Quebeckers now paid international prices for their oil, gasoline would cost nearly $3 and heating oil about $2.

This is what Mr. Lévesque is proposing to Quebeckers. He suggests that they should pay $3 for their gasoline and $2 for their heating oil. I believe that any Quebecker who considers the interests, mostly of his province, but also of his country, will understand that the Canadian policy is very good and benefits all residents of Quebec.

We may also wonder why the provincial government would want us to pay international prices for oil. Perhaps the separatist ideology is behind this suggestion. For instance, if Quebeckers were now paying international oil prices, the arguments of those who promote separation would be much more convincing because they would be able to tell Quebeckers: If we go tomorrow morning, the price of gas will stay the same because we are now paying international prices and we shall continue to do so. However, the Liberal policy provides the opposite argument and constitutes an obstacle for Mr. Lévesque and his party, and Mr. Lévesque, who already sees the province as a separate state, is willing to sacrifice the $9 billion that we have already saved Quebeckers over the last five years. Moreover, before the last Parizeau budget, there was a fixed tax on gasoline per litre or gallon in Quebec.

In his last budget, Mr. Parizeau applied what I would call an indexed tax in so far as a percentage is charged, and every time the price of oil goes up, the taxes of Quebec consumers increase in proportion, as do the revenues of Quebec, of course. I therefore readily understand why Mr. Parizeau is not interested in lower prices. He indexes tax revenues to oil prices, but he is not interested in indexing personal income tax, which would benefit all Quebec taxpayers.

I sometimes try to understand the philosophy of the Parti Québécois, and I tell myself that if Quebec separated, it would be an independent country which would not have to ask anyone for permission to do what it wants and which could pass its own laws. Moreover, there would be departmental governments or state or provincial governments because the province would be divided in regions like Abitibi, Lac-Saint-Jean, the Gaspé Peninsula, the Bois-Francs and so on, which would be called departments, as in France, or states, as in the United States, and every one of these regions would have an elected government, in addition to the central government in Quebec City. There would be a constitution recognizing the powers of the central government of Quebec and the powers of the regional governments, and if we follow the philosophy of the Parti Québécois, every one of these regions would have the

right to tax its own natural resources. Let us imagine that the Lac-Saint-Jean area finds huge amounts of oil; sure enough the state government or the government of the department of Lac-Saint-Jean would tax its resources and sell them to the rest of Quebec and to other countries as well. Of course they would sell to other countries at world prices, and people from Lac-Saint-Jean would be anxious as well to secure the international price, even for sales made to Quebec. And I am sure that the central government of the province of Quebec would then impose prices for domestic sales, just as we are doing now for Canada. And yet, Mr. Lévesque does not understand our philosophy, when it is applied to Canada as a whole.

The members of the federal government want one energy price, they want a standard price in all regions of the country for all Canadians. It is very easy, to understand, Mr. Speaker, that if oil were sold at $3 a gallon in Quebec, in the maritimes and in Ontario and $1 in Alberta, this would result in a dramatic economic slowdown. We all appreciate, and it is easy to understand, that all new industries would prefer to go to Alberta and we would witness a massive exodus of people from the eastern provinces to Alberta. There would be tremendous unemployment in eastern Canada and a boom and galloping inflation in Alberta. This is why our basic policy has been to maintain stable and fair prices for all Canadians.

Not so many years ago, Mr. Speaker, we had the Borden line legislation. At that time certain Canadian provinces, including the major parts of Ontario, had to buy Alberta oil at a price higher than the international price to promote Albertan oil sales. Today, it is the opposite. Alberta is subsidizing other provinces that use its oil, by selling it at a cheaper price. But who knows if five years from now, with the discoveries in the Soviet Union where huge amounts of oil have been found, apparently more than anything that may exist in the Middle East, the international price may be lower than the price we would pay for instance for tar sands oil. It is my conviction that if this happened the Canadian government would then force other Canadians to pay the higher domestic price for Alberta or other Canadian oil. Therefore, Mr. Speaker, we will continue with a uniform policy for the well-being of all Canadians. I thank you for the opportunity to speak on the matter.

● (2130)

[*English*]

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, they always save the best to the last.

Some hon. Members: Hear, hear!

Mr. Nickerson: It is rather unfortunate that there is nobody left to hear what I am going to say, at least in the galleries. I do hope that somebody is watching on television.

Mr. Scott (Hamilton-Wentworth): What you do mean, there is nobody here?

Mr. Nickerson: I am very pleased that the Minister of Energy, Mines and Resources (Mr. Lalonde) saw fit to come back to the House. I have a few choice comments for him in the few remarks which I intend to make. I must say that I have been looking forward to the presentation of this bill for about ten years now. It was originally promised a little over ten years ago by the late hon. Sidney Green—

Mr. Blais: You mean Joe Greene.

Mr. Nickerson: We certainly have good reasons to forget.

Mr. Lalonde: You forgot Sidney Green.

Mr. Nickerson: Members on this side of the House have asked continuously for the last ten years when the government was going to present rules and regulations governing the disposition of oil and gas in the areas referred to in this bill. The answer that we have always received has been, soon. I remember asking the same question earlier this year of the Minister of Energy, Mines and Resources. His reply at that time was "very soon". If nothing else, we now have an interpretation of these Liberal terms. When they say soon, they mean ten years, and when they say very soon, they mean ten months.

Mr. Lalonde: Four months.

Mr. Nickerson: Was it worth waiting ten years? Quite frankly, I do not think so. I was looking forward to this. I was looking forward to something which would get the offshore oil and gas industry back on its feet again. But somehow I do not think we have it here. To understand this we must examine the present circumstances, the circumstances at this time when the bill is being introduced. It comes after ten years of neglect and wavering, after ten years of putting Canada's industrial and energy needs in second place to narrow, partisan consideration. The result is the situation we have today. The situation we have today is one of dependence on insecure, high-priced, foreign sources of energy. There is no denying that. That is the position into which the Liberal government has put this country. It comes at a time of serious conflict between the provinces and the federal government which is intent or imposing at all costs its concept of a centralized and socialized Canada. As we go through this bill we see two concepts throughout, the concept of strong control from Ottawa and the concept of the government ownership of Canada's oil and gas industry, something which it has been trying to promote with the concurrence and at the instigation of our friends to the left for some time.

There are two ways in which we can look at the present energy situation in Canada. First of all, there is the view from this side—my view and the view shared by my colleagues. We recognize that we have problems which have developed over many years of Liberal rule, but we look upon them as a challenge. We know that Canada has the potential resources, or the resources we need; more resources perhaps than anywhere else in the world. Certainly this country is greatly endowed with such resources as oil, gas, uranium and hydro potential. All we have to do is to implement sensible and

equitable policies and legislation. Ordinary Canadians, not governments, people in the private sector, will take the initiative as they always have in the past, and they will put us back on the road to self-sufficiency.

However, the view on the other side, a view shared by the Liberals and the New Democrats, is quite the opposite. What they are trying to do is to exploit the difficulties which they themselves have caused and for which they themselves are responsible so as to pursue their own policies for greater centralized control, as I mentioned before, at the expense of the provinces and territories, for greater governmental presence in commercial undertakings in this country, and a greater use of Crown corporations such as Petro-Canada. They want more regulations and more restrictions placed on the daily lives of Canadians, all at the expense of individual liberty. That is the way I see it. Centralization and socialization go to the very heart of the proposals before us in the Canada Oil and Gas Act.

● (2140)

After that introduction, I want to say a few words on the Canada lands concept which has crept into Liberal terminology in the last little while. It is a new term. We have not been accustomed to using it in the past. We should find out from where it came and what it really means. In order to find out, we must turn to page 43 of the so-called "National Energy Program" which was presented on the evening of October 28. It came in with the ill-fated budget. The two documents quite properly belong together. In my opinion they are both of the same worth and value.

Page 43 contains a map which indicates what is meant by Canada lands, this term which has crawled out of the woodwork of the inner sanctum of the Liberal cabinet. According to this map, it means a huge area of Canada's land and water mass. This afternoon we were told how many more times in area the Canada lands were than the remaining ten provinces. These so-called Canada lands comprise all the traditional offshore areas of Nova Scotia, New Brunswick, Prince Edward Island, Newfoundland and British Columbia.

The hon. member for St. John's East (Mr. McGrath) was to speak tonight. However, he is indisposed. If he were speaking on this subject, he would put what I am about to say in much stronger terms. Having failed to negotiate any reasonable agreement with the provinces concerned, provinces which have a legitimate case to present, the Liberal government is using its sledgehammer approach and its unilateral technique to impose its will, for the main part, upon those provinces which are least capable of protecting their own interests.

Also Canada lands is defined by this map as including the Yukon and the Northwest Territories. This land was previously known as territorial lands, lands which we can only think of in this manner. It is land which the federal government presently holds in trust for four provinces to be established at some point in time in Canada's north. I stress the trust concept of these lands. There is no argument that at the present time they are owned by Her Majesty in right of Canada, but in time to come, as provinces are developed in the north, as the Yukon becomes a province and as one or more provinces are developed in the Northwest Territories, the resources of those areas must be transferred to those new provinces. They must not be treated any differently than any existing province in Canada.

At the present time it is absolutely necessary for the territories to be given access to resource revenues. The territories are faced with onerous, very high expenditures. The territorial governments are required by law—by federal law in many instances—to provide government services on a par with those of the provinces. It is very expensive to provide educational and social services and hospitals; to maintain the roads and to develop public works.

If they do not have access to some form of revenue in order to provide these services, they will have to approach Ottawa. We must realize that there is no other tax base. The population is such that the government cannot collect the required amount of money from personal income taxes or sales taxes. If they are not able to generate public revenues, territorial governments will always be forced to come cap-in-hand to Ottawa. The rich resources of the territories, which the people there are so anxious to share with their southern counterparts, will be taken out or extracted from the area with no real return. The revenues will be piled up in Ottawa, and the people of those areas will be forced to crawl on their hands and knees in an attempt to get back a few of those sadly-needed dollars to use for the purposes I have outlined.

I refer to page 43 of "The National Energy Program" and the offer which was made by the Minister of Energy, Mines and Resources to the various provinces adjacent to offshore resources. The Government of Canada offered to provide 100 per cent of provincial-type resource revenues to the adjacent provinces, subject to arrangements whereby when the province reached an agreed level of wealth, the revenues would be shared with other Canadians.

The offer included giving to those provinces a substantial voice in matters of direct concern to them, including the need to minimize social, environmental and economic disruption in the region. This offer was apparently turned down by the provinces. At least, this is what is contained in the official publication of the minister. I do not propose to speak on behalf of those provinces. Perhaps they had very good reasons for doing so, but I would strongly recommend to the minister that the same type of offer should be extended to the Northwest Territories and to the Yukon. I am sure this formula would be completely acceptable as an interim arrangement for the north. If it were put into effect, discretionary revenue would accrue to the territories, and they would not be in the position they are now.

The north would not be stripped of its resources with no revenues coming back to it. They would not be forced to come to the Minister of Indian Affairs and Northern Development (Mr. Munro) to ask for federal government handouts. But at the same time the government would avoid the situation of people there becoming too wealthy; any excess over a certain

amount would be shared with the people of southern Canada. That seems like an equitable solution for the time being.

I hope the minister will take note of what I am saying and try to negotiate such an arrangement with the two territories.

Mr. Scott (Hamilton-Wentworth): He is not listening.

Mr. Nickerson: He does not appear to be particularly interested. He just does not seem to be listening. He is very expert at shutting his ears when such matters are being presented.

Mr. Simmons: He can read it in *Hansard*; there is no problem.

Mr. Scott (Hamilton-Wentworth): He does not listen to the provinces; he does not listen to the territories.

An hon. Member: That is true.

● (2150)

Mr. Nickerson: So that is what we have, Mr. Speaker, this Canada lands concept. It is an attempt by the government, which by and large represents the interests of central Canada, to hang on to its regional privilege. That is what it amounts to.

The natural development of Canada will take place anyway. You cannot hold back the dawn, it will happen one way or another. We see the economic centre of gravity of this country moving westward. Nothing is wrong with that type of thing. It does not mean to say that the people in Ontario and Quebec will really miss out. The hon. member for Etobicoke Centre (Mr. Wilson), who spoke earlier, said that the central provinces of Canada could take advantage of this shift. It could be to everyone's advantage in this country. But the Canada lands concept is designed to preserve forever the pre-eminence of the central areas. What it seeks to do is create in the offshore areas of New Brunswick, Newfoundland and the other provinces I mentioned, and in the territories, a hinterland which can then be drained of its resources so that the people in southern Ontario and Quebec do not have to face economic reality.

In saying this, Mr. Speaker, I am being a little unfair to all those good Canadians who live in Trois-Rivières, Quebec City, Toronto, Hamilton and Burlington. I do not really believe that is the way those people think. It is the way the Liberal government thinks they think. That is why they are pursuing this type of inane policy.

I have dealt with clause one of the bill, the short title, and I will have to go through the remaining 85 sections of the bill a little more expeditiously.

Mr. Lalonde: With more sense would be fine, but take your time.

Mr. Nickerson: We intend to do that. We intend to give you a good going over in the next few minutes.

Mr. Speaker, I would like to examine the objectives which the government says it wants to achieve through this legislation. These are generally agreed objectives between the three parties represented here. First, what we want to do is attain energy self-sufficiency in Canada. In the policies pursued by this side of the House when we were in office, not that many months ago, this was quite evident. Second, we want Canadian participation in the energy industries. We want Canadians to be the investors and to receive the dividends. We want Canadians to be active in the financing of oil and gas exploration, production and marketing. We want to utilize the manufacturing industries of Ontario and Quebec so that their expertise can be brought to bear on energy questions. We want to increase and maximize Canadian ownership within the oil and gas industry. There is already significant Canadian ownership of the exploration end.

The real problems are in the refinery part of the industry. There are some differences of opinion. We on this side of the House would like to see that accomplished privately by Canadian individuals, whereas on the other side of the House they are more inclined to think in terms of public ownership. What we want to achieve by the type of legislation with which we have been presented today is to bring on stream as quickly as possible the frontier and offshore resources of Canada so that we can achieve the goal of energy self-sufficiency.

Given those objectives what type of policy would any sane person—and there are a few on this side of the House at any rate—put into effect? What type of policy would encourage Canadians and Canadian corporations to undertake the risks involved in the job which is before us? First of all, you must give investors secure tenure of their land holdings. If they receive a lease or some form of permit or title to some oil or gas lands from a government they must know that it is secure. That is the first thing they want. So we examine the oil and gas legislation to see where that security is contained therein. We see that the best deal they can get is a five-year exploration agreement. When it comes to production, the best deal they can get is a ten-year lease. And when you read through the rules and regulations you see that there is no end to the discretion which is allowed the minister. He can run them off practically any time he wants to. So they do not have security of tenure in this bill.

Second, you must give the investor a set of known rules and regulations, guidelines by which he can operate. In this way he can pick up the rules and read them in advance to see what he will have to abide by. Again, we examine this bill to see whether that concept is contained in it. We find that, to the contrary, everything is arbitrary. It is left up in the air. The government, the minister, the bureaucracy can at any point in time change the ground rules, so no one really knows what is going on. You cannot invest with confidence. When you want to get into the business you must negotiate what they call an exploration agreement. There are no fixed rules. You do not know what they will be. For each project a separate agreement will be negotiated.

As I have said before, when you examine the act there is nothing in it but ministerial discretion and bureaucratic discretion. Authority is delegated to the minister's staff. They can

practically tell you how to run your own life. They can give you an order to drill. They can tell you where to drill and, if you don't, they can throw you off the land. Or, they can say you cannot drill here and if you do drill here we will throw you off. They can tell you how to transport the petroleum product that you are likely to find. They can dictate to what market you can sell your product. They can tell you how to produce, how much to produce, how little to produce or whether to produce at all. It is all left up to the Minister of Energy, Mines and Resources or the Minister of Indian Affairs and Northern Development. You can take your pick; one is as bad as the other as far as I am concerned.

Third, if you are to encourage people to make those investments you need sensible taxation and a sensible royalty scheme. We do not have these either. The rule should be that if you are successful you can make a profit. But when you look at what is in this legislation you see a basic 10 per cent royalty, 25 per cent Petro-Canada backing, 40 per cent net profit. When the product gets to the refinery, you are stuck with another 8 per cent. Then you have corporate income taxes. There is no end to it. I wonder how much the industry can stand.

Mr. Speaker, in every conceivable way this bill falls short of what is needed to encourage people to explore in those areas. I would like to call it ten o'clock.

• (2200)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

EXTERNAL AFFAIRS—CLOSURE OF POLISH BORDER—POSSIBLE THREAT TO WORLD PEACE

Mr. Jesse P. Flis (Parkdale-High Park): Mr. Speaker, I rise to share with you, on this occasion, a matter of deep and troubling concern to all people committed to the preservation of human rights and world peace.

On Wednesday, December 3, 1980, I asked the hon. Secretary of State for External Affairs (Mr. MacGuigan) what steps the government planned to take to convince the Soviet Union and its satellite countries to keep their armies out of Poland and to respect the principles of the Helsinki Final Act, in view of the fact that the Soviet Union had ordered the East German-Polish border sealed off, and in view of the fact that the Deutsches Democratic Republic and the Soviet Union have moved military forces along the Polish border, thus threatening world peace and jeopardizing East-West détente.

Further, on Tuesday, December 9, 1980, I asked the Prime Minister (Mr. Trudeau) whether he is prepared to ask the United Nations Security Council, through proper channels, to proceed under the terms of chapter VI, article 34 of its charter, under which it may investigate any dispute or any situation which might lead to international friction or give rise to a dispute in order to determine whether the continuance of the dispute or situation is likely to endanger the maintenance of international peace and security. The Prime Minister indicated that he is in favour of this suggestion and would bring it to the attention of the Secretary of State for External Affairs. I trust that the minister, who is in Europe right now discussing this problem with other western allies, will inform this House of any developments regarding these matters when appropriate.

At this point, Mr. Speaker, on behalf of many Canadians across Canada, I thank and congratulate the Prime Minister for the sensitivity he has thus far clearly demonstrated by urging all parties to remain calm and place party politics aside. This is not a time for any to rattle their sabres. What is happening in Poland now is an internal matter, and outside interference of any form must be avoided. The people of Poland have certainly come a long way, since the last ten years when I lived there, during which a lot of bloodshed took place through the food riots of 1970. Today, on the other hand, the workers have achieved miracles in regard to independent trade unions and freedom of the press, without an ounce of blood being shed. For this the people of Poland are to be respected.

I urge us all not to raise any further exaggerated expectations or demands upon the Polish government or, by implication, its Soviet backers. Let us not forget that the Kremlin may stamp its boots on Poland's soil with a clear and sounding reply of tanks and rockets. It is obviously simple to realize that the Soviet Union is determined to limit reforms in eastern Europe and will even accept all of the economic and moral consequences of an invasion of Poland if it feels that the basics of communism are threatened.

This is why Canada must work in unison with other nations to take a unified stand against the U.S.S.R. should it move its military might across Poland's borders. Again, I congratulate the Prime Minister for comprehending the complexities of this situation and for urging the western world to act together in maintaining peace and stability. I trust the Prime Minister will also continue to communicate directly with Mr. Brezhnev of the Soviet Union, in an effort to keep the situation in Poland an internal matter.

The two most important things that Poland needs today are prayers for peace, and food. In fact, it is my understanding that people around the world, from all religious denominations and backgrounds, along with Pope John Paul II, will be dedicating Sunday, December 21, 1980, as a "prayers for peace in Poland" day.

• (2205)

Further, as many members of this House are probably aware, Poland's economic situation is stark and desperate. The people are facing food shortages similar to those experienced in many developing countries. The financial crisis Poland faces

in 1981 may have more serious consequences for East-West relations than the political situation.

Poland is in desperate need of food. Perhaps one aspect that could be explored by the Minister of State for Trade (Mr. Lumley) is trade by barter. That is, since Poland is rich in coal and other natural resources and since she requires food and hard currency, perhaps a system of mutal exchange could be established, similar to some of the exchange trade systems used by the Swiss government.

All in all, Mr. Speaker, I trust that as a nation we will do our best to act together with all concerned to maintain peace and stability in Poland. Perhaps the Parliamentary Secretary to the Secretary of State for External Affairs (Mr. Duclos) could give Canadians an update of the government's plans to help solve this critical situation in Poland.

[*Translation*]

Mr. Louis Duclos (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, the hon. member will be happy to learn that according to the information we have the situation has not deteriorated along the Polish border over the past few days. There is no evidence that the Deutsches Democratic Republic has mobilized its forces; on the other hand, even if the Soviet power is in full strength, we have no reason to believe that it has deployed its troops along the border or decided to invade Poland.

On the other hand, in the communique issued following their recent summit in Moscow, the member states of the Warsaw Pact have indicated their determination not to use intimidation or force in their relations with other states, but to seek negotiated settlements to conflicts. Those are key provisions of the Helsinki Final Act and Canada repeatedly emphasized that they should govern foreign relations of all signatories to the Final Act. Those provisions are particularly pertinent to present relations with Poland. Canadian representatives have made known that point at the Madrid conference and in capitals of eastern Europe and in our political dialogue with European countries, we always stand up for the respect of the non-interference principle in domestic affairs of other countries.

[*English*]

EXTERNAL AFFAIRS—POLAND—INQUIRY REGARDING CONTEXT OF PRIME MINISTER'S NOTE TO CHAIRMAN BREZHNEV

Mr. Benno Friesen (Surrey-White Rock-North Delta): Mr. Speaker, someone said "He who sups with the devil needs a long spoon." Many Canadians across the country today wonder whether the Prime Minister (Mr. Trudeau) has a spoon long enough, if he is going to sup with the devil.

There is growing concern in the country about the situation in Poland, about the manoeuvres taking place on both sides of its borders, and even more concern about the silence of our government in face of that threat to world peace.

Canadians wonder why the Prime Minister is so quiet about the situation in Poland. I am reminded of the situation a year ago when he was leader of the opposition and a member of the Privy Council. At that time we were concerned about the trouble in Iran. As a Privy Councillor, he had been briefed about that situation but he taunted the prime minister of that day with questions and was on the verge of endangering the lives of those Americans who were in our embassy in Tehran.

With that background in mind we wonder what he is trying to pull off concerning Poland. Yesterday in the House I asked him whether it was because of the friendship protocol, that he, as Prime Minister, signed with the Soviet Union nine years ago, that he had finally written a secret letter to President Brezhnev. He replied that it was not because of that. I then asked him whether as a gesture of solidarity between the Canadian people and the Polish people, he would break off that protocol with the Soviet Union, and he declined.

That is not all that concerns me, Mr. Speaker. About a month ago at a news conference he said that as a result of that friendship protocol he regularly briefed the Soviet ambassador in Ottawa if he met with world leaders like President Carter, Prime Minister Thatcher or Chancellor Schmidt.

● (2210)

Mr. Speaker, can you imagine a member of the NATO alliance meeting with other members of the NATO alliance and, having met with them, going to a member of the Warsaw pact and briefing a member of the Warsaw pact about the discussions he had had with NATO alliance members? Can you imagine that? Can you imagine the reverse being true where Chairman Brezhnev would meet with members of the Warsaw pact about concerns they have in their alliance and, after that meeting is over saying, "Now that we, as members of the Warsaw pact, have met I had better brief a member of the NATO alliance about our discussions." That is sheer stupidity. Yet the Prime Minister frankly, openly and gratuitously gives the information at his news conference that such is his regular custom. What in the world does he think he is pulling off? I might add that at the time of the debate in 1971 when the friendship protocol was going on, the hon. member for Winnipeg North Centre (Mr. Knowles) said, the protocol was "like a couple of boys meeting at summer camp and agreeing to continue in close touch after they had returned to their homes". Isn't that sweet? These are like boys coming home from camp. All they do is share the secrets about the alliance.

Let me quote the actual terms of that treaty. It is taken from "Keesing's Contemporary Archives." I quote clause 2 of that protocol:

> In the event of a situation arising which, in the opinion of the two governments, endangers the maintenance of peace or involves a breach of the peace, the two governments will make contact without delay in order to exchange views on what might be done to improve the situation.

There we have the terms to which the Prime Minister signed in 1971. If those are the terms then we can come to only one of two conclusions. First, that there are other secret messages which the Prime Minister has sent to Chairman Brezhnev,

which he has not told us about if he was trying to fulfil this protocol, or else he does not think this is a crisis for world peace. It is one or the other. The agreement clearly says that without delay they will exchange views if there is a threat to world peace.

I say all this against the backdrop of 1968 when the Russian tanks rolled into Czechoslovakia and our government made that strong statement about it being regrettable. The question which the Prime Minister did not answer still remains. The Canadian people are looking for a strong statement from our government. The least the Prime Minister could do, without affecting the internal affairs of Poland, without messing around with a quarrel inside Poland and without being accused of interfering with the internal affairs of Poland, would be to demonstrate our concern about what the Soviet Union is doing by breaking off that friendship protocol. After all, that is supposed to be a bilateral agreement. At the time, it was announced, it was trumpeted across Canada as an agreement dealing with technical, scientific and high Arctic exploration. Those were the concerns. Actually, what the Prime Minister does is use that protocol to continue liaison with the Soviet ambassador in Ottawa. That is what he said. That is not what I said; it is what the Prime Minister said. He admitted it freely; he was not even asked to give that information. Mr. Speaker, we have reason to be concerned that the delay in the Prime Minister's sending a communique to the Soviet Union has to be because of this friendship protocol. I believe the people of Canada want to see a clear demonstration of the solidarity of the Canadian people in opposition to what the Soviet Union seems to be planning and want to see a clear demonstration of our opposition to that. One demonstration would be, without interfering with the domestic affairs of Poland, to break off that friendship protocol.

• (2215)

[*Translation*]

Mr. Louis Duclos (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, the Prime Minister (Mr. Trudeau) stated in the House on December 9 that the government has been seeking to establish a collective attitude within NATO vis-à-vis the events in Poland. That is why the Secretary of State for External Affairs flew to Brussels, to participate in a meeting of Atlantic alliance foreign affairs ministers, during which the Polish situation was reviewed.

I am pleased to announce that those discussions resulted in a unanimous approach concerning urgency plans, but unfortunately I cannot disclose the details of those plans. In addition to that, the ambassadors of member countries of NATO in Brussels have been instructed to follow up the situation in Poland and to review a series of political, diplomatic and economic measures which could be enforced should the situation deteriorate. In the meantime, it would not be appropriate to disclose whether the Canadian government is contemplating any measures.

As for the suggestion that the Canadian government would abandon what has been described as the friendship protocol between Canada and the U.S.S.R., obviously, I cannot for the moment say whether such an action would be appropriate. However, to avoid any confusion, I should underline that the protocol is not in fact a friendship protocol, but rather a protocol concerning consultations during which the Canadian and Soviet governments agreed in 1971 to improve communications between their respective countries, both under normal conditions and in times of crisis. It was never designed as a means of revealing Canadian state secrets or of betraying the confidentiality of communications with allies and friendly countries. Indeed, it was never used for this purpose.

Mr. Speaker, I seriously deplore that there can be such demagogy in this House on such a serious matter as we have had on the part of the hon. member this evening. He behaved the same way when he asked this question a few days ago. Mr. Speaker, if the hon. member really believes that his protocol between the Soviet Union and Canada is not in the interest of Canada, I wonder why he did not rise to denounce it during the eight or nine months when his party was in power. He kept his mouth shut at the time, and I deplore the fact that we cannot in this country do the same as our southern neighbours when serious issues of foreign policy are raised, and act in a non-partisan manner and avoid the kind of demagogy that we have seen tonight.

[*English*]

ENERGY—GASOHOL—INQUIRY WHETHER CONSIDERATION GIVEN TO REMOVAL OF EXCISE TAX

Mr. Charles Mayer (Portage-Marquette): I have a topic of major concern and it has to do with our energy supplies in Canada.

It is well known that our ability to produce liquid portable fuels in this country is declining. We are currently importing about one out of every five barrels we consume and the prospects are that in five years we will be importing roughly two barrels out of every five barrels we consume. I want to stress a question I raised in July concerning encouragement by the federal government of the production of ethyl alcohol with the idea of making this country self-sufficient or bringing it closer to that by making use of some of the renewable resources we have. Ethyl alcohol is capable of being produced by a large variety of the crops we grow. There are two or three areas I should like to cover in terms of dispersing some of the myths presently associated with the production of ethyl alcohol. One has to do with the food myth. Many people think it is immoral to take grain and produce alcohol from it.

• (2220)

In actual fact by producing ethyl alcohol we can add to the total food supply in this country. I think it is well known that many countries around the world are capable of producing a lot of starch and sugar, but that is not what is in short supply as far as food is concerned. What is in short supply is protein,

and when we produce ethyl alcohol from grain, we only subtract carbohydrates, the protein remains. If refined properly and produced in sufficient quantities, protein produced in this way is capable of being sold and used for human consumption. I would like to read a quote into the record with respect to that. It is from the proceedings of the Canpac 1980 conference. It was the first Canadian national power alcohol conference, and it was held in Winnipeg back in June.

The largest current producer of fuel alcohol—

That is the United States.

—is shipping much of the protein byproducts from its alcohol plants to Holland, for human food use. This is a brand new protein source for Holland. And it can be a brand new source for other countries.

Those who are saying it is immoral to produce alcohol from grain which can be used for food are in fact missing the point. If we produce ethyl alcohol in sufficient quantities, as I said, and refine it properly, it is certainly capable of being a very good and valuable source of human food.

In addition to that there are many idle acres, particularly in western Canada, lying in summerfallow. There is much concern that with continuous summerfallowing we are losing some of those acres in terms of their capacity to produce. We could get into salinity problems. Summerfallow is not designed entirely as a means of increased production. It is a marketing tool. Because of the way our quota system is set up, people in some areas have to summerfallow as a means of increasing their marketing ability. If we can find markets for this kind of grain at home, we can decrease the amount of summerfallow thereby avoiding some of the salinity problems we are getting into in certain areas of prime land in western Canada.

Another potential problem people see with ethyl alcohol is the energy myth. Some people are saying that it takes more calories to produce a gallon of ethyl alcohol than the number which result. That is not the case either. It is a good, clean-burning fuel. It is a cool-burning fuel. Good engine life can be obtained through its use. Many Indiana racers use straight methanol, which is quite similar to ethyl alcohol. They use it alone in racing engines. It is a good fuel. Brazil is a major producer of ethyl alcohol, and I am told that most of the major farm equipment manufacturers are producing engines for sale to Brazil which burn straight ethyl alcohol. We are not talking about producing very much ethyl alcohol in this country because I do not think we have the capability to produce enough to burn alone in our engines. What we are talking about is a mixture of ethyl alcohol and gasoline, which is commonly referred to as gasohol. The mixture would be approximately 10 per cent ethyl alcohol and to be competitive in terms of price, it would have to be subsidized. I do not think this is the case any more, given the price of fuel in this country.

We are getting very close to the point where ethyl alcohol will be competitive in terms of price. Anyone who follows the energy-pricing situation knows that our prices will probably increase very drastically in the next two or three years. That will make the production of ethyl alcohol even more competitive with conventional gasoline. When we look at the subsidy we are paying now on gasoline presently imported into the country, we find we are paying some $20 a barrel to buy imported oil. If we were to pay that kind of subsidy—and I am not advocating this—to people in our own country to produce ethyl alcohol, that subsidy would stay in the country.

There is another side to this. We pay that amount of subsidy to bring in imported oil and we make use of only some 50 per cent or 60 per cent of a barrel of oil to produce gasoline. The remainder goes into asphalt and other heavy products which we in this country are capable of producing from coal and natural gas. So, by buying a barrel of oil from offshore sources and paying a subsidy on it, we are only making use of part of that barrel of oil to produce gasoline which is in short supply in this country.

● (2225)

What I am saying is that if we would pay any kind of a subsidy to encourage the production of ethyl alcohol, we would get a double benefit. Not only would the money stay in this country, but we would not be subsidizing the importation of things that go to make asphalt, those heavy products which come from the remainder of a barrel of oil out of which we cannot make gasoline. We certainly are capable of producing those other products from coal and natural gas.

What I should like to say in conclusion is that Manitoba, by waiving a provincial excise tax on the production of ethyl alcohol, was able to encourage a plant to start in that province. I would like to see the federal government show some initiative in this respect and remove the 7-cent a gallon excise tax as it applies to gasohol and thereby encourage production of energy in this country from a genuinely renewable resource. It has been done not only in the United States but in Brazil and in Manitoba.

Mr. John Evans (Parliamentary Secretary to Deputy Prime Minister and Minister of Finance): Mr. Speaker, over the years there has been increasing interest in Canada, in the United States and elsewhere, especially in Brazil, in using gasohol which, as the hon. member has pointed out, is a blend of 90 per cent gasoline and 10 per cent alcohol, and this would be used to conserve gasoline. The government has indicated its support for the development of this and other renewable energy sources in its national energy program.

In the national energy program, the government identified a number of alternatives to gasoline which warrant consideration. These include the use of propane as a clean and efficient fuel for motor vehicles and the development of compressed natural gas for fuel. The Department of Energy, Mines and Resources and the special parliamentary committee on alternative energy and oil substitution are both studying alcohol as one of these options.

Alcohol fuels present a unique opportunity for the future production of alternative liquid fuels from renewable biomass. This potential, however, requires more research and development to improve on the current economic and technical disadvantages. To this end, the Minister of Finance (Mr. Mac-

Eachen) reaffirmed in his recent budget speech his intention to introduce amendments to the Excise Act to facilitate the production of denatured alcohol for use in experimentation and development of fuels. The new provisions will include the creation of special temporary licences, a reduction in the bonding requirements, and exemption from the excise duty on alcohol to enable researchers to produce denatured alcohol for experimentation and development of fuels such as gasohol.

With existing technology, however, there are a number of drawbacks to using gasohol in place of gasoline. First, alcohol is costly to produce, compared to gasoline, even when refined from imported oil. Second, the recoverable energy content of alcohol is lower than that of gasoline. Finally, there are some technical problems still to be worked out, such as the feasibility of using gasohol in Canada's severe winters. For these reasons, elimination of the 7 cents per gallon levy from gasohol would appear to be an unwarranted subsidy, and, indeed, could even be counter-productive, since this fuel is primarily gasoline. I might point out that since it is 10 per cent alcohol and 90 per cent gasoline, the effective subsidy to the alcohol component would be 70 cents a gallon.

For these reasons, subsidization of gasohol by removing the excise tax would be premature. The taxation of alternative fuels for internal combustion engines can only be properly addressed when all the various alternatives have been properly assessed and a viable and efficient substitute for gasoline has been identified.

[*Translation*]

Mr. Deputy Speaker: The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 11 a.m.

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

HOUSE OF COMMONS

Friday, December 12, 1980

The House met at 11 a.m.

● (1105)

ROUTINE PROCEEDINGS

[*English*]

NATURAL RESOURCES

OWNERSHIP TO BE VESTED IN PROVINCES—MOTION UNDER S.O. 43

Mr. Bill Yurko (Edmonton East): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. The proposed constitutional patriation and amendment resolution, supplemented by the National Energy Program, has fostered and is continuing to foster apprehension in Canada, giving rise to questioning of the inherent values of the confederation bargain. Much of this apprehension is caused by the repeated suggestion that loss of provincial ownership of resources is at stake. To reduce such apprehension, I move, seconded by the hon. member for Bow River (Mr. Taylor):

That Parliament, through the appropriate action of this House, reaffirm that natural resources within the boundaries of each and every province shall remain the property of the provinces, and furthermore, that the final address to Her Majesty on constitutional patriation shall contain a section affirming that no existing natural resources ownership rights shall be taken from or abridged in any province without the expressed consent of the affected province.

Madam Speaker: Presentation of such a motion for debate requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

AGRICULTURE

ECONOMIC PROTECTION FOR FARMERS—MOTION UNDER S.O. 43

Mr. Arnold Malone (Crowfoot): Madam Speaker, the value of grain on the market has been down to the maximum allowable limit for each of the past nine days, forcing a 25 per cent decrease in value of grain; the price of feeder cattle this past week has dropped to $10 per live hundredweight; the price of farm machinery may escalate by 20 per cent within the next 12 months; interest rates for farm loans are now between 17 per cent and 25 per cent. Therefore I move, seconded by the hon. member for Portage-Marquette (Mr. Mayer):

That the federal government develop economic strategies which will immediately protect Canadian farmers, so as to ensure their survival and to guarantee an adequate food supply for all Canadians.

Madam Speaker: Presentation of this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

HOUSE OF COMMONS

BREAKDOWN OF VOTES HELD—MOTION UNDER S.O. 43

Mr. Jim Fulton (Skeena): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. Whereas there have been 38 votes in the House so far in 1980 under the Liberal administration, and keeping in mind the distorted and misleading statements made by Conservative members of the House regarding those votes, let the following figures act as reference points for truth in the future: the Tories have voted with the NDP 14 times; the NDP have voted with the Liberals seven times; the Tories, however, have voted 16 times with the Liberals.

Mr. Baker (Nepean-Carleton): The NDP are feeling the heat.

Mr. Fulton: In view of the fact that the Tories vote with the Liberals twice as often as the NDP, I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That this day be recognized throughout Canada as tweedledee and tweedledum day, keeping in mind the dangers for Joe and the gang when caught by the Canadian public marching heel to toe, nose to cheek, and eye to eye with Pierre.

Madam Speaker: I fail to see the urgent and pressing necessity of such a motion.

* * *

NEW DEMOCRATIC PARTY

CALL FOR CONDEMNATION FOR ALLEGED MISLEADING OF PUBLIC—MOTION UNDER S.O. 43

Mr. Dan McKenzie (Winnipeg-Assiniboine): Madam Speaker, I rise under the provisions of Standing Order 43. On December 12, 1979, the hon. member for Broadview-Greenwood (Mr. Rae) introduced a motion which led to the defeat

of the Clark government. The motion stated that the Progressive Conservative government was doing nothing about high interest rates, while the NDP-Liberal coalition in fact was participating in an all-party committee called to look into a solution to the interest rate problem. On December 11, 1980, the hon. member for Broadview-Greenwood and the hon. member for Winnipeg North Centre (Mr. Knowles) introduced substantially the same motion. Therefore I move, seconded by the hon. member for Yukon (Mr. Nielsen):

That this House unreservedly condemns the NDP for deliberately misleading the Canadian public into believing nothing was being done by the Clark government regarding high interest rates when in fact they were participating in this all-party committee, and condemn in particular the two socialist hypocrites who introduced the two mischievous motions.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Madam Speaker: Presentation of such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1110)

FINANCE

VALUE OF CANADIAN DOLLAR—MOTION UNDER S.O. 43

Mr. John Gamble (York North): Madam Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43. When the Trudeau administration resumed office in March the Canadian dollar was trading at 87.2 cents in terms of the U.S. dollar, but is now trading at 83.15 cents, devalued by 4.05 cents, causing an increase in the cost of living of 1.6 per cent as the result of higher costs of imports, particularly of food. Considering that in March the Bank of Canada rate was 14 per cent and is now 16.14 per cent, an increase of 2 per cent, with the prime bank rate now 17 per cent and small businesses and others paying interest rates of up to 20 per cent, I move, seconded by the hon. member for Winnipeg-Assiniboine (Mr. McKenzie):

That this House request the Trudeau administration to resign, since if they serve their full term in office and the above rates continue at the pace which has been described, the Canadian dollar is likely by then to be worth 16 cents and the bank rate to have gone up to 83 per cent.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

NATIONAL PARKS

YOHO—PROTECTION OF WILDLIFE FROM STARVATION—MOTION UNDER S.O. 43

Mr. Sid Parker (Kootenay East-Revelstoke): Madam Speaker, I rise under the provisions of Standing Order 43 to propose a motion of urgent and pressing necessity. Due to the heavy snowfall in southeastern British Columbia, including Yoho National Park, which has caused a serious grazing problem for elk and other wildlife to the extent that many of them will starve if this situation is not corrected, I move, seconded by the hon. member for Kootenay West (Mr. Kristiansen):

That the federal Ministry of the Environment immediately meet with provincial officials to take steps to protect these animals before they die from exhaustion and starvation.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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NATIONAL REVENUE

MEASURES TO REFINANCE PUBLIC DEBT—MOTION UNDER S.O. 43

Mr. Dave Nickerson (Western Arctic): Madam Speaker, I also rise on a matter of urgent and pressing necessity with respect to interest rates. In view of the Liberals' disastrous high interest rate policy which will result in the cashing in of billions of dollars worth of Canada Savings Bonds and other government obligations, I move, seconded by the hon. member for Simcoe North (Mr. Lewis):

That the Minister of Finance be required to make a statement on motions explaining what increases in taxation he plans in order to refinance his government's horrendous public debt.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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SCIENCE AND TECHNOLOGY

CALL FOR CREATION OF FULL SCALE MINISTRY—MOTION UNDER S.O. 43

Mr. Lorne Greenaway (Cariboo-Chilcotin): Madam Speaker, I too rise under the provisions of Standing Order 43. Whereas job security, job creation and the future of the youth of our country are so heavily dependent upon our efforts in research and development, I move, seconded by the hon. member for Scarborough East (Mr. Gilchrist):

That this government immediately create a full scale senior ministry for science and technology under a minister who can give this vital portfolio his undivided attention and the priority it deserves.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

• (1115)

ORAL QUESTION PERIOD

[*English*]

FINANCE

EFFECT OF HIGH INTEREST RATES—REPORT OF ECONOMIC COUNCIL OF CANADA

Hon. John C. Crosbie (St. John's West): Madam Speaker, my question is directed to the Minister of Finance. Since his budget was brought down on October 28, the Canadian dollar has declined in value by 2.07 cents to 83.15 cents, the lowest level since 1933. The Bank of Canada rate has gone up over 4 per cent to 16.14 per cent and the prime bank rate has gone up to 17 per cent. The inflation rate has had to be revised to 11.4 per cent for next year and the unemployment rate has been revised upwards by the Economic Council of Canada. Real wages will decline in both 1980 and 1981. It is the most disastrous budget since Herbert Hoover—a monumental flop.

My question is this. The minister said on Wednesday that he had decided not to launch any new programs or change any budgetary measures. Yesterday he said he had not yet decided—he started to weasel and qualify—and outside the House he said that he was looking again at the adverse impact on potential home owners, small businessmen and farmers.

In view of these statements, would the minister make an announcement on Monday—we cannot afford any more delay—on what his new policies will be to assist home owners, potential home owners, small businessmen and farmers? They cannot afford to wait any longer.

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): No, Madam Speaker, it is not my intention to make a statement on Monday.

Mr. Baker (Nepean-Carleton): That is the first definite statement you have made.

Mr. Crosbie: Madam Speaker, when the Prime Minister said on February 18 "Welcome to the eighties", did he mean to the 80-cent dollar? Is that what he was welcoming us to? I refer the minister to the Prime Minister's report, the report of the Economic Council of Canada, at page 33. They pointed out in their review last year there were two driving forces in the Canadian economy which could help us in the eighties, the U.S. and world outlook and high domestic energy

investment. Now they say that only the latter remains, because the world outlook is poor, to move the Canadian economy forward in the period 1981-83. They also said in their pre-budget statement that all that was left was energy investment.

In view of the budget and the fact that the budget energy policy has caused cancellation and delay of the Alsands tar sands projects and the heavy oil project at Cold Lake, in view of the dispute with Newfoundland which prevents the development of east coast offshore oil and gas resources, and in view of the fact that there will not be any massive energy investment in the eighties if these disastrous policies continue, is the minister prepared to announce changes which will start these projects up again so that Canada can have some economic hope for salvation in the eighties?

Mr. MacEachen: Madam Speaker, I want to repeat the answer I gave yesterday to the hon. member, or at least to an hon. member in the opposition, that we have established in the National Energy Program a comprehensive framework, for energy development in Canada and that we have provided the basis upon which these energy projects can and will go ahead.

Mr. Crosbie: Madam Speaker, my supplementary is this. The Prime Minister, through his agency, has condemned the minister's budget, both in this report and in the report brought down since their annual report was tabled on Wednesday, condemned the energy policies and has shown what will be the effect of the budget. They say that they have had to revise their forecast and that there will only be growth of 0.5 per cent next year.

In view of all this and the minister's weaseling outside the House yesterday that he is considering changes to help small businesses, home owners and the like, would he tell us when we can expect an announcement from him as to some change in policy in order to give hope to Canadians as they approach the Christmas season?

Mr. MacEachen: Madam Speaker, first of all, I disagree totally with the hon. member when he says that the Economic Council of Canada denounced the budget. In fact, in the review which was prepared before the budget—and it is made quite clear in the introduction that it was prepared before the budget—there is considerable support for a very large number of the main elements in the budget statement itself.

Mr. Crosbie: Where?

Mr. MacEachen: In fact, the only major difference that I can find in the policy thrust of the Economic Council of Canada and that of the budget is that the Economic Council of Canada recommended a considerably higher price for energy in the next several years.

Mr. Crosbie: Read the supplement.

Mr. MacEachen: That is a clear difference, but in terms of macroeconomic policy and in terms of the posture of the budget, the Economic Council of Canada gives considerable support.

● (1120)

The hon. member has asked whether, in light of the impact that higher interest rates will have on particular groups in the community, I will be undertaking any new measures. I want to explain to the hon. member, as I did in the spring when we were facing a similar situation, that we did undertake a very deep analysis of the impact, for example, of those interest rates on individuals in the country who might be renegotiating their mortgages. We had consultations with the lending institutions. As a result of that analysis we were able to develop the conclusion that those cases that were adversely affected would be dealt with and were dealt with effectively by the lending institutions.

Mr. Crosbie: By personal bankruptcy.

Mr. MacEachen: The same process is ongoing at the present time. I am confident that the lending institutions, including banks, will take into account the particular impact of these high interest rates on small businesses and on home owners.

I repeat, while it may be popular for hon. members opposite to relate the high interest rates to the budget, they ought to understand, and do understand deep down, what is happening. I have great respect for the intelligence of the hon. member for St. John's West, and hon. members opposite do know deep down in their intelligence—

Miss Bégin: It is really deep.

Mr. MacEachen: —that what is happening now, not only with respect to interest rates in Canada but with respect to interest rates in most other industrial countries, is the result of policies that are being followed—

Mr. Crosbie: By you.

Mr. MacEachen: —by the Federal Reserve Bank in the United States. I happen to believe—

Some hon. Members: Order, order.

Mr. MacEachen: —that these policies in the current circumstances are causing considerable harm, not only to Canada but to other countries, and that the United States ought to be encouraged to take another look at these damaging policies which are being followed.

Some hon. Members: Oh, oh!

An hon. Member: Blame the U.S.

* * *

THE ECONOMY

INCREASE IN CONSUMER PRICE INDEX—INQUIRY RESPECTING MEASURES OF RELIEF

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, I should like to address a supplementary question to the Minister of Finance. This is the first time that we have heard in this House the Minister of Finance saying that interest rates are not the concern of the government. The economy is in a tailspin. The horrendous interest rates are going to cause serious consequences for low and middle-income earners. The poor in this country will be lacerated. Today we have the news that the food price index has risen 1.05 per cent in November because poultry, eggs, fish and fresh vegetables have increased in price. The consumer price index shows 12.7 per cent for food, 13.8 per cent for home consumption, 29.8 per cent for fresh vegetables and 67.1 per cent for sugar and food preparations. This is an ominous Christmas present from this government to the people of Canada.

I should like to ask the minister what he is going to say to his constituents in Cape Breton when he goes back at the Christmas recess. More particularly, what specific undertaking is he going to give the people of Canada regarding relief from this onerous inflation and the high interest rates that we have in Canada today?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I can assure the hon. member that when I speak to my constituents during the Christmas break I will make more sense than he is making in his question.

Some hon. Members: Oh, oh!

An hon. Member: Scrooge!

Mr. Hnatyshyn: Madam Speaker, the Minister of Finance suffers from delusions of adequacy; that is all I can say about him. Immediate relief is required for a wide spectrum of interests in this country today. For example, farmers and fishermen are required to plan for next year. For taxation and other purposes, they have to make their purchases of equipment and supplies. For small businesses, the high carrying cost of Christmas stock will cause widespread bankruptcies and the quiet closing of over 50,000 small businesses in Canada.

Yesterday the minister promised the press that he would look at the adverse impact on potential home owners, small businesses and farmers. We need action now, before Christmas. When is the minister going to make a statement? When can we expect him to come forward with the promised measures regarding these segments of our economy which are very seriously affected?

Mr. MacEachen: Madam Speaker, I want to make it clear, first of all, that no such measures have been promised. When any decision is taken it will be announced in the House.

● (1125)

Mr. Nielsen: It will be announced "in due course".

Mr. MacEachen: Madam Speaker, what I have undertaken to do is to monitor very carefully the impact of these high interest rates on various groups in the community. The hon. member, in common with all members of his party, each day is calling for immediate relief, for increased expenditures, at the same time as the official critic, the former minister of finance,

is calling for a reduced deficit and restraint in public expenditures.

If hon. members will recall, it was a year ago today that they had an opportunity, if they had put their heads together, to stay in office. They ought to get their heads together in their economic thinking and discover whether they want more spending, less spending, a greater deficit or a lesser deficit. Because you cannot have a lesser deficit by launching new spending programs, as advocated by the hon. member.

* * *

FINANCE

HIGH INTEREST RATES—ASSISTANCE TO HOME OWNERS

Mr. Edward Broadbent (Oshawa): Madam Speaker, I noticed the Prime Minister clapping at the reference to "a year ago today". I correct the Minister of Finance; it is a year ago tomorrow.

An hon. Member: A year ago today.

Mr. Knowles: A year ago tonight was the Liberal party.

Mr. Broadbent: A year ago today the Prime Minister, then the leader of the opposition, expressed support for a motion which condemned the then Conservative government for its high interest rate policy. Does the Prime Minister remember that he promised during the campaign "not only to deal with interest rate policy, but to bring interest rates lower". Since interest rates are now 2.5 percentage points higher than they were when the Liberals voted against the Conservatives, what plans does the government have in mind to live up to its election promises, or does the Prime Minister plan just to sit there and completely doublecross the people of Canada who voted for him?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I answered this very question the other day. I told the hon. member that I had no recollection of that statement or the context of it. I asked him if he could perhaps send it over to me and I will refer to it.

Mr. Broadbent: Madam Speaker, the quotation is from the *Toronto Star*. I would have thought the Prime Minister's staff, which is reasonably substantial, would have brought it to his attention by this time. The quotation is there. The people of Canada know how the Liberals voted a year ago. They know the Prime Minister promised to do something about interest rates.

Since the Prime Minister was talking about changing priorities on food the other day, and given the fact that Canadians still want to own their homes and that mortgage rates are now 17 per cent to 20 per cent, I ask the Prime Minister what specific measures does he have in mind for Canadians in terms of their human priorities in regard to being able to buy a home? Alternatively, is he saying to the people of Canada now that they have to give up the dream of buying their own home?

Mr. Trudeau: Madam Speaker, the hon. member says the statement was in the *Toronto Star*. I say it was not in our election platform and it was not part of the statement I made based on the election platform. We did not promise that we would lower interest rates and I challenge hon. members to point to any section of our program which said that we would.

Mr. Crosbie: Why don't you do something about it anyway?

Mr. Broadbent: Madam Speaker, the Prime Minister was interviewed during the campaign by the *Toronto Star;* I will send a copy of the article to him.

Mr. Trudeau: You should have done it the other day when I asked.

Mr. Broadbent: He may not consider that a commitment, but most other parties consider when they have an interview during a campaign which is published in the largest daily in Canada that that is part of the campaign. But the Prime Minister has a rather perverse view about what the truth actually is, and we all know that.

Some hon. Members: Oh, oh!

Mr. Broadbent: Since bankruptcies are increasing, since farmers' debt loads are increasing and since the cost of living for Canadians coast to coast is going up, does the Prime Minister have any intention of telling the man, who is sitting to his right, to bring in a budget, which recognizes the disastrous state the Canadian economy is in, and do something about it?

Mr. Trudeau: Madam Speaker, the Leader of the New Democratic Party must be joking. There was a budget brought down just about a month and a half ago.

Mr. Crosbie: It was a joke, and a bad one.

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HOUSE OF COMMONS

PRESENCE IN GALLERY OF THE MINISTER OF POLICE AFFAIRS FOR NIGERIA

Madam Speaker: I would like to draw the attention of members in the House to the presence in our gallery of the Hon. E. C. Osammor, who is the Minister of Police Affairs for Nigeria.

Some hon. Members: Hear, hear!

• (1130)

THE ECONOMY

INQUIRY RESPECTING EFFECT OF GOVERNMENT POLICIES—REVIEW OF SMALL BUSINESS DEVELOPMENT BOND LEGISLATION

Miss Pat Carney (Vancouver Centre): Madam Speaker, I would like to address my question to the Minister of Finance. In view of the statements he has made here today, one gathers that he does not grasp the connection between his economic policies and the economic war zone that has been created in the Canadian economy. Is the minister aware that his policies are bankrupting some businesses, increasing food prices, costing some people their jobs and pricing homes out of the reach of people? Does he lack that basic understanding or is it simply a lack of compassion?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, the hon. member has prefaced her question by linking the current interest rates to policies pursued either by this government or by the Bank of Canada. In that statement she is wrong, because we are not pursuing policies that are bringing about these interest rates. These policies are being pursued by the Federal Reserve Bank in the United States. Everybody who is observing the situation knows that. I do not think it adds to the understanding of the Canadian people of the current serious economic situation to falsify and distort the record in the way it has been by members of the opposition yesterday and today.

Miss Carney: Madam Speaker, the finance minister has just proven that he has no understanding of the basic facts of Canadian economic life. While interest rates are partially affected by outside influences, as the minister has stated in the past, they also reflect the policies followed here with regard to inflation and the budget deficit.

I would like to give a specific example of Canadian policy to the Minister of Finance. I am advised by members of the investment community that the small business development bond, which offers some refuge to small businessmen and gives them some shelter from interest rates, is too inflexible and for too short a period of time to be useful. Will the minister direct his officials to review the legislation under which this bond has been introduced and possibly make revisions to offer more aid to the small business community?

Mr. MacEachen: Madam Speaker, I should point out to the hon. member that despite the pressure that is existing on Canadian currency and on Canadian interest rates, current Canadian prime rates or short-term rates are about three points lower than they are in the United States.

Mr. Crosbie: So what? They are still intolerably high.

Mr. MacEachen: There is no way the Canadian economy can drop off the planet—

Mr. Crosbie: Why don't you try it?

Mr. Kempling: Without a parachute.

Mr. MacEachen: —or that the Canadian people can drop out of the world economy. That seems to be the sort of primitive economics that we are hearing from members of the opposition who ought to know better and who want to be making repentance on this twelfth of December, 1980, for their misdemeanours of a year ago and their lack of intelligence.

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SOCIAL DEVELOPMENT

INQUIRY WHETHER BENEFITS FOR NATIVE PEOPLES WILL BE WITHDRAWN

Mr. John Kushner (Calgary East): Madam Speaker, my question is for the Minister of Finance. It has to do with the federal social services program for native peoples in Canada. Is the minister planning to withdraw social services programs, in so far as benefits are concerned, from native peoples who do not live on the reserve, and indeed pass the buck to the provincial governments to pick up the tab, and, if so, why?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, it is not the intention of this government and certainly not the intention of the Minister of Finance to withdraw from a basic priority social programs in Canada. The hon. member will realize that under this government and previous Liberal governments, social programs have been expanded from an expenditure of about $11 billion to $33 billion within a period of ten years, a very dramatic increase which attests to our concern about social development for all groups in the country. I want to assure the hon. member there is no lack of interest or concern in this party about social programs. However, if the former government had been in office, with the 10 per cent expenditure rule that had been espoused by the former minister of finance we would have witnessed deep cuts in social development.

Mr. Kushner: Madam Speaker, I wonder if the minister really knows what is happening in this regard. It is quite clear that the minister is confirming the statement in the Auditor General's report which says that the government has lost control and that the department's bureaucrats do not even know what their role is. What is this government planning on taking away next as a result of its inability to control spending? Is the minister denying that the government is not going to take away the program from those native peoples who do not live on the reserve?

Mr. MacEachen: Madam Speaker, I have no particular knowledge of that item of our social program. The hon. member ought to address that question to the minister of Indian affairs.

THE LATE JOHN LENNON

EXPRESSION OF SORROW AND SYMPATHY TO FAMILY

Mr. Stanley Hudecki (Hamilton West): Madam Speaker, my question is directed to the Right Hon. Prime Minister. On behalf of hundreds of thousands of young and not so young Canadians who are sad and grieving the untimely death of one who put into his music and song that yearning for love and peace, would the Prime Minister express their feeling of sorrow and sympathy to the family of the late John Lennon?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I thank the hon. member for the suggestion. He will recall that a similar motion was put to the House the other day and it was not adopted. I think it would be a nice gesture if we could get unanimous agreement to adopting such a motion. Failing that, I will gladly write a letter in that sense to the widow of Mr. Lennon. I have already written a private letter but I would be glad to write another on behalf of the government and people of Canada.

Some hon. Members: Hear, hear!

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HOUSING

EFFECT OF GOVERNMENT POLICIES ON PRICE OF HOUSES

Mr. Bob Rae (Broadview-Greenwood): Madam Speaker, my question is directed to the Minister of Finance. One of the canons of the monetarist policy which the minister's party has been following, as did the Conservatives in their brief occupation of government, is that high interest rates help to fight inflation. I ask the minister to focus his mind for a moment on the housing problem in Canada and to consider that housing costs have gone up as much as 22.2 per cent in St. John's and 35.5 per cent in Vancouver. The head of HUDAC has estimated that a house which now sells in Toronto for $98,000 will in 1990 sell for $250,000 and in the year 2000 for $750,000. Housing starts are now down to the lowest in 15 years in Canada.

Will the minister explain how policies which have the effect of cutting off supply at the source can do anything other than cause the price of houses to escalate? Will the minister comment on the fact that high interest rates, rather than help to fight inflation, simply pour fuel on the problem and make it much worse?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, the hon. member made what in essence was a little economic homily and has asked me to comment on it in reply to a question. It is obvious to me and to the hon. member that high interest rates, especially the kind we are now experiencing, are bound to have an effect on the ability of persons in Canada to acquire a home. That is clear. The hon. member now asks me to go on and comment, presumably upon the monetary policy now being pursued by the Federal Reserve Bank in the United States in an effort to control the money supply, which is the object of that policy, and to arrest inflation. I expressed concern a few moments ago about that policy. The Governor of the Bank of Canada has also expressed concern to authorities in the United States about the wisdom of the current policy being pursued in that country, because, in our view, it is not a proper application of monetary policy in the current circumstances. That is my homily in reply to the hon. member's.

● (1140)

Mr. Rae: Madam Speaker, if it takes a homily in order to get the minister to tell us that the Governor of the Bank of Canada has launched a protest to the Federal Reserve Board, that is fine. That is information which I certainly did not have before and nor did anyone else. Perhaps I will continue to ask homilies if it manages to elicit a response from the minister other than the ones we normally get. Perhaps the minister would consider establishing diplomatic relationships with the Federal Reserve Board to make our representations known on a permanent basis.

Given the fact there is now a president-elect of the United States who appears to be subject to this disease of monetarism, and is not going to be able to shake it for a number of years, does the minister not consider it is now necessary for the government to start looking at alternative policies in Canada on a long-term basis, not simply on a short-term basis in response to particular crises and upward waves in interest rates? There is a need to look for alternatives in fiscal policy, in monetary policy, in dealing with capital flows and so on, so we can establish in Canada an independent monetary policy as well as policies which will not strangle the housing industry, small businesses, farmers and the average consumer but will get our economy going again.

Mr. MacEachen: Madam Speaker, I have absolutely no quarrel with what the hon. member says. I have been searching in my own mind and among the views expressed by economists of this country for fresh alternative policies. I have not heard them from members of the opposition, members of the New Democratic Party or from members of the economic profession, who have been, in my view, unable to describe a policy which could be implemented and would not worsen current circumstances in Canada. That is my conclusion. I am still waiting for a revised policy from the New Democratic Party. Every proposal it has made with respect to interest rates, if adopted, would worsen inflation and make our difficulties greater than they are at the present time.

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NORTHERN AFFAIRS

ASSISTANCE TO NORTHERN RESIDENTS TO MEET INCREASED COSTS

Mr. F. Oberle (Prince George-Peace River): Madam Speaker, my question is for the Minister of Finance. Once

again, I want to remind him of the very exceptional and compounded difficulties which Canadians who live in the mid-Canada section, the northern part of the provinces and the northern regions of Canada, are facing with respect to the high cost of living and the energy package. We have situations where people have to walk away from their homes. They cannot afford to buy heating oil at $2 a gallon or to buy gasoline which costs $3 and $5 a gallon in some areas of northern Canada. Does the minister have any compassion for these exceptional problems in Canada? Is there any plan, such as an energy tax credit or any kind of emergency plan, which the government is intending to implement to mitigate against these very serious difficulties in the north?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, obviously the government is concerned about the impact of energy prices on Canadians and, of course, on northern Canadians. It was because of that concern that the government brought in a pricing regime which placed a less onerous burden on Canadian consumers than that put forward in the budget of my predecessor.

Mr. Crosbie: Rubbish. Tired excuse.

Mr. MacEachen: Again, the hon. member has referred, as have other spokesmen in the opposition, to an energy tax credit and a mortgage tax deductibility program as solutions. I remind him that the imposition of the 18-cent tax on gasoline in their budget, which is fresh in our memory because of the anniversary date, would have virtually wiped out all the benefits proposed in these programs.

REQUEST FOR EMERGENCY MEASURES TO RELIEVE HARDSHIP

Mr. F. Oberle (Prince George-Peace River): Madam Speaker, I should like to address my supplementary question to the Prime Minister, who seems to be very preoccupied these days with the North-South dialogue. I wonder if he could project himself to the North-South problems in our country. Is he aware that there are small children and old people living in the north who are starving, who are deprived in a way comparable to Third World conditions, because of the harsh realities of the economic situation in our country? People of the north cannot transport themselves by way of a transit system. They are restricted to the use of their cars or to aircraft. Most part of the year is very cold, they must heat their homes and the situation is desperate. Will the Prime Minister undertake, with his cabinet, to attempt to work out a program which will address itself to this rather serious emergency situation in the north?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I recognize that life in the north entails many difficulties and even hardship. I have made several trips into the north and have indeed tried to introduce policies and measures which would alleviate some of those hardships. If anyone is actually starving, as the hon. member suggests, I wish he would communicate their names immediately to the government so we could take emergency measures.

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ENERGY

INQUIRY RESPECTING CONTINGENCY PLANS TO ASSIST UNEMPLOYED OIL WELL DRILLERS

Mr. Bill Wright (Calgary North): Madam Speaker, my question is for the Minister of Energy, Mines and Resources. Canadian oil well drilling contractors reported in November that 120 drilling contracts had been cancelled and that 60 more rigs were scheduled to leave the country. According to the drilling contractors, approximately 10,800 jobs will be lost in western Canada. This information was provided to the government one month ago. Could the minister tell the House if he has any contingency plans to help these workers?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I have had a very fruitful meeting this morning with representatives of the drilling contractors association. During the discussions it became clear that the best solution was an early agreement between the government of Alberta and the Government of Canada. The drilling contractors recognize this requires the willingness of both governments to sit down, negotiate and compromise. They indicated they would make similar representations to the government of Alberta in order to arrive at an early agreement.

Mr. Wright: Madam Speaker, I am sure all these workers will like the minister's answer. In addition to the 10,800 workers who will be out of work this spring in western Canada, there are many workers in central Canada who also will be out of work. Could the minister tell us how many workers will be affected in Ontario and what plans he has to help these workers?

Mr. Lalonde: I have to remind the hon. member that the best solution is one whereby an agreement will be reached that would be fair to the Canadian public in general as well as to the industry. I have to remind the hon. member that every dollar increase in the price of oil means that Canada loses 20,000 jobs; that is, 20,000 more unemployed, on a net basis, result from this increase in the price of oil. This is based on figures provided by OECD which apply to all other industrialized countries. We see the results in the western world of the impact of high increases in the price of oil which have now taken place together with a tremendous increase in unemployment in the whole industrialized world, whether it is in Europe, in the United States or in Canada. One has to bear in mind those factors. The price of oil cannot be increased very much without having a negative impact, both in terms of inflation and in terms of unemployment, and I invite my friends to reflect on that also. That is why we are trying to arrive at an agreement which will provide for fair prices to Canadians, as the budget did at the end of October.

• (1150)

TRADE

CONFERENCE OF PACIFIC RIM COUNTRIES—ABSENCE OF REPRESENTATION FROM TAIWAN

Mr. Lloyd R. Crouse (South Shore): Madam Speaker, I wish to direct my question to the Minister of State for Trade. The minister has recently returned from a Pacific rim conference in Vancouver where he and his officials hoped to make Canadian companies aware of the tremendous economic potential in what is one of the world's fastest growing regions. Therefore, I should like to ask the minister the following question. Since recent statistics show that employment is down by 15,000 in manufacturing, by 13,000 in construction and by 11,000 in finance and real estate, why was Taiwan not invited to the trade conference in Vancouver since the Taiwan Power Company, the country's largest electrical power producer, has indicated it is willing to invite Atomic Energy of Canada to bid on two nuclear reactors which the company plans to buy, the sale of which would bolster our chaotic economy?

Hon. Ed Lumley (Minister of State, Trade): Madam Speaker, as the hon. member knows, we had a very productive meeting in Vancouver at the Pacific rim conference.

Some hon. Members: Oh, oh!

Mr. Lumley: About 200 of the leading businessmen from across Canada were there.

Some hon. Members: Hear, hear!

Mr. Lumley: Probably the most important thing that happened following the conference was that our trade commissioners from the region, when travelling from St. John's, Newfoundland to Vancouver, B.C. had excellent response from the business community in every province.

The reason that Taiwan was not discussed specifically at the conference is that, as the hon. member knows, Canada does not officially recognize Taiwan. However, there were businessmen there who do have commercial interests with the Taiwan business people and their discussions were not restricted at the conference.

GOVERNMENT POLICY RESPECTING TAIWAN

Mr. Lloyd R. Crouse (South Shore): Madam Speaker, I wish to direct my supplementary question to the Right Hon. Prime Minister. Since Japan's Toyota motors is currently planning to build a 100,000 unit per year car factory in Taiwan, while supplying mainland China with vehicles, and large U.S. multinationals, such as General Motors, Citibank and Chase-Manhattan Bank, are pursuing their own deals with Peking despite an already sizeable commitment in Taiwan, my question to the Prime Minister is whether the Canadian government is considering revamping its policy toward Taiwan, since it is obviously out of date as Peking has made it clear that it does not object to foreign companies doing business with Taiwan?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I did not understand anything said by the Minister of State for Trade to contradict that. Canadian businessmen are free to establish themselves and do business with Taiwan. I believe these are the words the minister used, and that is government policy. The fact that there are no Canadian businessmen building motor plants in Taiwan does not prove that there is anything wrong with our policy. There are no Canadian businessmen building motor plants in Saudi Arabia either. There are many occasions for Canadian businessmen to establish themselves in many countries. The fact that they cannot be everywhere does not reflect on government policy.

* * *

AGRICULTURE

ACTION TO CONTROL COSTS OF FARMERS—FUNDING OF FARM CREDIT CORPORATION

Mr. Vic Althouse (Humboldt-Lake Centre): Madam Speaker, my question is directed to the Minister of Agriculture. Yesterday the House learned that small business bankruptcies were up about 20 per cent over the previous year. By comparison, farm bankruptcies this year are up 82 per cent over last year, which is clear evidence of the damage being done by the high interest rate policy of both this government and the previous government. It has been calculated that the recent increases in rates will add between $300 million and $500 million to farm costs in 1981. Since this has a devastating effect on food prices as the cost of credit must eventually be returned to farmers, processors and retailers, what is the minister planning to do for the farm sector to keep farmers in business and to keep consumer costs down?

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, I am sure the hon. member knows that you cannot isolate the farming community from the same economic factors that the other part of our business community deals with every day. I would rather see the agricultural community able to stand on its own two feet, economically speaking. The hon. member uses figures. There has never been a time when the agricultural community, over all, has been better off, regardless of what the hon. member says. He has referred to interest rates. The rate of interest of the Farm Credit Corporation is still 12.75 per cent, an enviable interest rate for any part of our society at present. Even in the hon. member's own province, the provincial loan program subsidizes interest rates for agriculture. The same is true in Alberta, Quebec and Nova Scotia. They even subsidize our farm credit lending rates at times so that for those farmers who are involved in supply-management types of systems, which we have worked with them to develop, the interest rate is covered in their cost-price formula. They can still supply food to Canadian consumers in a fashion that is more reasonable than in any other place in the world that I can think of.

Mr. Althouse: I think the minister's answer indicates part of the reason why the number of bankruptcies is higher than in other business sectors. In spite of the subsidized rates which are available, it appears that not enough is being done for agriculture and for farm producers. The amount of debt being carried by farmers is estimated by the minister's department to be over $20 billion this year. So it is strange that an industry in such great shape keeps incurring greater and greater debts.

In view of the fact that farmers would welcome more dollars from the Farm Credit Corporation which, as the minister said, is money borrowed at the government bond rate, can the minister explain why FCC has actually reduced the amount of funding available in 1980 over the previous year, especially in light of the fact that it was the Liberal party which promised, in the most recent election campaign, that it would increase the funding to the Farm Credit Corporation?

Mr. Whelan: Again the hon. member uses impressive figures, but he does not go further to say that the vast amount of the money which farmers have borrowed is below the 10 per cent interest rate on long-term loans. A tremendous amount of the borrowings is at that rate. The reason we do not have as much money to re-lend is that the Farm Credit Corporation uses a program whereby as payments come in as farmers pay off their mortgage before it is due the corporation recycles that money. But this is not being done because farmers can get mortgage rates at 7 per cent or 8 per cent, so instead of paying off their mortgages, even if they have only three or four years to go, they reinvest the money in trust companies, credit unions, etc., making 12 per cent to 14 per cent on the money instead of paying back the corporation as some others were doing until last year.

However, if the hon. member has any amazing suggestions to make other than criticism, let him bring them forward. He has made no constructive suggestions even when we were discussing the estimates of my department the other day. He said we have created no new programs. Let me tell him that we have created 12 new programs for farmers in the Department of Agriculture and, as I said, we still have one of the healthiest agricultural industries in the whole world.

Some hon. Members: Hear, hear!

* * *

[*Translation*]

CANADIAN NATIONAL RAILWAYS

CN EXPRESS OFFICE CLOSURES—GOVERNMENT POSITION

Mr. Eymard Corbin (Madawaska-Victoria): Madam Speaker, my question is directed to the Minister of Transport and I shall put it in English.

[*English*]

Since the Minister of Transport is well aware of Canadian National's decision to cease its express services in many medium-sized Canadian communities, including Edmundston, New Brunswick, can he inform us today if that decision will be revised, revoked, reviewed, retrorsed, retracted or otherwise retired? If not, will the minister order an inquiry into the mess, above and beyond a parliamentary committee examination, with special attention being given to the cosy sweetheart deal between the union leaders and CN Express over pension arrangements?

● (1200)

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I have already stated my position with respect to CN express action, the effort it is now making to retrench away from small parcels. I have already stated what CN intends to do with respect to its employees, and I will not repeat it. It also intends to maintain a good relationship with the communities. This is more difficult than the relocation or pre-pensioning of employees. Discussions are ongoing with communities in Nova Scotia, New Brunswick and Prince Edward Island. It is my understanding that CN Express will try to see what accommodation can be reached in a very difficult situation. In the meantime, CN Express is not going to abandon communities in which it has fulfilled roles that no one else can fulfil.

* * *

[*Translation*]

AGRICULTURE

AGRICULTURAL STABILIZATION BOARD—ASSISTANCE TO POTATO GROWERS

Hon. Roch La Salle (Joliette): Madam Speaker, my question is directed to the Minister of Agriculture. Yesterday I had the opportunity of advising his parliamentary secretary of a telegram from the Quebec Potato Growers Association asking the minister to recommend to the Agricultural Stabilization Board that a survey be made on the income of Quebec potato growers in 1979-80. Can the minister tell the House today whether or not he will indeed make that recommendation to the board and when he can report to us on whether Quebec potato growers can benefit from the advantages offered by that board?

[*English*]

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, I can tell the hon. member that several members on this side of the House from *la belle province* as well as from the provinces of New Brunswick and Nova Scotia have made similar representations. We are now receiving representation from the producers, and I have authorization from the government to go ahead with the stabilization program for the potato crop of 1979-80.

[*Translation*]

Mr. La Salle: Madam Speaker, the minister advises me that several government members made representations to that effect, but the Quebec potato growers sent me a telegram precisely because they have as yet received no answer to their representations. Under those circumstances, with a view to

replying to a serious telegram, I must ask the minister again when he can give us an answer because it seems the producers need a reply on whether or not they will get financial assistance with regard to their 1979-80 crop whose proceeds are inadequate.

[*English*]

Mr. Whelan: Madam Speaker, the potato growers in eastern regions who have suffered because of low prices should receive some information before too many days or weeks go by. I believe the payment per hundredweight is being tabulated now, but I do not have the figures with me because I do not think they are finalized at the present time. It all depends upon what percentage we use, whether 90 per cent of the average of the last five years using current input costs, or 100 per cent of the average of the last five years using current input costs. That has yet to be decided.

* * *

POINTS OF ORDER

MR. BROADBENT—PRESS REPORTS OF STATEMENTS ATTRIBUTED TO PRIME MINISTER

Mr. Edward Broadbent (Oshawa): Madam Speaker, I rise on a point of order pertaining to an exchange which I had with the Prime Minister (Mr. Trudeau) earlier in reference to quotations from the last election campaign. The Prime Minister is correct that I first raised the issue last Friday in reference to the *Toronto Star*. In the February 11, 1980, edition of the *Toronto Star,* the Prime Minister was reported as saying:

> I would want to manage the economy in such a way that interest rates would in fact come down—

Two days later they rose by 2.5 points.

Mr. Lalonde: They have gone down.

Mr. Broadbent: I point out to the Minister of Energy, Mines and Resources (Mr. Lalonde) that they have not come down. Two days later, just to indicate that it was not a slip, as reported in the February 13, 1980, edition of *The Globe and Mail,* the Prime Minister was quoted as saying:

> —we would keep interest rates down and we would make sure that they go lower by controlling inflation.

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I accept the quotations of the hon. member. I think that the thrust of the interview—and, of course, I will dig it out—was that there was no direct way in which we could promise low interest rates, but we could take various measures such as having lower energy prices and a sound budgetary policy which would work toward lowering interest rates. In fact we had lower interest rates following that election, as the hon. member will recall. The situation since then on the international sphere has developed, as the Deputy Prime Minister and Minister of Finance (Mr. MacEachen) indicated, where there is a very strong upward pressure on interest rates which has nothing to do with our management of the economy—

Mr. Crosbie: Don't be foolish.

Mr. Trudeau: — but with events developing in other parts of the world.

Some hon. Members: Oh, oh!

Mr. Trudeau: So, I think the hon. member has established what I said, that we did not promise lower interest rates.

Mr. Crosbie: Why don't you read the report of the Economic Council of Canada?

Mr. Trudeau: We promised to manage the economy in a manner which would tend to lower the pressure on interest rates. In fact, as the Minister of Finance indicated, we have managed in that way—

An hon. Member: Herb Gray promised to resign.

Mr. Trudeau: —and the proof is that the interest rates in Canada are substantially lower than those of our major trading partner.

[*Translation*]

Madam Speaker: I cannot see how that intervention can possibly be interpreted as a point of order. In any event, there has been an exchange between the Prime Minister (Mr. Trudeau) and the hon. member for Oshawa (Mr. Broadbent) which, I imagine, further enlightened the citizens of Canada.

[*English*]

MR. CLARK—ALL-PARTY AGREEMENT ON EXPRESSION OF CONDOLENCE TO FAMILY OF THE LATE JOHN LENNON

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, I rise on a new point of order. During oral questions the Right Hon. Prime Minister (Mr. Trudeau) referred to seeking the agreement of the House of Commons to express its condolence and sadness to the family of the late John Lennon. Our party was consulted on this matter earlier this week by the hon. member for Regina East (Mr. de Jong), and we agreed to support such a motion.

I simply want to indicate now that our House leader would be most pleased to meet with his counterparts to arrange a suitable expression of the sadness of the entire House of Commons at the sudden death and passing of a great and creative world artist.

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, under the circumstances, I would like to be allowed to move the same motion which has already been put and with the unanimous consent of the House I take it for granted that the motion will be presented by the Chair and passed by the House.

Committee Report

Madam Speaker: I suppose the minister is referring to the motion introduced by the hon. member for Regina East (Mr. de Jong) and which had not received the unanimous consent of the House. The motion is therefore as follows:

That this House pay tribute to the outstanding cultural contribution of John Lennon and express its condolences to his wife Yoko Ono and his family and friends.

I must again ask the House whether it gives unanimous consent to the motion of the hon. member for Regina East. Is there unanimous consent?

Some hon. Members: Agreed.

Motion agreed to.

[*English*]

MISS CARNEY—REPUDIATION OF NEWSPAPER ALLEGATION OF SEPARATIST SENTIMENTS

Miss Pat Carney (Vancouver Centre): Madam Speaker, I rise on a point of order regarding a statement made about myself in the House, when I was in my riding. On December 1, the hon. member for Vancouver-Kingsway (Mr. Waddell) rose on a question of privilege and quoted from an article which appeared in the Ottawa *Citizen* on October 11, 1980. As reported in *Hansard* at page 5195, the member quoted the article as follows:

A few members of Clark's B.C. caucus have come dangerously close to endorsing separatism . . . Vancouver Centre MP Pat Carney has expressed similar sentiments in the House of Commons, despite pleas from some Tories that she hold her tongue.

My dispute is not with the hon. member for Vancouver-Kingsway, as he was quoting a newspaper article. The newspaper article regarding myself is in error, as I have never expressed separatism sentiments in the House and no members of my party have ever cautioned me on this topic or any other. I should like to establish for the record the inaccuracy of this statement and the inaccuracies it contains.

Madam Speaker: Since the hon. member for Vancouver Centre (Miss Carney) was not in the House at the time when this discussion took place, nor at the time when I ruled on it, she is entitled to make these comments for the record.

ROUTINE PROCEEDINGS

[*Translation*]

NORTH-SOUTH RELATIONS

Second report of Special Committee on North-South Relations—Mr. Breau.

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

• (1210)

[*English*]

HAZARDOUS PRODUCTS RECALL ACT

MEASURE TO PROVIDE CONSUMER PROTECTION

Mr. Geoff Scott (Hamilton-Wentworth) moved for leave to introduce Bill C-622, to establish the Hazardous Products Recall Act.

Some hon. Members: Explain.

Mr. Scott (Hamilton-Wentworth): Madam Speaker, the purpose of my private member's bill is to introduce formally the possibility of a hazardous products recall act. It is my view that we in Canada should have legislation in place which would empower the government to require manufacturers and retailers to remove from their shelves and their showrooms products which are demonstrably dangerous to the consumer. I feel consumers must have protection from obvious hazardous products, be they Corningware coffee pots with handles which come unglued, Pintos with rear gas tanks which explode on impact or, the latest example, Cuisinart food processors where the machine can switch on automatically when the high speed cutting blades are exposed.

It is my view that the Canadian government, in the interests of the fundamental protection of the consumer, should seriously consider a limited form of legislation, but one with teeth, to remove products which even manufacturers occasionally openly admit can be potentially dangerous to the health and lives of Canadians.

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

* * *

[*Translation*]

NORTH-SOUTH RELATIONS

CONCURRENCE IN SECOND REPORT OF SPECIAL COMMITTEE ON NORTH-SOUTH RELATIONS

Mr. Herb Breau (Gloucester) moved that the second report of the Special Committee on North-South Relations, presented this day to the House, be concurred in.

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

[*English*]

Mr. Baker (Nepean-Carleton): Madam Speaker, there were discussions with respect to this. I think all parties in the House are anxious to see these select committees of Parliament work. The request is a reasonable one. It was unanimously concurred in.

Mr. Knowles: That is also our position.

[*Translation*]

Motion agreed to.

* * *

[*English*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 1,528, 1,664, 1,671 and 1,701.

[*Text*]

TRANSPORT—SEA FREIGHT SUBSIDIES

Question No. 1,528—**Mr. Mazankowski:**

1. Does the Minister of Transport intend to take action to resolve the discrepancies in sea freight subsidies between Montreal and Newfoundland and, if so, in what way?

2. Does the minister intend to raise subsidies, make subsidies generally available or eliminate them altogether?

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): 1. Yes, the minister has asked that the matter of a direct shipping subsidy on the freight service between Montreal and Newfoundland be examined and discussed within the federal-provincial committee established to review transportation expenditures in Newfoundland.

2. Any adjustments to this subsidy will depend upon this review and discussion.

TOURISTS—ONTARIO—QUEBEC

Question No. 1,664—**Mr. Herbert:**

In each of the past five years and for the current year to the end of September, how many tourists entered (a) Quebec (b) Ontario from (i) the United States (ii) other countries and what percentage of all tourists are believed to have spent the most of their stay in the two provinces?

Mr. Ralph Ferguson (Parliamentary Secretary to Minister of State, Small Businesses): In so far as the Department of Industry, Trade and Commerce is concerned: Following are the number of visitors to Ontario and Quebec from the U.S. and overseas for the year 1976 to August, 1980 (September figures not available). Included is the percentage of all visitors to Canada who stayed in the two provinces. The numbers are for overnight visitors only.

1976	Number of visits	Percentage of visits
Total visitors to Canada	13,017,000	100
Total visitors from U.S.	11,658,000	89.6
Total visitors from other countries	1,359,000	10.4
Visitors to Ontario	7,694,000	59.1
Visitors to Quebec	2,890,000	22.1
1977		
Total visitors to Canada	12,673,000	100
Total visitors from U.S.	11,451,000	90.4
Total visitors from other countries	1,222,000	9.6
Visitors to Ontario	7,637,000	60.3
Visitors to Quebec	2,661,000	21.0
1978		
Total visitors to Canada	12,689,000	100
Total visitors from U.S.	11,277,000	88.9
Total visitors from other countries	1,412,000	11.1
Visitors to Ontario	7,472,000	58.9
Visitors to Quebec	2,744,000	21.6
1979		
Total visitors to Canada	12,979,000	100
Total visitors from U.S.	11,273,000	86.9
Total visitors from other countries	1,706,000	13.1
Visitors to Ontario	7,693,000	59.3
Visitors to Quebec	1,787,000	13.8
January to August 1980		
Total visitors to Canada	9,902,000	100
Total visitors from U.S.	8,527,000	86.1
Total visitors from other countries	1,375,000	13.9
Visitors to Ontario	5,888,000	59.5
Visitors to Quebec	1,337,000	13.5

PHACTORY PHRESH PHYTNESS

Question No. 1,671—**Mr. McKinnon:**

Has the Department of National Defence placed a $33,700 contract with the Phactory Phresh Phytness Corp. for writing and editing services and, if so, for what purpose?

Hon. J.-J. Blais (Minister of Supply and Services): No. The contract referred to by the honourable member was awarded by the Department of Supply and Services on behalf of Fitness and Amateur Sport. Its purpose was to develop, write and assist in the preparation of the "Phacts of Life" project materials, and to provide writing and editorial consultation to Fitness Canada.

PERSONS EMPLOYED FULL TIME—BETWEEN THE AGE 65 TO 70

Question No. 1,701—**Mr. Herbert:**

Between the age of 65 to 70 years, by year of age, how many persons are working full time?

Hon. J.-J. Blais (Minister of Supply and Services): Statistics Canada reports: According to Statistics Canada estimates, based on the Labour Force Survey of October, 1980:

Age	Number of persons employed full time
65	27,000
66	19,000
67	17,000
68	14,000
69	10,000
70	11,000

[*English*]

Mr. Collenette: I ask that the remaining questions be allowed to stand.

[*Translation*]

Madam Speaker: The questions enumerated by the hon. parliamentary secretary have been answered. Shall the remaining questions stand?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*Translation*]

ACT RESPECTING INTERNATIONAL CONVENTIONS

MEASURE TO AVOID DOUBLE TAXATION

Hon. Pierre Bussières (for the Minister of Finance) moved that Bill S-2, to implement conventions between Canada and Spain, Canada and the Republic of Liberia, Canada and the Republic of Austria, Canada and Italy, Canada and the Republic of Korea, Canada and the Socialist Republic of Roumania and Canada and the Republic of Indonesia and agreements between Canada and Malaysia, Canada and Jamaica and Canada and Barbados and a convention between Canada and the United Kingdom of Great Britain and Northern Ireland for the avoidance of double taxation with respect to income tax, as reported (with amendments) from the Standing Committee on Finance, Trade and Economic Affairs, be concurred in.

Motion agreed to.

Mr. Bussières (for the Minister of Finance) moved that Bill S-2 be read the third time and do pass.

[*English*]

Mr. Bob Rae (Broadview-Greenwood): Madam Speaker, I would like to thank my colleagues for letting me for once speak first on third reading.

Mr. Knowles: It gives you unlimited time.

Mr. Rae: I have unlimited time, Madam Speaker, but I can assure you that I do not intend to use it on this occasion. Unfortunately, one only gets the chance to use unlimited time on those occasions when one does not want to use it.

However, I want to indicate to the minister and to the House some of our concerns with respect to these particular treaties and the process which the government is engaged in at the present time. Perhaps as an introduction I can say to the minister that we on this side are concerned about other treaties which we feel should be given equal status and equal importance by the government with respect to relations between Canada and other countries. I am thinking, in particular, of the lack of pension and social security agreements with a number of countries. This causes us a great deal of concern. I know the government has entered into an agreement with the government of Italy. I know that this reciprocal social security arrangement is one which works to the advantage of Italians who have come to Canada, and it works to the advantage of Canadian citizens who have returned to their native country.

I can repeat to the minister and the government that it is a subject which gives us tremendous concern. It causes great hardship to Canadian citizens and to landed immigrants from many other countries. I know from discussions I have had with ministers of the government of Greece, when I was in Greece in September, that the question of a social security treaty between the government of Greece and the Government of Canada is a matter of great importance to the government of Greece. It has taken them some effort to finally get the Government of Canada to recognize that this is a legitimate claim. I add that if it is a legitimate claim for the government of Greece then it is of legitimate concern for the government of the United Kingdom and many other countries where travel between us is such a way of life. It is so important, particularly for senior citizens who are coming to Canada to join their families, to transfer their payments readily and to receive the same kind of security and the same type of dignity which we want extended to all our citizens. Concerns and hardships are created by many people having to wait ten years in Canada until, in many cases, they reach the age of 75 or even 80 before they are eligible for a Canadian pension. This is a concern which causes a great deal of hardship to senior citizens who were not born in Canada.

I say to the minister that this is a subject which we regard with the same importance as the signing of tax treaties. I am well aware that the pressure to sign tax treaties comes, as it does, from our largest multinational corporations and it is one that the Liberal government is so ready to listen to. Those louder voices receive greater priority at the cabinet table than the voices on behalf of pensions and social security.

● (1220)

As I have said in private conversations, in correspondence with the Minister of National Health and Welfare (Miss Bégin), on many occasions in question period, and through a motion under Standing Order 43, we regard the signing of social security treaties as a matter of great importance and, indeed, of greater immediate urgency than some of the tax treaties which have been put before us. Bill S-2 contains a number of treaties with a number of countries—Austria, Barbados, Indonesia, Italy, Jamaica, Malaysia, Roumania, South Korea, Spain, and the United Kingdom.

The alleged purpose of these tax treaties is to avoid double taxation and to ensure that companies and private individuals—although we are dealing here mainly with corporate taxation—who have business arrangements in these countries will not be taxed twice for the same income, that is, they will not be taxed once in the foreign country and once in Canada. If that were the only question raised by these treaties, one could hardly object to them, but unfortunately the problem of tax treaties, international corporate taxes, and the avoidance

of these taxes is a subject which is a little more complex than these treaties would lead one to believe.

The one-dimensional presentation which is frequently given to this type of legislation is, "It is good for the corporation and it is good for Canada, and what is good for the corporation is good for Canada, and what is good for the corporation and good for Canada is good for the world." This is the sort of argument that has been put forward.

I would like to raise some questions concerning the impact of these treaties. Some of the answers which we received in committee, where we spent some time considering these matters—and I am glad that we spent that time because I am sure we were all educated to some extent by the hon. member for Willowdale (Mr. Peterson), the hon. member for York-Peel (Mr. Stevens), the minister and the officials in the minister's department—did not satisfactorily deal with the main problem. The two aspects which I would like the minister to consider will have a long-term impact.

Many of the countries with which we have signed treaties are countries with which we are in direct competition. We are in direct competition with these countries in a double sense. In many of these countries manufacturing is beginning to take off and, as a result, has become an important source of competition to Canadian manufacturers. For example, in South Korea many North American companies are now establishing branch plant operations because of the fact this is more profitable to them. Of course, these companies are now in direct competition with companies in Canada. This should be a source of concern.

Another source of concern is the fact that many of these countries are countries with which we directly compete in resources. I am thinking in particular of the government of Indonesia, and in some ways of the government of Liberia, which the government has agreed to drop from the list of treaties. But if one looks, for example, at a global corporation like Inco and considers its relationship to Canada, and the fact that it is now engaged in extensive activity in Indonesia, one must recognize that these global corporations are able to play off countries such as Canada and Indonesia and compare the relative tax rates in each country and the fact that we have now entered into tax treaties with these countries. This allows these corporations to deduct from Canadian taxes any taxes payable in Indonesia and, furthermore, it allows them to deduct taxes which are deemed payable. That is the central problem with which we must deal.

As was pointed out very clearly in committee, what has happened with respect to these treaties is that a number of countries, and Canada is among them in terms of some of the tax write-offs which we have allowed here, have very generous tax arrangements with respect to foreign investment. The treaties allow not only deduction of the tax which has actually been paid in foreign countries from Canadian taxation—in other words, it is a form of tax credit for taxes payable in Canada—but it also provides that the tax which should have been paid, but was not paid because of a tax haven arrangement, will have been deemed to have been paid for the purposes of Canadian taxation.

When a global corporation is allowed to play off governments such as the Government of Canada against the government of Indonesia, or the Government of Canada against the government of South Korea with respect to, let us say, electronic investment, it raises some extremely important questions. They are not questions which say that international trade is good or that anything which makes it convenient is good, because the situation is a little more complex.

What we are looking at is the way in which a global corporation can so reduce its effective level and rate of tax in each home country as to be able in a sense to pass on those additional costs, for example, the revenue not paid to the Canadian government, to the average Canadian taxpayer. In committee I referred to several American studies which show that the foreign tax credit has worked to give exactly that effect. The foreign tax credit has effectively reduced the level of taxation which is paid by these global corporations.

A number of studies conducted in the United States have attempted to give an estimate of the precise amount of money lost as the result of these play-offs. When I posed the question in committee to a very able public servant about whether there had been any studies conducted in Canada to compare the effective rate of taxes in countries with which we are signing tax treaties and to determine whether the effective rate of taxation in Canada was reduced as a result of these tax treaties by these global corporations, this public servant, who was the chief witness before the committee, indicated that the Department of Finance did not have that information available and that, while he would like to do those kinds of studies and agreed they would be a good idea, there was no data available with which to conduct such studies. If this is the case, I suggest that we are entering into a number of tax treaties in response to pressure from certain groups and corporations and, indeed, certain governments.

I recognize that there are a number of developing countries which would desperately want this kind of investment, but I believe that we, as Canadians, must be a little bit concerned.

Mr. Peterson: Oh, no.

Mr. Rae: I will come to the expressed views of the hon. member for Willowdale, which he is expounding in his usual constructive way in a moment. We must be concerned in Canada about the effective level of corporate taxation because we need to know how the reduction of the over-all taxes paid by a corporation affects the taxes that are paid by everybody else. The hon. member for Willowdale has said that these countries need investment.

We cannot be imperialistic, and we cannot impose our standards on other countries. The government also has to consider the question of equity among Canadians. All governments in the world have to find a way that goes well beyond these tax treaties of dealing with the power and ability of multinational corporations to make their decisions on the basis of the best tax arrangements possible, and of getting govern-

ments to sign tax treaties which work entirely to their advantage.

● (1230)

One could give any number of examples of this. I mentioned Inco. An example which is frequently brought up in committee is that of the Moore Corporation which produces business forms and office equipment. It is the twenty-first largest corporation, by sales, in Canada, has over 28,000 employees, and operates 132 manufacturing facilities in 37 countries. It has subsidiaries in three countries with which we have signed tax treaties, Jamaica, Barbados, and Malaysia. Its 1979 annual report shows that its effective level of taxation is now at a ten-year low. The government must ask itself whether it is in the interest of Canadians to allow this level to continue to decrease. There are other questions as well, such as where some of the Moore Corporation subsidiaries are located.

It seems to me that we have to deal with this whole matter in a way that is not destructive and that does not decree there shall be no international trade or treaties with other countries. We must analyse and understand the impact of these treaties on Canadian jobs and taxation, however.

The hon. member for York-Peel brought up the fact that one of the main companies in Barbados is now the Cooper Corporation, which produces hockey equipment. We are now entering into a tax treaty with Barbados, a country which has particularly generous tax arrangements respecting foreign investment. This generosity will encourage Cooper Corporation to expand its activities there, so we must ask if that means it will not expand its activities in Canada.

I do not raise these questions because I think there are easy answers to them, but because I do not think they can be brushed aside. I do not think it is enough to engage in this kind of international "boosterism" and claim that anything that encourages global corporate trade is good and anything that encourages corporate investment in Third World countries is also a good thing.

To put it another way, I do not think that allowing corporations to play off workers in Canada against workers in Barbados, to play off the Government of Canada against the government of Barbados, the Government of Canada against the government of Spain, or the government of Ontario against the government of Quebec, is very healthy. Unfortunately, however, that is the world we live in. That is why we have these tax treaties, but let us not be under any illusion about the forces to which we are responding.

The other main principle contained in these tax treaties is that they will allow Canadian corporations that invest abroad to bring back dividends—to bring back payments to Canada on which they will not have to pay tax. This is what is called the "exempt surplus". With regard to this payment of dividends, the tax treaties effectively do two things. First of all, they reduce the withholding tax paid to the other country on the dividends leaving that country. For example, when Cooper wants to pull out some dividends from Barbados or Inco wants to pull out some dividends from Indonesia, the governments of Barbados and Indonesia will deduct less withholding tax. That does not work to their advantage, of course, and as far as I can tell there will not be much investment by Barbados or Indonesia in Canada. It is something that works to the advantage of Canadian-based corporations.

The other thing is that it allows these corporations to bring back all this surplus to Canada without tax. I know the arguments that were made so well in committee by the hon. member for Willowdale, who was defending these treaties. He pointed out to the committee what a good thing they are for the international economy, for Canada, and for the corporations concerned. But, Mr. Speaker, the equity problem raised by allowing large sums of what is in effect income to be returned to Canada, on which Canadian corporations will pay no tax, must also be considered.

I know it is claimed that if those dividends are given back to individual Canadian citizens in the form of dividends, then there is a dividend tax credit, a mark-up, and so on. There is an element of taxation there, of course. I would point out to the hon. member, however, that we all know that the dividend tax credit is now generally regarded by people who have studied it as giving an unfair advantage to dividend holders as opposed to average taxpayers. It is not a particularly equitable tax.

The real problem is that from the standpoint of equity between Canadian taxpayers, money that is income and is not being taxed at the corporate level, on which the government receives no revenue, has the unfortunate effect of increasing the load of taxation on the average citizen.

In conclusion, Mr. Speaker, I must say that the government has, in a sense, got its priorities wrong. I am glad the Minister of National Health and Welfare is in the House. I will not repeat my entire opening remarks, but I should like to indicate to her that this party encourages the efforts which she and her department are making with respect to social security treaties with other countries. They are of great concern to us and we would like to see them given a priority as high as those tax treaties that work to the advantage of corporations. I know she has made some progress and that negotiations are under way. We follow those negotiations with interest, and support the efforts to have the treaties signed as quickly as possible.

Miss Bégin: Mr. Speaker, I rise on a point of order, since my name was invoked in these financial discussions. On Monday in Toronto we will sign another treaty of reciprocity of all social programs with Portugal.

Some hon. Members: Hear, hear!

Mr. Rae: Mr. Speaker, I say bravo to the minister. I began my speech by indicating that this was a subject of great concern.

Mr. Peterson: It was because of your intervention that she did it!

Mr. Rae: Mr. Speaker, not even I would go so far as to claim that. I would say to the minister, however, that these

treaties with countries with which we have such close relationships, and so much travel, and whose people come to live in Canada, are of great concern to all members of this party. I congratulate the minister on her success and look forward to further efforts with respect to other countries with which we have these agreements. They should be given the highest priority. I was not aware of the signing of the treaty on Monday, perhaps because I was not invited to it. I am sure that is something that can be arranged, however.

Mr. Blais: Send your pin.

Mr. Rae: I was invited to the other one, and that is why I was not aware of this one.

In conclusion, Mr. Speaker, it seems to me that the government is entering into these tax treaties without being fully aware of the impact they will have on domestic taxation in Canada, and without being fully aware of the equity problems created by allowing corporations to play one country off against another. There have been a number of American studies which indicate the way in which this has been done and which show the impact the global corporation is having on the domestic American market. It seems to me that we desperately need to have those same kinds of studies done here in Canada. Simply to engage in the signing of tax treaties without being aware of the domestic impact is engaging in what I call a kind of economic boosterism which says that a treaty is good because it aids trade, and it is good if it helps the corporation, and if it helps the corporation it helps a Third World country, and if it helps a Third World country it helps us, and so on. It is slightly one dimensional. It does not deal with a number of problems which are created by our engaging in treaties in this way.

● (1240)

[*Translation*]

Hon. Pierre Bussières (Minister of State, Finance): Mr. Speaker, at the outset of my remarks I would like to comment briefly on the conclusion drawn by the member for Broadview-Greenwood (Mr. Rae). It is quite obvious that although these conventions are aimed at avoiding double taxation they will certainly contribute to complicate still more the taxation jungle which is already inextricable at times. Still I hardly think that such difficulties should prevent us from using that tool which benefits all Canadians, while keeping in mind the appeal made by the hon. member in committee and repeated here to the effect that the government should undertake a serious consideration of the consequences of such conventions on Canadian taxation, on Canadian business and on employment in Canada.

Mr. Speaker, we are now resuming discussion on third reading of Bill S-2 to implement conventions whose purpose is to avoid double taxation, a treaty which we have signed with several countries. It rests with Parliament to legalize those agreements between Canada and about ten other countries which had agreed or requested to negotiate such conventions.

Some might wonder what is the purpose of these treaties and why we have to sign conventions to avoid double taxation. I believe we should perhaps begin by describing the phenomenon of double taxation. This phenomenon of legal double taxation at the international level can be defined generally as resulting from the collection of a comparable tax in two or more states, from the same taxpayer, on the same taxable item and for the same time period. The unfavourable effects of such a phenomenon on the development of goods and services, exchanges and the movement of capital and individuals are well known, too much so for me to have to underline the importance of eliminating the obstacles laid by double taxation to the development of economic and commercial relationships between countries.

It is vital that bilateral agreements between countries clarify, unify and guarantee as much as possible the taxation position of taxpayers in countries where residents have commercial, industrial or financial activities in several countries. In signing these agreements, the Canadian government has tried to make this clarification and establish these solid and unified foundations, and the House is now called upon to ratify these conventions.

I have just described the general advantages of these treaties. I would now like to say a few words about the special benefits of such agreements for Canada. Many Canadian individuals and corporations do business in other countries and have to compete in these countries with companies from other countries. For instance, a Canadian subsidiary can do business in Austria in competition with a French, German or Italian company. If Austria has a double taxation avoidance treaty with France but not with Canada, the Canadian company will be badly off compared with its French competitor. This is an important aspect of these agreements to avoid double taxation, in the sense that they allow Canadians to compete on an equal footing with other countries which do business abroad.

[*English*]

Most other developed countries have a substantial network of tax treaties which often provide for substantial reductions in the rates of withholding tax, and which establish conditions under which taxes would be levied. For a Canadian entrepreneur to be able to win foreign contracts, he has to make a bid which is as low as the foreign competitors' and the taxes he would have to pay could be an important element. That is why Canada has sought to obtain as good a deal in its tax treaties with other countries as foreign competitors, and no more.

[*Translation*]

It will be noted that some conventions are the result of first time negotiations while others are the product of renegotiated treaties. It must be understood, Mr. Speaker, that these treaties cover fiscal or tax systems applicable in the countries that are party to the treaty or convention. Hon. members will remember that in 1972 Canada undertook a major review of its income tax legislation which, by way of consequence,

required also the review and often the renegotiation of certain existing conventions.

It has been mentioned in committee that such double taxation agreements could become loopholes and a pretext to tax evasion. The hon. member for Broadview-Greenwood has indeed raised that possibility a few moments ago. I want to make it abundantly clear that it is not in a particular convention that tax loopholes or tax evasion potential are to be found when a commercial or financial institution covered by the convention is guilty of such tax evasion. The faults or weaknesses that make such evasion possible are most often found in the Income Tax Act and it is therefore this act that should be corrected. It has been clearly demonstrated in Canada that our Income Tax Act is impervious to these conventions.

Mr. Speaker, in closing I should like to indicate that consideration of the bill in committee led the government to cut out temporarily the convention with one country. When the bill was referred to committee, it contained 11 conventions which have now been reduced to 10. In view of the objections expressed in committee and the urgency of getting the House to pass the bill giving effect to those conventions, the government agreed to withdraw temporarily the convention with Liberia. During that time, the government will look at the text of the convention very carefully again, and discuss it once more with the other party to it, and if need be, will reintroduce it when a new bill is brought in to implement other conventions for the avoidance of double taxation.

I want hon. members of the House to know that the Liberian government expresses disappointment about this turn of events. It has reiterated its wish and will to see this bilateral convention ratified as soon as possible. The Canadian government is also of the opinion that it is justified but it wants to make sure that the details of the convention meet the requirements of the Canadian people and their parliamentarians. Mr. Speaker, it is in that spirit that we worked in committee. I should like to take this opportunity to thank the members of the committee for their excellent performance on the occasion of the study of this bill in committee and thank all hon. members in the House for allowing us to pass it this afternoon.

● (1250)

[*English*]

Hon. John C. Crosbie (St. John's West): Mr. Speaker, this piece of legislation is not greatly contentious. It is not one we are going to vote against. In addition, the minister was quite reasonable and very co-operative, in his usual way. The Minister of State for Finance (Mr. Bussières) is co-operative and diligent. I cannot say the same of the Minister of Finance (Mr. MacEachen). I do not want to imply that the Minister of Finance is not diligent. I am just not going to say that about him. The assistant minister of finance has been quite diligent and co-operative in committee.

My colleague, the hon. member for York-Peel (Mr. Stevens) is not here today and neither is the hon. member for Mississauga, both of whom have been active in this matter. The minister has agreed to delete the treaty with regard to Liberia because of some of their concerns. We appreciate that kind of treatment. That is why we are not going to speak on this bill longer than several days, or at least until this afternoon.

There are other important tax treaties. Perhaps whoever closes the debate on the government side can bring us up to date. These are not unimportant, of course—the United Kingdom, Jamaica, Barbados and the like. Jamaica, by the way, is an interesting one. Since this discussion started there has been a change of prime ministers in Jamaica. There has been some suggestion that we have the last prime minister, Mr. Manley, come to Canada for a scholarship or something like that from some government agency. That will be gone into at another time.

There are some very important treaties negotiated with countries like that, as well as Indonesia and Spain. The one in particular I would like to hear about, from some authority on the other side, is the treaty recently negotiated with the United States. That great coup was finally achieved while I was still a minister, although under heavy pressure during the election campaign last January. That is quite an important treaty, particularly with reference to its effect on the transfer of income from the oil and gas industry to the United States and the effect of taxes on profits in that connection. I presume that is now all signed and concluded and the government will be bringing it forward in short order.

Since this is a treaty to deal with international taxation and the effects on Canada, and taxation in other countries and citizens from other countries, we are dealing here with international finance. I want to spend three or four minutes on an aspect in international finance which the Minister of Finance referred to today. Today in his remarks in the House the minister suggested, with respect to interest rates, which is a matter of international finance, that these questions were not within the power or capacity of the Government of Canada to deal with. He said this government was handcuffed, totally under the control of economic conditions and what happens to interest rates in the United States. He said in this respect Canada is completely powerless, it does not matter what government we have, what will or desire that government has, or what policy it introduces. He said he can do nought about interest rates in Canada, that they must simply follow those in the United States.

Let me point out to the House that the day before yesterday the minister made an exactly contrary point in the House. He said that Canada has little control over interest rates, but thanks to steps taken by the Governor of the Bank of Canada, Canadian rates are not locked to U.S. rates. He praised the government's policy. He said it was successful. He stated that interest rates in Canada are 3 per cent or 4 per cent less than in the United States.

That was the minister's story two days ago. He then looked around in his usual humble way for a kind word or glance from members over here because he had kept interest rates 3 per cent or 4 per cent lower than in the United States. Today

he got up in the House and said he had no control over interest rates, that he cannot do anything, that he is powerless that they went up yesterday 1.38 per cent. He said he could do nothing about it.

The minister cannot be right on both occasions. We know that he has tremendous flexibility. He is the most flexible of the Liberals. To be the most flexible of the Liberals is the same as being a boa constrictor greased with vaseline. You are really flexible if you are the most flexible of the Liberals. He cannot have it both ways. If the government can keep Canadian interest rates lower than U.S. interest rates, obviously it could have acted yesterday to keep rates from going up, if that were the policy the government wanted to adopt. There is free will in this area.

What prevents Canada from having the rational possibility of many other choices is the lack of policies of the government over the last 12 years. That is what makes it difficult. There are alternatives, but they do not include wage and price controls. Our flexible Minister of Finance cannot stand up in the House one day, say how, through his efforts and those of Mr. Bouey, our rates are being kept behind U.S. interest rates by 3 per cent and then, a day later, look across the House and ask for sympathy. He will get no sympathy from us. A year ago he acted to get himself back into power. Now that he is there, he does not know what to do. He looks around beseeching the House to grant him a dispensation of mercy.

The minister now wants us to ignore advice that he and the government's financial critic gave last year. Here is what the Minister of Industry, Trade and Commerce (Mr. Gray) said last year when he was finance critic. By the way, a portion of his leg is damaged. He is not with us any longer. He has been gone during these trying days. We hope he will get better soon and that the next time he breaks something, it is more important.

He said on March 10 last that he was pleased with the new floating rate approach to interest policy of the Bank of Canada. He was pleased with the new floating rate policy. What was he so pleased about? Is the Minister of Industry, Trade and Commerce still pleased today with the new floating rate approach? It is not a floating rate, it is a flooding rate. It is too bad he is not here to tell us that.

What happened to the Minister of Energy, Mines and Resources (Mr. Lalonde) who, on November 13 last year, page 1251 of *Hansard,* said the PC government seemed to have "adopted Mr. Volcher's economic Malthusianism approach in the United States". What approach is being adopted now? Mr. Volcher is still in charge of the Federal Reserve Bank in the United States.

The Acting Speaker (Mr. Ethier): Order, please.

Mr. Crosbie: May I call it one o'clock?

The Acting Speaker (Mr. Ethier): It being one o'clock the House stands adjourned until 2 p.m.

At one o'clock the House took recess.

• (1400)

AFTER RECESS

The House resumed at 2 p.m.

The Acting Speaker (Mr. Ethier): Order, please. When the House rose at one o'clock the hon. member for St. John's West (Mr. Crosbie) had the floor.

Mr. Crosbie: Mr. Speaker, I want to conclude my remarks by giving a piece of advice to the Minister of Finance, and it is that he stop being the Uriah Heep of western finance ministers and that he stop getting up in this House, wringing his hands, alleging he has no power or control over Canadian interest rates, bank rates, the Canadian dollar, or Canadian economic policy generally. A year ago he tricked and connived his way back into power and it ill behooves him today to try to blame everything that is happening on United States policy. He has the authority in his hands. He can do it if he wants to exercise that authority. He needs to bring in a new budget and put behind him this cop-out which he brought in on October 28.

It is the worst budget since Herbert Hoover. It is the Boulder Dam of balderdash in the financial world. This document he brought in was dictated by the Minister of Energy, Mines and Resources, the sinister Svengali, the Rasputin of the government, who is controlling everything. I commend to the Minister of Finance his companion, the Minister of State for Finance. The Minister of Finance should take notice that the Prime Minister (Mr. Trudeau) is depending on that gentleman to answer all his questions for him in the economic area. If I were the Minister of Finance I would feel a cold shiver going up my spine at the sight of the Prime Minister so heavily dependent on the Minister of State for Finance. I think this augurs great things for the Minister of State for Finance, and the Minister of Finance might well watch his own back during the next few months.

We have an agreement here. We do not want to hold this up; it has been held up for something like ten years. Now the Liberians are being cast aside for another period of one or two years. I will sit down so my companion from Vancouver Quadra can bring to bear his share of intelligence on this bill.

Mr. Bill Clarke (Vancouver Quadra): I want to thank my colleague, the hon. member for St. John's West (Mr. Crosbie), for that introductory remark. Mr. Speaker, my colleague is quite right about the length of time the debate has been going on. I suppose one of the reasons it takes so long to consider matters like this is that everybody thinks taxation is confusing, and it is, to a lot of people. When you get to a tax convention, that makes it all the more confusing.

• (1410)

Let us take a look at the history of conventions. The basic purpose of tax conventions was to eliminate the problem of double taxation for individuals who might live in one country and earn income in another. They might thereby become subject to regular taxation in the country where they earn

their income, and then if they lived in a country like Canada where world income is taxed, they would be faced with another burden of income tax on those earnings. So the original conventions were designed simply with that in mind.

I do not even know how long ago it was, but it was many decades ago that we had our first convention. There are now, significantly, 24 conventions in force with various countries, and another 13 that have been signed but are not yet in force. A number of those are covered by Bill S-2. There are a further 31 which will be renegotiated. Each of these agreements or conventions has had to be renegotiated, revamped, or at least restudied in connection with the revision to the income tax law which took place here in Canada in 1971.

One of the requirements for other countries which will have a treaty with Canada is that they must have a similar taxation system. I will say a word about that later on when we look at the various countries with which we have treaties. We are having some problems with countries which may not have system taxation similar to ours, and it may be undesirable for Canada to have treaties with countries that are considered tax havens, yet I think I may show that Canada may be considered a tax haven in some areas.

The purpose of the present bill is, as I said, because of the 1971 tax review, to expand the policy and to have more tax treaties than we had in the past. This bill, of course, is quite similar to the one which was introduced by the previous government as Bill S-4, but which never passed the House. In addition to the nine countries in the other bill, we now have Barbados and the United Kingdom included. The treaties will limit the tax rate on income transfers between the countries, that is, the withholding tax, so that individuals and corporations will not have the burden of double taxation upon them. Significantly, I think, the treaties will also deal with methods of amending those treaties in the future so that, when there are changes within a country, the kind of exercise that we are going through here today will not necessarily be required.

It was expected, when we had our tax reform in 1971, that we could have all the new tax treaties in place by 1976. Well, we know now, four years later, that we still have 11 tax treaties to ratify in this bill and another 31 under negotiation. It has certainly taken a lot longer than was expected. We have already renegotiated treaties with France, Switzerland and Belgium. We are also considering Morocco. Liberia and Roumania are being dealt with. The United States, one of major trading partners, is missing from the list today, although we are now considering Great Britain, New Zealand and Austria.

In some of these agreements which are being negotiated, the one with Germany, for instance, Canada is actually on the receiving side from the point of view of being seen as a tax haven. Although in 1976 we did reach an agreement with West Germany, the West Germans had their tax reform in 1977 and our treaty was not ratified. There are a few problems still at the bargaining table.

The problem is that the Canadian tax system is seen by the Germans as offering unfair advantages to some German taxpayers. As an example, there is mortgage interest earned in Canada by Germans. While it is subject to a 15 per cent withholding tax here in Canada, it is subject to no further tax in West Germany. Similar concessions are available on rental income from real estate. There is a tremendous amount of money being invested from West Germany in Canada in the way of exploration for minerals in Canada, because there is a particular advantage to German investors when they invest in mineral exploration in Canada. In fact, I suspect it is another one of the cases where foreigners are actually given a better tax treatment in Canada than are Canadians.

The old treaty with Germany allows Canada to tax capital gains on immovable property such as land but not on other property, so that a West German resident can hold real estate through a corporation and escape Canadian tax on gains realized from the sale of shares of the corporation. Compare that with a Canadian resident holding a substantial interest in a similar corporation in West Germany where he may be taxed by that country. I think it is important that this treaty with Germany which had its origins in 1956, be ratified, but I think there might be some trade-offs.

I am sometimes concerned with the policies of other countries on apparently unrelated issues when we are renegotiating a tax treaty. In the case of West Germany, I refer particularly to the extradition provisions which they have for German-born naturalized Canadian citizens. I had a personal involvement in a case where the German authorities had convinced the authorities in the United States to arrest a Canadian citizen in the U.S. on some outstanding complaint that the West Germans had against this Canadian. You might say, okay, he should have been brought to justice. The fact was that Canada was powerless because this man was being held in the U.S. at the request of West Germany.

It was the United States authorities, without any help from Canadian authorities, who decided that the claim that Germany had on this Canadian national was not valid. They released the Canadian citizen who then returned to his country. When he returned to Canada, he found that he might be in jeopardy again because the treaty which Canada had with West Germany could make him subject to arrest, seizure, and extradition to West Germany. All right, we have extradition treaties with other countries, so why not with that one? The fact is that as part of that treaty and part of the German national law, no German national can be extradited by any other country if he is in Germany. Canadians do not offer the same protection to Canadian citizens at this time.

I am happy to say that this particular individual has not been arrested and extradited and, at the moment, he is safe, but he thinks he should have the protection of his own country. Perhaps when his adopted country, of which he is a citizen, is negotiating with his old country, a balance should be achieved to ensure that nationals of each country are treated equally.

● (1420)

Earlier I mentioned the similarities in the tax systems of the various countries with which we are dealing. One of the

countries on the list is Roumania. Roumania has been in the news a lot lately because some of its athletes are very good. It is a communist state, and its citizens are not free to come and go as they wish. Some of them have defected when they have been absent from Roumania on athletic missions. How much do we really know about the tax system of Roumania? Should we associate ourselves in tax treaties with countries such as Roumania when we do not have sufficient knowledge of the workings of their tax systems, although we know a certain amount about their political systems? I think there is room for more study to see whether this is desirable and is the kind of thing we should continue.

Canada appears to be a tax haven for Germans. Canada must be careful about tax treaties with tax havens. It is fairly easy these days to shift large amounts of cash out of Canada into a tax haven from where it can be reinvested, perhaps even back in Canada, and be subjected to a much lower rate of tax even though it is falling into the hands and control of a Canadian resident. This is not the kind of situation which legislators have in mind, but I am afraid it could slip through the system in proposals such as the one before us.

Tax havens are not the only gimmick available to tax planners. For example, the present treaty with New Zealand appears to allow Canadian taxpayers to finance, in large measure, the merchant shipping fleet of New Zealand. One might ask what the tax treaty has to do with that? The existing tax rules have allowed large amounts of money, some $50 million, to be raised in Canada for the Shipping Corporation of New Zealand, Limited. In any event, that money has been used to increase the merchant shipping fleet of that country. Would it not be nice if Canadian taxpayers, investing that amount of money and losing tax on that amount of money, could receive some of the benefit flowing from it to establish a merchant shipping fleet in Canada?

Ever since I came to the House of Commons, there has been much talk about Canada's merchant shipping fleet; how great it would be for Canada to have one and is it not an awful thing that Canada relies on foreign bottoms instead of its own merchant shipping fleet? Yet this tax treaty allows a gimmicky arrangement which sees Canadian taxpayers largely funding the fleet of another country.

I suppose one of the most notorious shipping fleets in the world is the Liberian one. The Liberian flag is always seen as a flag of convenience. If one spots the dirtiest ship in the harbour of Vancouver it is bound to have the Liberian flag and be based in Monrovia. One might say that that is their industry; but I am pleased to say that through the pressures of the official opposition in committee, particularly of the hon. member for York-Peel (Mr. Stevens), the government has agreed to eliminate Liberia from this bill. Before the government considers entering into treaties with countries such as Liberia and other countries carrying on activities of which we would not approve, I hope we will be able to have a close look at them.

Another country on the list is Korea. We do a lot of trade with Korea. A friendship society is being established with Korea, yet there are many differences between Canada and Korea. For example, through the sale of Candu reactors by Atomic Energy of Canada to that country, we know that enormous commissions were paid to non-nationals of Canada and non-nationals of Korea. The explanation given to Parliament, when it was called upon to investigate the situation, was that they do things differently over there. Certainly they do things differently.

I have visited Korea. Its people are very industrious. The people of Korea have done a fantastic job building up the economy through hard work and their different habits. But we must look at its political system as well. Not so long ago the House passed a motion dealing with the sentencing to death of the Korean leader of the opposition, Kim Dae-jung. Mr. Dae-jung is still under sentence of death and his limits, as far as appeals are concerned, are running out. He may be subject to the mercy of President Park Chung Hee before too many days have gone by.

I do not suppose anyone looking at the treaty with Korea and its tax aspects is very concerned about Mr. Dae-jung, but I do not think he is guilty of anything more serious than what the Right Hon. Prime Minister (Mr. Trudeau) might have been guilty of when he was leader of the opposition, or of what the Right Hon. Leader of the Opposition (Mr. Clark) might have been guilty.

There are basic differences in some of these countries. I do not think we are covering any European countries today, but tax evasion is a great sport in Europe. It is not seen as a criminal offence; one can be quite proud if one manages to evade taxes in some European countries. We should be concerned about those things when entering into agreements with these various countries.

Also I must recognize that Bill S-2 has been passed by the Senate. It has received second reading in the House, approval in principle, and the committee has examined it in some detail. Now it is back for third reading, and perhaps this is not the time to make changes. But I appeal to the government and members of the House to ensure, when we negotiate sensitive agreements with countries about which we might wish to know more, that we take a little more care and that the countries have many similarities to our country so that treaties will work in the way expected and in the way they have worked with the United Kingdom, and with the United States, our major trading partner and neighbour to the south.

Some hon. Members: Hear, hear!

Mr. Jim Peterson (Willowdale): Mr. Speaker, I should like to begin my remarks concerning Bill S-2 by complimenting the hon. member for St. John's West (Mr. Crosbie) for the very deft manner in which he was able to piggyback a discussion of Canada's monetary policy on to the back of a bill dealing with international tax treaties.

Because the member raised these points, I feel I am quite entitled to deal with them. He attempted to throw stones and bricks at us. They were not bricks and stones, nor pebbles and sand. He was throwing confetti at our monetary policy. I say

that because he did not once offer any concrete alternatives to the policies pursued by this government. He might have implied it, but he did not say that we should peg the value of the dollar. He would not say that we should peg the value of the dollar because he knew very well that if we were to peg the value of the dollar it would drive up inflation, it would hurt those people in Canada who must import food and fuel this winter. It would hurt those people in St. John's West and those people in Willowdale who are on fixed incomes. He did not have the courage to say what the alternatives were.

● (1430)

I will give the member for St. John's West credit because he, at least, has risen from his pew to object to the marriage which has been arranged in our country between world economic realities and the Canadian economic realities. But I certainly cannot give him any credit for any more than his weak, plaintive voice. He rose from his pew to criticize this marriage, but it was not the voice of a Lochinvar who was proposing alternatives, it was the voice of a plaintive suitor who had lost out. It was the voice of a suitor who realizes that had he been more understanding, more compassionate, and more realistic a year ago toward the Canadian people, it would be he who was the bridegroom.

I would also like to compliment the hon. member for St. John's West on his comments dealing with the Canada-U.S. treaty. This is a treaty which has been in the making for eight years, and for whatever role he played during his sojourn in government in advancing those discussions, which have now been completed, we compliment him. I also applaud the tremendous work of our own officials. This treaty melds two very diverse and complex tax systems.

I would like to make a few remarks about the myopic, Alice-in-Wonderland view of the world which was expressed by the hon. member for Broadview-Greenwood (Mr. Rae). The hon. member in his remarks again indicated a knee-jerk reaction to business. He seems to think that if it is business it must be suspect, and if it involves international business, shame on it! The hon. member for Broadview-Greenwood is a very intelligent person. We know that he is a lawyer, he is a disciple of Dennis Healey, but just because he joined a socialist party which does not have the courage to call itself by that name—they have gone through a number of name changes and they do not have the courage to put that in their title—it does not mean he must check his intelligence with the Sergeant-at-Arms at the door of this chamber when he enters it.

I would like to refer very briefly to a few of the points he made in his remarks. Number one, he criticized these treaties on the basis that a multinational corporation can use them to reduce taxes by avoiding double international taxation. This is through the foreign tax credit mechanism. I would like to explain it in this way. The foreign tax credit mechanism works so that if a company operating in a foreign jurisdiction pays taxes there, then Canada says it will not tax those profits, it will give a credit for the foreign taxes which have actually been paid. This is the approach of recognizing that the primary taxing jurisdiction must go to the foreign jurisdiction.

I do not know what is the hon. member's suggested alternative. Is it that we should again tax these profits, for example, $100 of profits which have been taxed at 50 per cent abroad, and tax them again, imposing another 50 per cent of tax, thus taxing away all the profits? If this is his alternative, let us discuss it. The approach of recognizing the primary taxing jurisdiction of a foreign country is the proper one. This is the one which is exemplified in these tax treaties.

The second point he made was that these tax credits will enable Canadian multinational corporations to do business abroad, which means they will be exporting jobs from Canada. This, to me, is a narrow view of world economic realities. What makes him think that a Canadian company can manufacture everything in our jurisdiction here, within our own borders, and export it to every country in the world? It is the NDP, of which he is a member, which has spoken most vehemently against the role of multinationals in Canada and what they are doing here. Is he saying, on the one hand, that multinationals in Canada must come here, create more jobs, do more research and development, employ more people and train more people in our country? Then, on the other hand, is he telling us that we must stop our companies from going abroad and meeting these legitimate development needs of other countries in the world? Establishing some subsidiaries in foreign jurisdictions is often the only way we can compete in those markets. We are subject to the competitive forces. We are doing a job there.

The hon. member for Broadview-Greenwood said he also objects to the inequity which arises when dividends can come back to Canadian companies from abroad on a tax-free basis. He says it is not fair. He says it is not fair that foreign income should not be subject to taxes when it comes back here. I do not know on what he is basing his standard of equity. I am sure he realizes that dividends flow tax-free between two domestic Canadian corporations. Is he saying we should discriminate against the company which goes abroad? I do not think he is saying that, but he seems to be raising this objection. So his equity argument is one which I cannot understand.

The last point I want to comment on—and he raised a number of them—is one which bothers me very considerably. It is one which arose from his remarks when he said he objects to these treaties because they permit the deductions for foreign taxes notionally payable in developing countries. This is a concept which is referred to in tax jargon as "tax sparing". What it means is simply this. Foreign developing countries have needs for capital infusion for know-how, development, and industrialization. These are priorities which they set out on their own. Every developing country in the world has development objectives, to industrialize and to create jobs to make their economies less dependent on the vicissitudes of world trade and world fortune, to give their people a stake in their economies to develop. The way they do this is to offer limited tax holidays. They say, "If you come in and establish

an industry which will employ people, create new jobs here, give us know-how, train our people and bring them up to western standards, then we will grant you a tax holiday of up to five, or sometimes ten years." These are development objectives. This is the way they do it in the developing countries.

The hon. member for Broadview-Greenwood has objected to us giving a tax break when those dividends come back from those companies dealing in these developing countries. The alternative, if we are to tax the income which comes back to Canada from these new and necessary development projects, would be to wipe out and negative every development objective which is being offered by a host country. It would amount to the transfer of tax revenues from the foreign jurisdiction into Canadian coffers. This would be economic imperialism at its worst. This is the naiveté which was expressed by the hon. member opposite.

In conclusion, Mr. Speaker, these tax treaties are part of a regime of taxation which recognizes the reciprocal advantages that two countries sitting down together can work out to their mutual benefit from the sharing of tax revenues where business cuts across international borders.

Canada is at the heart of international business, and international trade is part of Canada's lifeblood, even more so than any other country in the western industrialized world. We need to get on with these tax treaties. We need to have more of them. I compliment the minister on what he has achieved, and I ask the co-operation of the House in concluding many more such treaties.

Some hon. Members: Hear, hear!

Hon. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I shall take only a moment or two at the third reading stage of this bill. First, I should like to join with the hon. member for Broadview-Greenwood (Mr. Rae) in expressing the hope that we will soon see an increase in the number of reciprocal agreements in the pension field, along with these reciprocal tax treaties. I am glad that the Minister of National Health and Welfare (Miss Bégin) was able to announce today that another one is about to be signed, namely, with Portugal. I know she is working on agreements with other countries such as Belgium, the United Kingdom, France, Germany and perhaps others. I realize that concluding these agreements requires some give and take on both sides, so we cannot always blame the government because it does not get an agreement with another country. These matters are very important to many persons living in Canada, and I hope that she will stay with it.

● (1440)

At the same time, I would like to impress upon the Minister of State for Finance (Mr. Bussières), the urgency of continuing the tax treaty negotiations with West Germany. When this bill was at second reading we had a bit to say about it, and the minister agreed with our contention that something should be done and that the blame should not all be put on West Germany. I am interested in this matter because the tax arrangements between these two countries also have a bearing on the pensions and the pension income of many former German citizens living in Canada.

In view of what the minister said at second reading, I was hoping that by the time we got to third reading a convention with West Germany might be in the bill. I see that it is not there yet. I urge the minister to keep working on the matter as, again, I urge the Minister of National Health and Welfare to keep working on reciprocal pension agreements.

[*Translation*]

Motion agreed to, bill read the third time and passed.

* * *

[*English*]

JUDGES ACT

MEASURE TO INCREASE SALARIES OF JUDGES

The House resumed, from Monday, December 1, consideration of the motion of Mr. Chrétien that Bill C-34, to amend the Judges Act and certain other acts in consequence thereof, be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

Mr. David Kilgour (Edmonton-Strathcona): Mr. Speaker, when the debate last adjourned, I was making the point that the bill was abusive of taxpayers and insulting to past, present, and future judges. It is abusive of the taxpayers because the salary increase of up to $16,000 per judge is unreasonable in the circumstances in which the country finds itself, and it is unreasonable with respect to pensions because the 1 per cent contribution rate, considering the richness of the benefits to be conferred, is unreasonable. To put it in stronger language, it is bordering on the obscene, and is what I call a rake-off at the public's expense.

I will attempt to amplify some of these points, but before doing so I would point out that my wife and I, both lawyers, may suffer for this intervention in due course. I believe that what I am saying is true, and I hope that some judge will not in the distant future take it out on my wife if she should appear in court.

Mrs. Appolloni: Oh, oh!

Mr. Kilgour: To the hon. member for York South-Weston (Mrs. Appolloni), I have no doubt that should I go back to court work some judge, and I hope not many, will take it out on me. I am simply making the point that judges should not apply guilt by association to my wife.

The Minister of Justice (Mr. Chrétien), who is not here today—in fact, looking around I do not see anybody who was here the last time when we had something of a free-for-all on this matter—made the point that I was denying judges what he called "decent increases". The Minister of Justice is also the Minister for Social Development, which is a role which demands some concern for the public at large as to the use of

public funds. He should not be here as an apologist for the lawyers or the very few judges who think that the increases should go through in the form which he has proposed them.

I would remind the Minister for Social Development of a couple of things in this regard. First, fully half of the older Canadians who receive the old age security also receive the guaranteed income supplement because they have no other income. The OAS and the GIS together amount to $4,350 which is enough to live in poverty. The OAS plus the CPP, the Canada Pension Plan, in total amounts to $5,296, or almost exactly what is considered to be the national poverty line. In that context, what we are doing for the judges is patently unreasonable. There are many other misjudgments in this bill.

The Minister of Justice appears to think that being a superior court judge is such an unattractive job that these people must be paid very large salaries and pensions in order to attract better people to the job. That is an insult to the 650 men and women who are section 96 judges across Canada. Has the minister found it difficult to obtain first-class men and women to appoint to the bench? With the present salary level, and to this point, I doubt it very much. In fact, I am certain that he is not finding it difficult at all.

But if someone needs $70,000, $80,000 or up to $88,000 per year before they will take a judicial appointment, perhaps that person is not the type who should be sitting on the judicial benches across Canada. It is an honoured position, and salaries do not need to be as high as have been proposed. Members opposite cannot tell me that hockey players, rock stars and businessmen receive salaries in this range, because for one thing, that is money which is earned in the private sector, whereas these increases will come out of the pocket of the Canadian taxpayer.

Second, the pension proposal is altogether too rich. Federal public servants, and I was one once, can receive a pension of 70 per cent of their best six years' salary after 35 years of contributing to the fund 6.4 per cent of their salaries. Under this bill judges will pay 1 per cent of their salaries and will obtain two-thirds of their income in pension after ten years. The premise here is that the judges in receiving an appointment to the bench, at say, age 50, have made no preparation for their retirement and must, therefore, receive supra-special treatment.

I suspect that the vast majority of the 650 judges would agree with me that the contributions in this bill are totally unwarranted. Does it accord with reality to suppose that judges have done nothing to prepare for their retirement? I submit that it does not. Surely the benefits of any pension plan should have a reasonable relationship to any contribution if justice is to be done and to be seen to be done. This principle of justice is cited every day in courts across Canada. It should also apply in the cases of the judges' pension plans.

Somebody may say, "What about a case where a judge is perhaps killed by a bus and his wife has no pension fund?" The answer there is that an order in council can be passed, as has been done, I believe, in all the provinces and at the federal level for many years, providing for an ex gratia payment to help in a difficult situation. Again, I also suspect that the vast majority of judges and lawyers in this country would agree with me on that point.

• (1450)

Third, I am told that salary increases will aggregate about $4.5 million yearly. A one shot payment of $3.5 million is to cover the pension scheme, and $800,000 annually is to cover increases in judges' allowances. This total, as surely as tomorrow's sun comes up, will be added to the $17 billion deficit that is predicted for next year. If past practices are followed, a large part of that sum will simply be monetized, which is a polite way of saying that the Bank of Canada will print money for the amount of the increase in the deficit.

Of course, the government hopes that most Canadians will not realize how this monetized or freshly printed money affects inflation. But I submit, Mr. Speaker, that more and more Canadians know that such gross financial irresponsibility results in ever-increasing catch-ups and ultimately results in what I call "wheelbarrow" money. It has been said that in terms of purchasing power it is becoming cheaper to eat dollar bills than lettuce. I, for one, believe that MPs, judges, business executives and everyone in the public sector, should show a little restraint in such matters.

A retired constituent came to my office last week and told me that he and his wife have a total income of $408 each month from old age security and the Canada Pension Plan. After paying for rent, gas and light, they have $100 left for food, transportation, clothing and everything else for the two of them. He said he is desperate because his wife is ill. Cases like this are one reason why I speak against this bill in terms of equity across Canada.

My fourth point is that the unspoken premise of this bill is that it can be used later as a ratchet for other salaries in the public sector. In fact the salaries of the Auditor General and the Official Languages Commissioner are already tied to it. If things proceed next year as they have in the past, a judge will be appointed to study the salaries of public servants. He will probably decide that they should be paid at least the same as judges. Perhaps MPs will even come under the same brush. This seems obvious, from recent reports. So it goes, Mr. Speaker. Every year someone gets an increase, then someone gets a larger increase. I suggest that the Canadian people are going to become very fed up with this, if they are not already.

The last time this matter came up, two or three members of the NDP asked that it be sent to committee, and they were supported by a few Liberals. Then they accused this party of filibustering. Do those hon. members really think that when this bill goes to committee one comma or one word will be changed? It is similar to what I call the NDP fallacy with respect to the constitution. Do they think that by voting to send the constitutional package to a committee dominated by Liberals—I see the hon. member for Winnipeg North Centre (Mr. Knowles) nodding in agreement—that one phrase in the constitutional proposal be affected? I suggest that the same thing applies to this bill. There will be no changes in commit-

tee if we can judge by past experience, because party discipline applies in committee just as much as it does here.

An hon. Member: What about your party?

Mr. Kilgour: I hear some comments, Mr. Speaker. I am almost at the point where I feel badly if hon. members opposite do not heckle. I enjoyed this much more the last time. I am sorry that they are only starting to heckle because I have come to the end of my remarks.

Mr. Baker (Nepean-Carleton): That is not a heckle; that is a guffaw.

Mr. Kilgour: In conclusion, Mr. Speaker, I intend to vote against this bill because it is unreasonable, and I hope that members on all sides of the House will consider doing likewise.

Hon. Bill Jarvis (Perth): Mr. Speaker, I wish to make a few comments on this bill. I am inspired by the hon. member for Willowdale (Mr. Peterson) who, all of a sudden, is an international fiscal expert. Perhaps I could therefore be considered an expert on the judiciary.

A number of things in this bill bother me, Mr. Speaker, as well as some that are not in the bill. I find it very hard to accept the delay in bringing the bill forward, as it was drafted long before this party formed the last government. It bothers me, as well, to have to go through this exercise every year, or two years, or three years. I find that most unseemly, just as I find it unseemly for us to debate our own pension schemes or pay raises. Surely that tradition is not so firmly rooted in this country that we have to accept it as inevitable.

Mr. Pepin: You are such a gentleman.

Mr. Jarvis: I think I have some support from the Minister of Transport (Mr. Pepin). At least he is not shaking his head but is smiling at me.

Mr. Pepin: You are such a gentleman, I said, that it is not proper to discuss your own salary.

Mr. Jarvis: I can find much to agree with in the propositions advanced by my colleagues on all sides. There is no uniformity in the approach to this matter. In parts of my riding, in Ontario, it is much easier to attract applicants for the judiciary than in other parts. In the short period that this party formed the government there was an opening in Muskoka and every Toronto lawyer of every political persuasion who had a cottage there, wanted to be the judge. At Thunder Bay and the Lakehead, however, where workloads are heavy and travel is difficult, there was no interest.

It is a little difficult to understand why the legislation recommends salaries higher than those recommended by the various committees and commissions that study these matters. There may be a rationale for this, but it was not contained in the minister's speech when he introduced the legislation, and that troubles me. In a moment I would like to deal with pensions, Mr. Speaker.

I am delighted that the Parliamentary Secretary to the Minister of National Defence (Mrs. Appolloni) has remained in the House, Mr. Speaker, because I may have done her an injustice. I interpreted her intervention when my colleague from Edmonton was speaking—although it was not a formal one—as possibly taking his remarks as chauvinistic. I hope I do not do her a disservice, as I have the greatest respect for her, but when my colleague mentioned that his wife might appear in the courts I thought she took it the wrong way.

This leads me to my main point, Mr. Speaker. It is a minor point, yet I find it absolutely unacceptable that the annuity of a judge's widow is suspended if she remarries. That is a terrible thing to put in legislation. Even in the dark ages when I was practising law and I was asked to put in what we called the dum casta or chaste clause in separation agreements or wills, although I did it on a client's instructions, I found it repulsive. That was in the sixties; now we are in the eighties, debating legislation that provides for the annuity of a judge's widow to be suspended upon her remarriage. What on earth is the rationale for that, Mr. Speaker? I fail to understand why we should inscribe a deterrent to a judge's widow in this legislation. It makes no sense unless we want to return to the dark ages.

I realize this is a minor point and I do not want to take up the time of the House with it, but why in 1980, do we introduce legislation to discourage a widow—young or old, it makes no difference, whether she is 80 or 20—from remarrying?

Mr. Pepin: It is the puritanical concept of punishment.

● (1500)

Mr. Jarvis: The Minister of Transport says it is a puritanical concept of punishment. I think he puts it much better than I do. If the parliamentary secretary wants to do a service, I say introduce an amendment to get rid of that absolute nonsense. I will not go on any longer because we do not want to make a big issue out of that. But surely in the interests of decency, if nothing else, we would reject that kind of a provision in a bill drafted in 1980.

There is one other minor point which troubles me. I do not know why we relate salaries of other public servants in the judges bill. I do not find that acceptable. Why would we relate salaries of the Chief Electoral Officer or the Commissioner of Official Languages in the same legislation as judges? There may be a rationale, but if there is, I would certainly like to know. However, I do not want to stand up here every two or three years and have to debate not only the judges salaries, which is bad enough, but also the salaries of the Chief Electoral Officer or the Commissioner of Official Languages. If there is any sense behind that, why don't we include every other public servant?

Mr. Pepin: They are officers of Parliament.

Mr. Jarvis: The minister says they are officers of Parliament. That begs the question: why are we not debating the salary of the Clerk of the House or the Sergeant-at-Arms and heaven only knows who? I do not accept that as a rationale. I do not understand it.

My chief concern is the pension aspect. The Liberal government got us into this situation in 1975. The government created two classes of judges by its 1975 legislation and now it stands the victim of its own making. You created two classes of judges and now you are coming back to try to restore what was an obvious mistake in 1975.

The Deputy Speaker: I would invite the hon. member to address his remarks to the Chair.

Mr. Jarvis: Mr. Speaker, I am sorry. I was taking liberties on a Friday afternoon which I should not have expected, and I thank you for helping me. More speakers should point out that omission to us because I notice members are slipping into a bad habit by not addressing the Chair. I stand corrected, and I deem it is a pleasure to address you, sir, rather than my colleagues across the way. I deem it a much greater pleasure, I might say.

Having put us into that situation the government is now trying to correct it in 1980. Looking at it in the abstract, I find that non-contributory principle likely unacceptable. Why do we create a distinct class of judges, vis-à-vis the contribution aspect when we compare them, as was done by my colleague, the hon. member for Saskatoon West (Mr. Hnatyshyn) on December 1 at which time he pointed out the same aspects with respect to the armed forces, the RCMP, public servants, members of Parliament and senators? It is very hard to understand and accept the rationale for that. I would think that deserves our serious attention. Do we regard it as a precedent, which we do not want to be adopted in terms of these other classes? We might regard the rationale as unacceptable because of the shifting back and forth from the pre-1975 situation to the 1975 situation to the 1980 situation. Surely in monetary terms the rationale cannot be supported because, as the parliamentry secretary and my colleagues opposite know, that can be compensated for in terms of salary. The pension and the salary are not apples and oranges. They are a package. There is absolutely no difficulty in rationalizing it in a monetary sense. It may mean an increase of a minor nature in the salary effect to compensate for the contributory portion of the pension.

Mr. Speaker, I had only intended to speak for seven or eight minutes and I have already spoken for longer than that. However, I appreciate the opportunity to put some of my thoughts on the record.

Mrs. Ursula Appolloni (Parliamentary Secretary to Minister of National Defence): Mr. Speaker, I rise on a point of order. I appreciate your courtesy in allowing me to explain my intervention, which was referred to by the hon. member for Perth (Mr. Jarvis). The hon. member felt that in my intervention I was referring to a chauvinistic attitude. I hasten to say that I was not. With your permission, Mr. Speaker, I would like to explain why I intervened in the first place.

I referred to the speech made a few moments ago by the hon. member for Edmonton-Strathcona (Mr. Kilgour). I believe the hon. member in his opening remarks—I do not have them before me, obviously, because *Hansard* has not yet been delivered—he implied that because he was speaking against this particular bill there was the possibility that judges or any judge could retaliate in kind or in any other way against him or his wife, who I gather is a practising lawyer. That statement shocked and appalled me, particularly now when cynicism toward public figures is rampant in this country. I believe that such an impression as left by the hon. member, who is himself a member of the legal profession, is totally unworthy of him. That is why I said it was shocking. I repeat, I still think his statement was shocking.

Hon. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, when I have occasion to speak in this House I usually try to develop what I have to say in some orderly sequence. Sometimes I even have a plan, but I am altering that pattern somewhat today. I want to say that I am persuaded to start first in a field to which a fair amount of reference was made by the hon. member for Perth (Mr. Jarvis), namely, the position of widows. I am glad he raised the point that there does not seem to be any place in the 1980s for a provision that a judge's widow who remarries must lose her pension. I support both the hon. member for Perth and the Minister of Transport (Mr. Pepin) in their objection to that.

One of the reasons I want to say this right at the beginning is because in my view that kind of provision ought to be removed from all of our pension laws. For instance, the Public Service Superannuation Act, the Canadian Forces Superannuation Act, and the Members of Parliament Retiring Allowances Act all have the same provision. All through our legislation we find this eighteenth or seventeenth century idea that a woman is taken care of by a man. If he dies, she gets a pension, but if she finds another man to take care of her, out goes her pension.

It really is for the birds and I hope my hon. friend from Perth, and my hon. friend, the Minister of Transport, will agree that it ought to be taken out of all other pieces of pension legislation as well. By the same token I dislike very much another provision in those pension plans. Since the hon. member for Perth spoke, I have been unable to check back to the original act to see whether it applies in the Judges Act, but it probably does—if it does not, we are giving judges' widows preferential treatment. In most pension plans a widow does not qualify for a widow's pension if she married the person of whom she has become the widow after he left the job. That is certainly true in the Public Service Superannuation Act, the Canadian Forces Superannuation Act, the Royal Canadian Mounted Police Superannuation Act and the Members of Parliament Retiring Allowances Act.

● (1510)

I have heard from some former colleagues in this House who got married after they left here; they discovered that in the event of their death they had no widow's pension to leave to their widow. How nonsensical can we be that we do not recognize a woman's rights as a woman rather than on the basis of her attachment to a man and as to when that attachment took place. Let us get to the point where we treat men and women equally.

By the same token, there is something else we do to widows which is quite unfair. Like the hon. member for Edmonton-Strathcona (Mr. Kilgour), I think this whole package in Bill C-34 is too rich. He was probably speaking for himself rather than his party. I may not have the support of all my colleagues in saying this bill is too rich.

Again with the judges, and it is the same with members of Parliament, public servants, armed forces people, retired railway workers or what have you, if the man dies first, the widow gets only a portion of that pension. However, if she dies first, he receives the whole pension, 100 per cent. Maybe that was something to boast about when society first began establishing survivor benefits, but surely it cannot be defended in a day when we insist on equal rights between men and women.

I would like to see all of these inequalities and unfairnesses to widows corrected or removed, not only from the Judges Act but from all our of our pension legislation.

Still on the subject of widows, I am glad to see in this bill a provision to increase the pensions of widows of judges. I support that in principle. However, when I look at the amount, the minimum of $13,900 a year, subject to indexation down the road, I think of the fact that not long ago we passed a bill to provide pensions to the widows of disabled veterans, but the amount is nothing at all compared to this figure. What is worse, and in fact scandalous, is the fact that we provided that in some cases those widows should have to wait six and a half years before they draw the pensions to which Parliament has now said they are entitled.

Mr. Robinson (Burnaby): Shame!

Mr. Knowles: My colleague says shame. The whole House of Commons ought to say shame.

Mr. Baker (Nepean-Carleton): Shame!

Mr. Roberts: Shame!

Mr. Knowles: Now it is unanimous. I have a "shame" from each of the three parties in the House.

Mr. Baker (Nepean-Carleton): Move a "43" on Monday.

Mr. Knowles: Seriously, when are we going to come up to date? One of the arguments will be that if we give this kind of lead in Parliament, private pension plans will have to do the same. So what? One of the things Parliament should do is give the lead. As I said, the amounts in this bill make it look like something totally different from the normal pension statutes with which we deal. I am glad to see a little something by way of principle for widows, but I wish we would apply that principle in all pieces of legislation.

I urge that throughout the whole gamut of pension arrangements the widow's pension should be the same amount as the husband would get if she had died first. I argue as well that the person who is usually referred to as a second wife—she might not be, she might be the first wife of the old chap—should get the widow's pension despite the fact she may have married him after he left the bench or retired from whatever employment he had.

I know of cases where the so-called second marriage has lasted longer than the first. I know of many cases where in the so-called second marriage the wife had a great deal to do by way of attending to her husband in a period of illness and when the illness ended in his death, there was nothing for her. She may have been married to him for 25 years, but there was no pension for her because she married him after he went on pension.

I am glad the hon. member for Edmonton-Strathcona said what he did in this area. It prompted the Parliamentary Secretary to the Minister of National Defence (Mrs. Appolloni) to make an interjection. That prompted the hon. member for Perth to spend a good portion of his remarks on the question of how we treat these widows.

We have come a long way since I came to this place some years ago. However, we are still so far behind that we do not have the right to say we apply equality between men and women in terms of pension arrangements.

Miss Jewett: Or anywhere else.

Mr. Knowles: As my colleague appropriately adds, or anywhere else. She is on the list to speak in this debate and may have something to say on this score.

Having picked the middle or latter part of my speech out in order to give this matter the importance it deserves and because it followed on what had been said by others, I commend the hon. member for Edmonton-Strathcona on the statement he made on December 1 and again today with respect to this bill on the ground that it is rather rich. It is. The salary proposals, as I understand them, are such that although at the present time federally appointed judges draw salaries ranging from $47,000 to $69,000 a year, the new range will be $65,000 to $88,000.

I know all the arguments for high salaries—the need to get competent people and the fact that judges are lawyers who could make a great deal more in private practice. I also know that this is a time of restraint. Every day some motion under Standing Order 43 calls for something to be done for some needy group, and the government says no. In the Speech from the Throne, the government said it planned help where help is needed.

Certainly salaries have to go up. That is the course of history. When I first came here on a salary of $4,000 a year and discovered that cabinet ministers of the day were getting

an additional $10,000 and Mr. King was getting an additional $15,000, I wondered what they did with it all. I wondered what Mr. King did with a total of $19,000, plus a few other things.

Mr. Pepin: He gave it to the state after.

Mr. Knowles: He gave it to the state to make sure the state would not forget him.

Salaries do increase, partly because we produce a much greater volume of goods and services and partly because of inflation. However, when we talk about increasing salaries, those increases should start where they are most needed. We should not always bow to the proposition that those at the top should get the increases first. If someone says this may have a bearing on what I will be saying about increases for members of Parliament when that piece of legislation is brought in, my reply is that members know where I stood the last few times. I will be taking the same stand again.

I say this about judges. They themselves should say that they could get along and could be given lesser increases than are provided in this bill. I quite agree with the member for York South-Weston, the Parliamentary Secretary to Minister of National Defence, that maybe it was a bit of an insult for the member for Edmonton-Strathcona to say that a judge would take it out on him or his wife before the courts. I am sure he did not mean it that way and that no judge would act that way. I think judges have the respect of the citizens of this country because of the positions they hold and because of their impartiality; they do not need high salaries to get respect. I am looking across the way at a friend of mine. I will not name him in case he does not want to own up to it, but he is one who agreed with me in the elevator the other day that position in society is not necessarily marked by the amount of salary one receives.

● (1520)

Mr. Pepin: I also said we should not impose our virtue on other people.

Mr. Knowles: My hon. friend has identified himself and has added that we should not impose our virtue on other people. I do not think it is a matter of virtue. I think it is a matter of fairness, justice and common sense.

Let us go back to the widows of disabled veterans whose pensions were below the 48 per cent level and who have finally been accorded those pensions. Some of them must wait six and a half years. Judges' widows get it right away. I think of the people who are waiting, and who keep waiting, for salary increases. I find in this bill the increases are to be retroactive.

There are two stages of retroactivity but they will be retroactive whenever the bill is passed. As I read the bill, a judge who may have retired will still get the increase for the time he was on the bench, which is quite different from what happens to employees of the public service when there is an increase in salaries; it goes only to those who are on staff at the time it comes into effect.

I am just pleading for some fair play and justice in the whole thing. I know the arguments in defence of salaries as high as $88,000 a year. That is a lot of money. Ian Sinclair of the Canadian Pacific Railway receives a lot more than that.

An hon. Member: Half a million dollars.

Mr. Knowles: The only way we found out the amount of his salary was because the parent people in the United States had to reveal the information down there.

The other day one of my friends mentioned how much school teachers make compared with what members of Parliament make. I said, "Which do you want to be?" He did not hesitate for a moment. He said he would rather be in Parliament. I still believe there is some sense to Edward Bellamy's concept in "Looking Backward" when he suggested that the people who do the meanest, hardest and dirtiest work should be paid or compensated for it because those who are doing the kind of work we are engaged in have far more satisfaction in doing it. Now the hon. member is shaking his head, no doubt in disbelief.

Mr. Pepin: I am virtuous, but not to that extent.

Mr. Knowles: It seems to me the satisfaction that judges, members of Parliament and others get out of their jobs should be taken into account. We do not always have to put them first. There are too many people out there today wrestling with the prices of butter, milk, bread, tea and coffee, prices the Prime Minister (Mr. Trudeau) had to admit the other day he did not even know. These people worry from day to day. People are having to renegotiate their mortgages at 16 per cent, 17 per cent, 18 per cent and 20 per cent and are worrying about how far things will go. Yet, we can do what is in this bill, make it all retroactive and tidy it up.

There is something about all of this I want to propose, and I am going to propose it particularly in relation to the pension provisions in this bill. It has often been suggested in the House of Commons, when dealing with procedural matters and so on, that the practice we have of governments bringing in legislation in its final form, meaning that all the House can do is accept it or reject it, is not sacred. Maybe there are times when members of the House of Commons should have some input before a bill is put in its final form. We have done that a few times. We did it with respect to the National Transportation Act a few years ago; we have done it with respect to our divorce legislation and at other times as well. We have given a bill first reading and then, before it was given a second reading, had its subject matter sent off to committee so the whole thing could be looked over. This ought to be done with the bill before us. Instead of giving this bill a second reading, which is approval in principle, it would be far better if we sent the subject matter off to the Standing Committee on Justice and Legal Affairs and let hon. members like the hon. member for Edmonton-Strathcona, the hon. member for Perth (Mr. Jarvis) and the Parliamentary Secretary to the Minister of National Defence have some say precisely because there are all these salary figures allowances, widows' arrangements and pension arrangements.

At the end of my remarks I shall seek to move an amendment to the effect that the bill not be read a second time but that we send the subject matter off to committee. I am doing this not only because I think there should be that kind of discussion with respect to these salaries and what we do for widows—and my friend, the hon. member for New Westminster-Coquitlam would like to have something to say about how few women there are on the bench—but I do it particularly with respect to a major principle involving pensions contained in this bill. It is the decision of the government that judges' pensions are now to be non-contributory. I remember well from years ago when the pensions of judges were non-contributory and, incidentally, were paid only to the judge. I remember when judges came along to Mr. Ilsley when he was the Minister of Justice and complained there was nothing for the widow. A very happy solution was reached. The judge's pension was divided into two parts. One part was two-thirds, the other part was one-third. The two-thirds was considered as the judge's pension and the one-third was considered as the wife's pension. If she died first he lived on two-thirds of the pension and if he died first she received the third. They were all happy for a while but not happy ever after.

As they wanted better pensions, the government came in with the proposition that they should be put on a contributory basis and, on that basis, be made better off. Who was the minister who brought that into effect in 1975? None other than the person who is now the Minister of Justice. He was then the President of the Treasury Board. He proposed to put the pensions of judges on a proper basis—on the basis of a principle which was defensible—and mainly that they should be on contributory basis. Now that same individual, having been transplanted or transmigrated from the Treasury Board to the Department of Justice, says we should end the contributory principle. The argument is that it created two classes of judges—some on non-contributory pensions and some on contributory pensions. If you want to put it on the basis of equality, those who are out there should be required to pay for the pensions they received. That is a form of retroactivity which would be a bit rough. But it is really unfair to the whole public to pick out this one group of people and say "Your pensions shall be non-contributory". The bill goes even further than that. It not only proposes that from here on they shall be non-contributory, but that those judges who have contributed under the laws as applied since 1975 should get all their money back plus interest. You do not find very many examples of that in any pension plan.

● (1530)

I urge very strongly that that be reconsidered. I think it is too complicated for us to study here on the floor of the House of Commons, and that is why I think it should be looked at in the standing committee. The hon. member for Edmonton-Strathcona objected to our sending this bill to committee on the grounds that once it gets there, it is not likely to be changed by either a comma or a semicolon, and he is right. That is why I am suggesting, not that we send the bill to the committee carved in stone, but that we send the subject matter of the bill to the committee and let the members of that committee go over it before it is put in the final form in which it will come to this House.

I think that there are many aspects of the bill which should be considered, but I think that non-contributory pension provisions should be considered very carefully before they are put before us as something on which to vote in its final form. I believe that many members feel that way. I think the hon. member for Edmonton-Strathcona in that part of his speech speaks not just for himself but for a number of members in his own party, and I suspect that he and I are speaking for a number of Liberal members on the other side of the House as well. All of the other pension plans in this country are on a contributory basis. The only one I can think of that is not is the pension of the Governor General and the special pension for a prime minister who has been in office for four years. Poor Joe did not make it. There is some defence for that. The Governor General's salary was fixed in the British North America Act way back to begin with, and increasing it has apparently been difficult. The Prime Minister, of course, has provided a rather generous pension for governors general, but the present Governor General, before he took office, said he wants that act amended so that if he leaves that job before he reaches the age of 50, he would not get the pension at that point but it would be deferred until a later date. I believe the Prime Minister promised Mr. Schreyer, before he took the office, that this would be done, but he did want to look at something to protect his widow in case anything happened to Mr. Schreyer while he was Governor General. With these exceptions, and no doubt there are some others, I have no doubt there are big corporations which provide—

An hon. Member: What is that noise?

Mr. Knowles: I thought it was the reference to big corporations which produced that bang. It is not a bing-bong, bing-bong, is it? At any rate, there are so few instances of this that I think we should stand by the principle, and the judges themselves should be the first to want to be in that class.

There was an editorial in one of the national newspapers of this country the other day which said some of the things I am saying now, but it went a little further and I do not agree with that part of the editorial which says that there should not be indexing, there should be no indexing of public servants' pensions, or MPs' pensions or judges' pensions, until we are able to index all pensions. I think we should be going the other way. We have started. We have done some indexing of these pensions. We indexed old age security, the guaranteed income supplement, and the Canada Pension Plan. There are a few firms out there which index their plans, but I think what we should be working for is indexation across the board. So I do not quarrel with that part of it. The only comment I make is that it depends on the base, it depends on where you start. If you start way up in the stratosphere, you hardly need the indexing. These are the things we should consider.

I may be rambling a bit, Mr. Speaker, but I hope I have made the points I wanted to make. I should now like to present

an amendment which I hope Your Honour will see fit to accept. It proposes that we do as I said a while ago, that instead of voting for this bill as a bill, and thus entrenching it in the process, we send the subject matter to committee for study and for particular study of the pension provisions. Therefore, I move, seconded by the hon. member for New Westminster-Coquitlam:

That the motion—

The motion, of course, is that the bill be read the second time and referred to the committee.

—be amended by deleting all the words after the word "that", and by substituting therefor the following words:

"Bill C-34, an act to amend the Judges Act and certain acts in consequence thereof, be not now read a second time, but that the subject matter thereof, particularly the subject matter of the clauses relating to non-contributory pensions, be referred to the Standing Committee on Justice and Legal Affairs."

Mr. Deputy Speaker: The House has heard the motion. It appears to be in order.

Mr. Maurice A. Dionne (Northumberland-Miramichi): Mr. Speaker, I want to speak but I will be very brief, as is my usual fashion in this chamber.

There are good reasons, of course, for this bill being before the House. It is obvious that if we are to have the best people from the legal profession willing to accept positions on the various courts of the country, we will have to give them remuneration which though it may not be comparable to what they could earn in private practice, would give them a standard of living at least roughly equivalent to what they have become accustomed to. It would be a mistake, it seems to me, to fill the courts with the least successful lawyers in the country, and therefore I support—

Mr. Kilgour: Mr. Speaker, I wish to rise on a point of order. Would the hon. member permit a question, a very short point, now, or does he wish to wait until the end?

Mr. Dionne (Northumberland-Miramichi): I would prefer to wait until the end. At that time the question might not be necessary. As I was saying, I think it would be wrong and harmful to the judicial system if we were not able to attract the best legal minds to sit on the various courts of the country. Having said that, however, I want to go on to say that I, too, believe it is wrong for us as the Parliament to provide for the judges of this country a pension plan to which they do not have to contribute. I think it is important to remember that when anyone contributes to a recognized pension plan, those contributions are non-taxable and therefore the burden on anyone contributing to a recognized pension fund is eased by the fact that those payments are exempt from income tax.

So I want to make it clear that I support an increase in salaries for members of the judiciary in this country, but I do not support that portion of the bill which would make it possible for them to have their pension plan without making contributions to it. That is all I want to say, Mr. Speaker.

Mr. Kilgour: May I pose a question to the hon. member, Mr. Speaker?

Mr. Dionne (Northumberland-Miramichi): Please do.

[*Translation*]

Mr. Kilgour: At the beginning of his remarks, the hon. member stated that increasing judges' salaries would attract the best lawyers in Canada to the bench. Is he casting aspersion upon the judges who are now sitting on the bench? Does he mean to say that the judges we have now are incompetent?

● (1540)

[*English*]

Mr. Dionne (Northumberland-Miramichi): Mr. Speaker, I am glad the hon. member asked that question. I think it would be an interesting exercise if I were to put it back to him. However, I had no intention of implying any such inference in my remarks. I think one's imagination would have to be very active to come to that conclusion.

Of course, many judges are highly competent, have made great sacrifices upon accepting appointments to the bench and have made great contributions to jurisprudence.

Mr. Roberts: Hear, hear!

Mr. Dionne (Northumberland-Miramichi): On the other hand, I actually wonder about some judges.

Hon. Walter Baker (Nepean-Carleton): Mr. Speaker, I will not occupy the time of the House for long, but I listened to the comments of members on all sides of the House with respect to the question of the pensions of judges, particularly the contributory aspects of them.

Mr. Knowles: Non-contributory.

Mr. Baker (Nepean-Carleton): Well, the contributory or non-contributory aspects of them. Particular concern has been expressed that there is an implication in the bill that they will become completely non-contributory pensions, which the distinguished hon. member for Winnipeg North Centre (Mr. Knowles) indicated was not within the purview of what he would like to see; he made that very clear. Also the hon. member for Northumberland-Miramichi (Mr. Dionne) indicated that it was not satisfactory from his point of view. I know he speaks as a member of the Liberal party. He would not want me to say he was speaking in any other capacity, although I might question him on it. From the point of view of the official opposition, it also concerns us very much.

The reason I raise this at the outset is that in my respectful submission it renders somewhat questionable the necessity of supporting the amendment put forward by the hon. member for Winnipeg North Centre. I think his amendment was put forward on the basis that once the position had been completely adopted by the government, if the bill passed second reading stage, there was no hope that it could be changed in committee. As a matter of fact, there is a good likelihood that it could

be changed in committee, given the opinions voiced on all sides of the House.

The government House leader is present in the House. He knows I have spoken with him privately about that aspect of the pensions. It is the part which really concerns me, and I pass that comment to him. He has made no comment to me with respect to it, and I do not suggest that the hon. member for Northumberland-Miramichi is speaking for the government House leader or for the government. But, it is an indication of support on the government side of the House with respect to a concern which we share as well. We should all take it into account when considering the amendment of the hon. member for Winnipeg North Centre.

I would not engage myself in this debate if I did not think it was important. A number of opinions were expressed in the House about judges on December 1 and today. As the Minister of Justice and Minister of State for Social Development (Mr. Chrétien) said, sometimes we forget that there is a peculiar responsibility in the Parliament of Canada respecting the appointment of judges to ensure that the emoluments are sufficient to invite or entice the best in the profession to accept an appointment to the bench and not cast some doubt on the independence of judges because their emoluments, salaries and benefits may not be acceptable, having regard to modern day standards in the profession.

We must remember that judges are peculiar. While they are a special class of people by virtue of their work, they are also a special class of Canadians in the sense that when a federally-appointed judge accepts a position on the bench, he loses some of his most fundamental civil rights. He loses the right to speak publicly on a matter of public interest, even with respect to the operation of his own court except in a most peripheral manner. He loses the right to vote; he cannot choose his member of Parliament.

Indeed there is some doubt as to whether he can even approach his member of Parliament. Given that set of circumstances, this Parliament or any Parliament owes a particular duty to those individuals who accept that special brand of public service to treat them appropriately, but not overly kindly or meanly. We should not talk about them meanly because they cannot speak for themselves. It is important to remember that.

The hon. member for Winnipeg North Centre said something in the course of his speech to which I listened and which verified by asking someone else. He admitted that the judges should have some increase, but his quarrel seemed to be with respect to the amount. He thought the package being offered to judges was a bit rich in the circumstances.

Mr. Knowles: Too rich.

Mr. Baker (Nepean-Carleton): I see the hon. member nodding his head. It is a matter of opinion. I was the member of a government which considered the question of the pay package for federally-appointed judges. While the pay package we proposed during the life of our government was somewhat less than this one, I think it could be argued, if one wished to do so, that there has been a passage of time and that perhaps some adjustment should have been made to it.

But I say to my friends in the House that it is not a matter of principle; it is a matter of degree. When this bill goes to committee, as it is bound to, that issue will be discussed and evidence will be heard which I hope will move the minds of right-thinking members one way or the other as to whether the pay package should go up or down. I have to be honest with this court, the highest court in the land. I do not think the pay package is inappropriate. I am not prepared to quibble with $1,000, $2,000, $3,000 or having it stretched over three years. The fact of the matter is that judges, because of circumstances in this place and other places, have not received an increase, especially when we consider what most of them could earn outside. It is very difficult to arrive at a differential.

The principle which I try to apply in my own mind is that the pay package, the emoluments or the salaries of judges or their families ought to be such that they do not become an attraction for persons to accept appointments to the bench or a deterrent to persons accepting that particular public office. It is a difficult standard.

Another aspect is the independence of the judiciary. It is absolutely important to ensure that Her Majesty's judges are independent, that their minds are not moved by any other consideration than doing their jobs. They sit alone and judge the freedom of subjects, or whether one wins or loses a lawsuit or a dispute between two citizens. I do not know of any higher form of public service, including this House, which casts a greater responsibility on one individual than the responsibility which is cast upon a judge. Given that position, given the position we had when my party formed the government in Canada, and from what I know is happening in the United States, from discussions I have had with officials there with respect to their position, there is some difficulty in attracting the best people to the bench. And government justice ministers must make choices. I know that money will not be the complete attraction to the bench. Of course it will not be. But it ought not to be the deterrent to the excellence which we want to have on the bench. That is the principle which ought to guide us when we are considering this bill.

● (1550)

The hon. member for Burnaby (Mr. Robinson) in the course of his speech—some of which I enjoyed and some of which I say with respect to him was somewhat unfortunate—talked about the appointing process of judges. He said there was something wrong with a political party's minister of justice, who must belong to a political party, whether mine or someone else's, making appointments to the bench and that those appointments might be questioned because they might have a partisan ring to them. In other words, a person who has been prominent in the community may be known as a Liberal or a Conservative. That is always a problem. That is the great responsibility which falls on successive ministers of justice in this country, certainly since we have been in confederation. I think generally ministers of justice over the years, whether of

the party which now forms the government or my own party, have been very conscious of the importance of attracting the best men and women to the bench—the best that were available. I think the court has excelled itself with the federally-appointed judges, which is what we are talking about now. They have excelled themselves and excelled even the expectation of some of their staunchest supporters in their sense of fairness, justice, impartiality and in the unbiased attitude which they have brought to their work. I do not think there is anything terribly wrong with our process. I do not think there is anything wrong with the minister of justice consulting with the Canadian Bar Association. And I say "consulting" the Canadian Bar Association. I do not think there is anything particularly wrong with the minister of justice consulting the community in which the judge has practised before being considered for an appointment. I think that is appropriate. It is like everything else, it is a judgment call which the minister of justice makes when the invitation is put forward or an application to serve is accepted. I think that kind of discussion must go on.

The fact of the matter is our system has thrown up some fine judges. Our system has also thrown up judges who were not so fine. There used to be a story that every time I lost a case I always thought there was something wrong with the judge and when I won a case I thought the judge was a fine man, that he had a wonderful legal mind. In any event, our system has thrown up some pretty good judges. It is a fine judicial system which ranks with the best in the world. We want to make sure it continues to rank with the best in the world.

Mr. Peterson: Liberal appointments.

Mr. Baker (Nepean-Carleton): The hon. member missed the implication of what I said just a few minutes ago or he would not have interjected in the way in which he did.

It is exceedingly important that we have the best of the Bar come to the bench. It is in that respect that I commend the Minister of Justice. I commend his predecessors on both sides for the appointments they have made. Unfortunately, we did not have an opportunity to make as many but that was because of the time constraint. I hope that will be remedied as time goes on.

There is one other aspect of the bill which concerns me. I believe the judicial function is so unique that it ought not to be linked with respect to salary or with any other function. I notice the bill includes the Chief Electoral Officer, the Official Languages Commissioner, the Auditor General and other officials who do a great job, but their jobs are different from those of the judges. I think we must deal with them in a separate way. The member for Edmonton West (Mr. Lambert) commented with respect to an independent commission based on the Australian model with respect to the matter of salaries for judges, members of Parliament, senators, senior public servants and others. I think that is something the government should consider. I want to tell the ministers who are here that it is what we were considering when we were in government. I think it is worth while doing it.

Mr. Speaker, I do not intend to take up too much time but I felt, as a member of the Bar, and as a member who feels very strongly about the important responsibility which falls upon a government with respect to the appointment of judges, that I ought to speak in the course of this debate. I want to thank hon. members for the attention they have paid to what I have said.

Miss Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, the part of the bill I would like to begin addressing this afternoon, and which I will address at some other time since there are only five minutes left, is the part relating to the provision for 20 additional judges. It occurs to me how desirable and necessary it is that those 20 should be women. This bill gives us a good opportunity to start this process.

Mr. Knowles: It will still be a small minority.

Miss Jewett: Indeed, it would still be a small minority. There are now 657 federally-appointed judges in this country.

Mr. Pinard: Mr. Speaker, I rise on a point of order. It is not often that we ask that the rule of relevancy be applied. But there is an amendment on the floor which is asking to send a subject matter to committee. The hon. member wants to speak about the number of women judges to be appointed, which is fine with me. Maybe we could agree to dispose of the amendment now and then speak on the second reading, when it would be more relevant for the hon. member to speak about the number of women among judges. Everyone knows, Mr. Speaker, that the kind of amendment which is proposed is a pure dilatory measure. It has nothing to do with the seriousness of the subject matter to be studied in committee. In committee we can look at the bill clause by clause and discuss every aspect of it, including pensions. I would like the record to be clear, that this kind of motion is a dilatory measure. If not then—

Miss Jewett: They do not want women in the courts, that is all.

Mr. Pinard: —then the hon. member would not object to proceeding in the way I suggest, namely, that we dispose of the amendment and then come back on second reading when she will have the opportunity to make her point. That is the point of order I wished to raise, Mr. Speaker.

Mr. Knowles: I am sure that my good friend, the President of the Privy Council (Mr. Pinard), would not expect me to remain silent in the face of his point of order. A week or so from now he would not be talking that way, he would be wishing us all a merry Christmas.

Whatever he may think is the purpose of the amendment, I say to him that we feel very strongly about the things which are in the bill. We think they should be discussed in the terms of their subject matter rather than in terms of being passed at second reading.

As for the amendment, Mr. Speaker, you will note that it calls on the committee to pay particular attention to the subject matter of the clauses having to do with non-contributing pensions. It also refers the subject matter of the whole bill, and since the whole bill includes appointments it seems to me that the member for New Westminster-Coquitlam (Miss Jewett), if there is any time left, has just as much right to speak on that now as she will have when we come back to it next week or next year.

Miss Jewett: I refer you to the speech of the hon. member for Nepean-Carleton (Mr. Baker).

Mr. Deputy Speaker: Order, please. The President of the Privy Council is rising on the same point of order.

[*Translation*]

Mr. Pinard: Mr. Speaker, the hon. member for Winnipeg North Centre (Mr. Knowles) did not, in fact, refute the argument I put forward with regard to the dilatory nature of the amendment; I do not hold it against him: he is exercising his privilege.

Now, I want to point out to the House the fact that the hon. member who was scheduled to take the floor on motion for consideration of private members' business at four o'clock is unable to attend. The opposition parties have been advised accordingly and with their agreement we could pursue the debate on Bill C-34 until five o'clock. We would then have a good indication of whether or not the NDP really have any dilatory intentions.

May I offer them, at this point, to sit until five o'clock to study Bill C-34, seeing it is impossible for hon. members to proceed with consideration of private members' business?

Mr. Deputy Speaker: The hon. minister has suggested that the House pursue consideration of Bill C-34 until five o'clock. Is there unanimous consent?

• (1600)

[*English*]

Mr. Knowles: I am sure the President of the Privy Council would be surprised if I agreed. He knows I do not agree. It is four o'clock.

[*Translation*]

Mr. Pinard: As it is four o'clock, Mr. Speaker, and as I have explained the absence of the hon. member who was supposed to introduce motion No. 20, it would be very difficult to proceed with another motion on the order paper. We tried to contact at least 15 members at the last minute to replace the one who was to have moved motion No. 20, and it was impossible to find someone who was willing to do so. In all fairness to those who would like to take part in the debate, I believe that it is now quite impossible to use this hour for the usual purpose.

In view of the circumstances, and also of the refusal on the part of the hon. member for Winnipeg North Centre to proceed further with consideration of Bill C-34 today, I am forced to ask for the adjournment of the House. I therefore move, seconded by the hon. member for Winnipeg North Centre and the hon. member for Nepean-Carleton (Mr. Baker):

That this House do now adjourn.

Mr. Deputy Speaker: The President of the Privy Council (Mr. Pinard) has moved that the House do now adjourn. Is the motion of the hon. minister agreed to?

Some hon. Members: Agreed.

Motion agreed to.

[*English*]

Mr. Deputy Speaker: Accordingly, this House stands adjourned until Monday next at two o'clock p.m., pursuant to Standing Order 2(1).

At 4.03 p.m., the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Monday, December 15, 1980

The House met at 2 p.m.

• (1405)

ROUTINE PROCEEDINGS

[*English*]

SHIPPING

SUPERTANKER EXPERIMENT IN STRAIT OF JUAN DE FUCA—MOTION UNDER S.O. 43

Mr. Donald W. Munro (Esquimalt-Saanich): Madam Speaker, I rise under the provisions of Standing Order 43. I hope I shall receive unanimous consent for this urgent and important motion which involves the waters off our shores.

In view of the announcement by the U.S. coastguard that a test run involving a huge supertanker is to take place in the Juan de Fuca Strait next month and that the tanker involved is to have a displacement of from 150,000 to 200,000 tons, I move, seconded by the hon. member for Richmond-South Delta (Mr. Siddon):

That the Minister of Fisheries and Oceans and the Minister of the Environment withdraw any approvals they may have given for conducting this test run; and, in addition, that a protest in the strongest possible terms be sent to the U.S. authorities indicating Canada's complete opposition to any such project, experimental or otherwise, because if the experiment is successful, using a dummy cargo of seawater, it will be difficult to resist the pressure that is bound to be mounted to carry out real-life tests with the live ammunition of crude petroleum.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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AIR CANADA

ACTION TO ENSURE NO SLOWDOWN OR STOPPAGE OF SERVICE DURING HOLIDAY SEASON—MOTION UNDER S.O. 43

Mr. J. R. Ellis (Prince Edward-Hastings): Madam Speaker, with more Canadians planning to travel by air in the next three weeks than at any other time this year, the urgency of my motion is self-evident. I move, seconded by the hon. member for Richmond-South Delta (Mr. Siddon):

That the Minister of Transport is hereby directed by this House to take whatever steps are necessary to ensure that no slowdown or stoppage of air travel by Air Canada during the holiday season takes place for other than natural causes.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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FEDERAL BUSINESS DEVELOPMENT BANK

CALL FOR REDUCTION OF PENALTY—MOTION UNDER S.O. 43

Mr. Nelson A. Riis (Kamloops-Shuswap): Madam Speaker, I rise under the terms of Standing Order 43 on a matter of urgent business. Since this government's policies have led to escalating interest rates, many small businesses across Canada have had to turn to the rather weak business development bond as their only solution. Here they find that they are forced now, in many cases, to pay severe penalties to the Federal Business Development Bank. On the left hand the government is attempting to assist small business, while on the right hand those same small businesses must pay a penalty equal to six months' interest at the prevailing rate, or thousands of dollars, which they are obviously not able to pay to the Federal Business Development Bank. I therefore move, seconded by the hon. member for Beaches (Mr. Young):

That this House request the Minister of Industry, Trade and Commerce to have the six-month penalty clause reduced to ensure that the Federal Business Development Bank assist small business rather than hinder small business.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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PUBLIC WORKS

DREDGING CONTRACTS—FAIR AND EQUITABLE TREATMENT FOR CANADIAN COMPANIES—MOTION UNDER S.O. 43

Mr. J. M. Forrestall (Dartmouth-Halifax East): Madam Speaker, I rise under the provisions of Standing Order 43, and I am pleased that the Minister of Transport (Mr. Pepin) is in the chamber. On December 4 the Minister of Transport said, as reported at page 5393 of *Hansard*, in partial response to concerns over dredging tender policies:

I think the hon. member and some of his colleagues raised an important point tonight about the tendering methods with respect to Canadian-owned and

foreign-owned companies. The nine questions he raised will give me a chance, particularly in the context of Roberts Bank, to examine those matters properly.

● (1410)

In view of the shortness of time in this regard, I move, seconded by the hon. member for Central Nova (Mr. MacKay):

That this House call on the Minister of Transport to make a statement on motions setting forth the procedure government intends to follow in ensuring fair and equitable treatment for Canadian firms, which treatment they are currently denied, with foreign-owned companies competing for dredging contracts in Canada.

Madam Speaker: Presentation of this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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EXTERNAL AFFAIRS

POLAND—DECLARATION OF DAY OF PRAYER—MOTION UNDER S.O. 43

Mr. Stanley Hudecki (Hamilton West): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. In light of the critically tense situation in Poland, with the country in severe distress due to a shortage of food and supplies and an uncertain economic future, I move, seconded by the hon. member for Dauphin (Mr. Lewycky) and supported by the hon. member for Edmonton-Strathcona (Mr. Kilgour):

That this House declare December 21, 1980, as a day of prayer for peace and security for the citizens of Poland.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Madam Speaker: Is it the pleasure of the House to adopt the motion?

Some hon. Members: Agreed.

Motion agreed to.

* * *

INDIAN AFFAIRS

STATEMENTS ON ENDING DISCRIMINATION AGAINST INDIAN WOMEN—MOTION UNDER S.O. 43

Mr. Dave Nickerson (Western Arctic): Madam Speaker, under the provisions of Standing Order 43, I introduce the following motion. Whereas at the same time as external affairs officials were advising the United Nations that Canada plans to end discrimination against Indian women by amending the Indian Act next year, the Minister of Indian Affairs and Northern Development (Mr. Munro) was telling a parliamentary committee that no such changes were contemplated, probably until 1985. I therefore move, seconded by the hon. member for Edmonton-Strathcona (Mr. Kilgour):

That the Prime Minister be required to inform this House which of his ministers was telling the truth; was it

(a) the Secretary of State for External Affairs;

(b) the Minister of Indian Affairs and Northern Development; or

(c) neither of the above?

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

FINANCE

EFFECTS OF HIGH INTEREST RATES—MOTION UNDER S.O. 43

Mr. Girve Fretz (Erie): Madam Speaker, I rise on a matter of urgent and pressing necessity. Given the fact that the Canadian Federation of Independent Business has predicted 50,000 bankruptcies if the current policy of high interest rates is followed and, further, given that such warnings fall on deaf ears as far as the Minister of Finance (Mr. MacEachen) is concerned, I move, seconded by the hon. member for Oxford (Mr. Halliday):

That this House urge the Minister of Finance to visit during the Christmas season with children whose despairing parents are unemployed, thereby gaining an insight into what his hopeless policy means in terms of human suffering, in the hope that, once he has seen the results of high interest rates, the minister will drop his destructive and demoralizing policy.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

NORTHERN AFFAIRS

SUPPORT FOR INUKSHUK PROJECT AND NAALAGVIK II—MOTION UNDER S.O. 43

Mr. Peter Ittinuar (Nunatsiaq): Madam Speaker, I rise under the provisions of Standing Order 43. In view of the fact that Inuktitut broadcasting is a crucial part of the preservation of language and culture in the north, and that the Inukshuk project is the first Inuit television broadcasting system, officially opened on December 1, 1980, I move, seconded by the hon. member for Skeena (Mr. Fulton):

That this House recognizes and supports the continuing contribution that services provided by the Inukshuk project and the northern Quebec Naalagvik 11 offer to Inuit communities.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Madam Speaker: Does the House adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to.

• (1415)

ORAL QUESTION PERIOD

[*English*]

HOUSING

REQUEST FOR MEASURES TO OFFSET HIGH INTEREST RATES

Hon. Allan Lawrence (Durham-Northumberland): Madam Speaker, in the absence of the Prime Minister, in the absence of the Minister of Finance, in the absence of the Minister of Industry, Trade and Commerce, and in the absence of most ministers today, my question is directed to the Minister of Public Works in charge of CMHC who presumably has the duty and responsibility within government of formulating housing policies and programs which affect the purchase of land and the purchase of homes.

In view of the anger that is sweeping this country today and has been sweeping the country since last Thursday regarding the act of helplessness that the Minister of Finance has been putting on in this House respecting the lack of government policy to control the high interest rates, and because high interest rates vitally affect the housing industry, which in turn has a ripple effect through the whole economy, if the government cannot do anything about high interest rates—which we on this side reject entirely—is the minister in charge of housing in this country doing anything to formulate some new policies which would at least ameliorate the high cost of interest, the high cost of building, and the high cost of mortgaging for the people of this country in respect, perhaps, of a new tax deal for those who have to pay high interest rates?

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, some of the ministers mentioned by the hon. member are attending, of course, the funeral of a former member of this House who was also a former premier of the province of Quebec. I want to make that point if it does not come immediately to the minds of hon. members opposite generally.

With regard to the response of Canada Mortgage and Housing and the housing ministry to the question of interest rates, of course, that has been a problem and was a problem for this government immediately upon taking office. Some of the actions of the government, of my ministry and the corporation in response to high interest rates are, for example, the increase of 5,000 starts in social housing, improving the eligibility for people seeking to stay in their homes by making rehabilitation improvements in housing, and the redirection of the portfolio. For example, on Friday of this week I announced that looking at the take-up at the year end of social housing units, 1,000 more units were designated for the city of Vancouver. These modest steps, in response to a problem that we appreciate is difficult, have been taken while we look at the impact of the rates to see whether they will come down as they did in May and June.

Mr. Lawrence: Madam Speaker, in view of the fact that the Minister of Finance and the Minister of Industry, Trade and Commerce also find it necessary to attend funerals when the Prime Minister does—

Some hon. Members: Oh, oh!

Mr. Lawrence: —my supplementary to the minister in charge of housing is this. We know what the situation is and what the minister has been doing. My question was more directed to what he is going to do. With these high interest rates, is the minister going to come up with any measure at all now or in the future, and has he given any consideration to a measure, which will help relieve the high cost of interest for those people, especially young people, who desire and need to buy new housing in this country?

Mr. Cosgrove: Madam Speaker, first of all, I have taken the opportunity in the last few weeks to visit the minister for housing for the province of Ontario and discuss this problem with him, because indeed the major pressure so far as housing is concerned at this time is rather not the opportunity for people to enter the purchase market, but is in effect the tight rental situation in some of the metropolitan areas. That is our first priority.

• (1420)

I have had an opportunity of meeting with the minister from the province of Ontario and I have had a discussion with the minister from the province of British Columbia. These are the two provinces in which the rental situation is the most acute. I have attempted to encourage the ministers, in response to the step taken by the Minister of Finance of reintroducing the MURB provision, to consider whether the response of the provincial ministers, in their areas of responsibility for housing, could complement that initiative of the federal government so as to ensure a meaningful response by governments to those people facing tight rental situations.

Mr. Lawrence: Madam Speaker, I am having a hard time getting through to the minister. Interest rates have gone up 4 per cent since the budget. CMHC is on the verge of bankruptcy, solely and simply because people are turning in their keys and walking out of their mortgaged premises. The construction industry is facing the worst time it has faced since the great depression of the 1930s, if not before, yet the minister has had but two discussions, one with a provincial minister in Ontario and one with a provincial minister in British Columbia.

Mr. Nielsen: What is he going to do?

Mr. Lawrence: Madam Speaker, what is the minister doing now with respect to housing in this country? Will he come up with any new deal? If not, will he say so?

An hon. Member: Higher interest rates.

Mr. Cosgrove: Madam Speaker, the provision in the budget dealing with the reintroduction of MURBs is a provision associated with the ministry of finance. This takes time, in fact some few months, to come on-stream. Therefore, we do not know, for example, how quickly the 10,000 to 15,000 starts expected to be generated by that provision will impact on the market. It does take some time to observe that movement in the market.

Mr. Nielsen: You are monitoring the situation.

Mr. Cosgrove: I am meeting with the corporation and with major players in the industry to see whether there is any movement in the industry and whether that provision will have impact. I would think that 15,000 units in a market where total starts for the year are approximately 160,000 is a significant step by this government, and we are waiting to see what effects do take place.

Mr. Crosbie: Resign. You have nothing to offer.

MORTGAGE INSURANCE FUND—SALE OF VACATED HOUSING UNITS

Hon. Elmer M. MacKay (Central Nova): Madam Speaker, my question is also directed to the minister responsible for housing. If I understood him correctly, he referred to 15,000 new starts which he hopes will take place this year through the provision in the budget for MURBs. With respect, I cannot see how this can possibly generate that kind of activity; I hope it does, but can I ask the minister this question? With respect to the large amount of units of various kinds in the mortgage insurance fund portfolio which have to be sold, may I ask what progress the minister is making in this sale? Are the units being sold by open tender so that all possible purchasers, of whatever ilk, have an equal chance to buy them? Could the minister give us a brief report? I realize, as I am sure the minister does, that the mortgage insurance fund badly needs to be made more liquid so that more funds will be available for emergency housing measures.

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, I am pleased to relate to the hon. member, who had responsibility in this portfolio several months ago, that indeed the corporation's objective of disposing of some of the numerous claims on the fund is moving ahead according to plan. That is, the corporation expected, with the assistance of the loan made by the former government to the corporation to tide it over during this period, together with its sales program, that this would result in the corporation putting the fund back into a solvent or static position, bearing in mind the run on it in the last two years. The target of having that position established by the spring of 1982 is on course. The sales program is working. The number of units sold thus far this year is around 18,000, I believe. We expect to reach the limit of 20,000 units. It is on a restricted proposal basis, but the real estate boards of the major metropolitan areas have all been canvassed and all are participating in the sales program.

• (1425)

Mr. MacKay: I thank the minister for that information. I want to ask him about another topic in his portfolio which I know he feels is important. What progress is the minister making with respect to bringing in a shelter allowance? I hope that this scheme, which has already been costed and which, according to our calculations, was slightly in excess of $100 million for producing shelter for senior citizens over 65 years of age, will be brought in fairly soon in order to alleviate difficulties in which senior citizens are finding themselves with this kind of housing market and the rental conditions they face.

Mr. Cosgrove: Madam Speaker, the proposal for a shelter allowance, of course, was one of the recommendations of the Matthews report, a document reported to the hon. member in his responsibility for this portfolio in the last government. It is a matter which has interested me from the first day of assuming responsibility for this portfolio.

The costs vary from the amount given by the hon. member and, indeed, if the proposal is expanded to other areas, could be much higher. I have asked the officials of the corporation to prepare a report showing the costs and the possibility of introducing this proposal, bearing in mind the many claims for other types of assistance, such as non-profit co-operatives and our senior citizens program. That report has been made available to other ministry officials in the social area of the cabinet portfolio. It is my hope, with the report back from the other ministries, that these financial implications can be available for the cabinet at about the time the national housing conference is under way in Ottawa, which will be early in March.

* * *

THE ECONOMY

EFFECT OF BUDGETARY AND ECONOMIC POLICIES

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, I had hoped to direct my question to the Minister of Finance; instead I will direct it to the Minister of State for Finance. I am sure the minister recognizes that both the budgetary and economic policies of this government are working a great hardship upon the majority of the people. They are destroying any chance of the auto industry recovering and creating a level of personal and business bankruptcies unheard of in Canada in the past. Prices are being driven up at every single level where consumers are involved. They are slowing the industrial expansion and replacement plans of almost every industry and commercial sector in this country.

Mr. Nielsen: And you voted for all of it.

Some hon. Members: Hear, hear!

Mr. Deans: The high interest rate policy of this government is making it necessary for Canadians in almost every municipality to walk away from their homes which they had saved for and purchased. They are being faced with having to lose their entire investment. I want to ask the minister how long must this decay go on. At what point in the decay will this government move to create policies which will meet the obvious problems confronting by far the vast majority of people in this country today?

Mr. Crosbie: Ask Bob Rae.

[*Translation*]

Hon. Pierre Bussières (Minister of State, Finance): Madam Speaker, the hon. member has elected to draw conclusions from circumstances of a single moment, from a single snapshot, as though this snapshot provided the complete picture of the Canadian economy for the forthcoming years. The hon. member knows full well that the country is still at grips with major inflationary pressures, that no one has yet come up with a short-term magic formula to solve these problems which are perturbing not only the Canadian economy but indeed the North American economy as a whole. It is through medium and long-term action as well as the concerted effort and will of all economic agents that we will overcome the inflationary threat, allow our economy some breathing space and contribute to its full recovery.

● (1430)

[*English*]

Mr. Deans: Madam Speaker, the minister speaks of inflation. How does the minister propose that we solve inflation problems in the long run in this country if one of the primary industries is unable to sell its product because of high interest rates, or if the majority of the manufacturing sector is unable to undertake the retooling and development necessary to meet future demands, both here and outside the country, or if the majority of people who are earning today do not make enough money—

Madam Speaker: Order, please. The hon. member has very long preambles to all his questions. I think I have to ask him to co-operate with the House and ask briefer questions.

Mr. Deans: Let me put it quite simply, Madam Speaker.

Some hon. Members: Hear, hear!

Mr. Rae: The higher the interest rates, the longer the preamble!

Some hon. Members: Oh, oh!

Mr. Deans: The minister indicates that high interest rates are necessary to fight inflation. Inflation continues to rise apace with high interest rates.

Some hon. Members: Question.

Mr. Deans: What does the minister propose to do to bring the interest rates down in order that people can live in Canada in the way to which they are entitled?

[*Translation*]

Mr. Bussières: Madam Speaker, I am afraid the problems with which our economy must cope are not so simple. We will know better days only if we put time on our side, as well as the concerted effort and will of all the economic agents I mentioned earlier. In his budget speech the Minister of Finance clearly indicated his intention to support fully the Bank of Canada's policy aimed at gradually reducing the money supply through tax measures which will create the fiscal framework necessary for the recovery of the Canadian economy. I am convinced that these medium and long-term measures will carry us through this critical period.

[*English*]

Mr. Deans: How does the economy recover if people cannot afford to buy?

An hon. Member: Good question.

* * *

NORTH ATLANTIC TREATY ORGANIZATION

SITUATION IN POLAND—POSITION TAKEN BY CANADA AT CONFERENCE

Hon. Flora MacDonald (Kingston and the Islands): Madam Speaker, my question is for the Secretary of State for External Affairs who has just returned from the NATO ministerial meetings in Brussels. All the reports from those meetings—the communiques and statements by other foreign ministers as well as the journalistic reports—have indicated that there was unanimous agreement among the NATO partners that if there was to be Soviet intervention in Poland, it would be met by tough countermeasures of a political and diplomatic nature by the members of NATO. I should like to ask the Secretary of State for External Affairs whether he gave Canada's support to the NATO response in this regard; and second, I should like to ask him if he views the NATO statement as an intervention in Poland's internal affairs?

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, Canada not only fully supported but was in part responsible for the NATO consensus. We support very strongly the consensus which emerged and which was stated in the communique. I think the hon. member might have in mind other comments which have been made subsequently by other governments in interpreting the NATO communique or by the Secretary General of NATO. Those comments are not part of the foreign policy of Canada.

An hon. Member: We were not thinking of that.

Miss MacDonald: I set forward the statement which had been made to which the minister had agreed, that there would be tough political, economic and diplomatic countermeasures

taken by NATO. That was the statement made by Secretary General Luns of NATO and by other ministers, and it was to those statements to which the Prime Minister of this country took exception in his press conference last Friday when he said:

> I find it useless to speculate on what we would do if there was an invasion of Poland by the U.S.S.R. I find this type of speculation completely inopportune—
>
> I find all speculation . . . very ill-advised—

Those were the statements of the Prime Minister of Canada after unanimous agreement by NATO members on the way in which they would meet Soviet intervention in Poland.

Some hon. Members: Question.

An hon. Member: Speech.

Miss MacDonald: I should like to ask the minister whether he was aware of the Prime Minister's view before he agreed with the NATO members as to the stand which Canada would take; and did he communicate the views of the Prime Minister to the other NATO ministers before he agreed with their stand?

Mr. MacGuigan: Madam Speaker, the statement which was expressed in the NATO communique was not the statement which the hon. member had quoted, which was the statement made by the Secretary General of NATO and which was misreported here. The statement which was made by the allies reads as follows:

> The allies would be compelled to react in the manner which the gravity of this development would require.

The other relevant statement which was made was that détente could not survive if the Soviet Union were again to violate the basic rights of any state to territorial integrity and independence.

There was a report on Friday, an entirely erroneous report, that the Secretary General of NATO had stated there would be military consequences, a military reply by NATO to any intervention in Poland. That was not what the Secretary General said, it is not part of the NATO communique, and it was not part of any explicit agreement which was arrived at by the foreign ministers.

Miss MacDonald: Madam Speaker, there seems to be a great deal of difference between the line which the Secretary of State for External Affairs is taking and that of the Prime Minister of Canada. One says yes, NATO agrees that there would be need for action in the event of Soviet intervention—and I understand the minister agrees with that—whereas the Prime Minister says it would be useless to speculate on action of any kind that NATO might take. I want to ask the minister when he will get together with the Prime Minister to find out exactly which line Canada is taking.

An hon. Member: Who speaks for Canada?

Miss MacDonald: Are we going to be backing our NATO allies on this question, or is the government going to be siding with the Prime Minister in his criticism of NATO?

Mr. MacGuigan: Madam Speaker, there is no problem with government policy in this respect. The government's policy is clearly one that there will be a strong and appropriate reaction to any intensification of the crisis with respect to Poland. The position which the Prime Minister has enunciated, and which I myself have repeatedly stated in other forums since the NATO meeting, is that speculation as to the form that those reactions might take is entirely unwarranted. It would not serve the cause of world peace if we were to speculate in that fashion, and in fact it was agreed, because of the large number of scenarios which could possibly occur, that the NATO foreign ministers would be called together immediately upon an intensification of the crisis with respect to Poland. Therefore, in fact, Canada's position is clear. It is the same as that of other NATO states, namely, that the effect on détente would be incalculable, serious and destructive if there were to be any Soviet attack on Poland and that the consequences would be strong and severe; but there is no attempt to detail what those consequences would be.

Some hon. Members: Hear, hear!

* * *

AGRICULTURE

FUTURE OF CANFARM—GOVERNMENT POSITION

Mr. Jim Schroder (Guelph): Madam Speaker, my question is directed to the Minister of Agriculture. Considering that the Canfarm co-operative program is recognized worldwide as the best specialized farm accounting software available to help commercial farmers with increasing business demands of the 1980s, considering that the federal government has already invested over $50 million in developing Canfarm and has provided direct and indirect aid to Canfarm in the amount of over $6 million, and considering that Canfarm has made substantial progress in gaining the support of farmers and accounting firms across Canada, I should like to ask the minister what steps the government is prepared to take to make sure that Canfarm, whose management technologies are in the forefront of this kind of activity, is not lost to the Canadian farmer and is not lost to Canadian agriculture in general?

● (1440)

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, there are 350,000 farmers in Canada, and between 5,000 and 6,000 belong to Canfarm. As the hon. member says, it is a very good program. We had a meeting again this morning with some of our partners in financing. We met with the Canadian Co-operative Credit Society for over an hour and discussed new ways and means of trying to keep Canfarm alive; but if those who applaud Canfarm so generously would

encourage farmers to join Canfarm, that would be the simplest solution.

* * *

NORTH ATLANTIC TREATY ORGANIZATION

SITUATION IN POLAND—POSSIBLE SOVIET INTERVENTION—INQUIRY RESPECTING COUNTER-MEASURES

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, my question is directed to the Secretary of State for External Affairs, and it is supplementary to that of the hon. member for Kingston and the Islands. Can the Secretary of State for External Affairs tell us whether the NATO ministerial meeting discussed in any detail potential forms of NATO reaction?

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, I think the most I can say on that is that there was a very general discussion of all the possibilities of action and reaction and that there was a strong consensus on the part of the ministers.

Mr. Clark: Was it the position of the Government of Canada as represented by the Secretary of State for External Affairs or the Minister of National Defence at these NATO ministerial meetings, as distinct from the very general discussion the Secretary of State for External Affairs indicated ensued, that no specific discussion should be undertaken, and was that a minority position?

Mr. MacGuigan: Madam Speaker, we did not take any minority positions; we were always in the majority. In fact, there was unanimity in all of the questions discussed. I think perhaps the best way I can answer the question of the right hon. member is to say that there was agreement that foreign ministers would be called immediately on the intensification of the crisis and that that would be the appropriate time for decision-making on what courses of action should be taken.

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PENITENTIARIES

DORCHESTER, N.B.—ALLEGATIONS OF VIOLENCE—CONFIRMATION IN REPORT OF SPECIAL INQUIRY

Mr. Svend J. Robinson (Burnaby): Madam Speaker, my question is for the Solicitor General and it concerns recent very serious allegations of violence at Dorchester penitentiary. The Solicitor General has, up until now, categorically denied allegations that following the tragic hostage-taking incident on the D-4 range at Dorchester, prisoners on that tier were subjected to physical and mental torture, that they were stripped and handcuffed with their arms extended through cell bars and then maced and beaten about the hands for some five or six hours. The minister stated that he was relying upon eye witness reports of the warden and the fact, as he put it, that the RCMP were present at all material times.

Will the Minister now confirm that the RCMP were not in fact present at all material times, as he has stated, and that these very serious allegations of violence have been substantiated by the confidential special inquiry report of his own inspector general; and what action does the minister intend to take as a result of this very serious confirmation?

Hon. Bob Kaplan (Solicitor General): Madam Speaker, my understanding from the information I have is that there was an RCMP officer present at all material times. I know that there certainly was an RCMP officer there for a great deal of the time following that incident. I can and will check into whether an RCMP officer was there for the five hours which the hon. member suggests were material.

As to allegations respecting whether further incidents or any incidents of violence took place, I repeat what I said before. I have the report of the inspector general to which the hon. member referred, and no such incidents following the release of the hostages in that five-hour period have been substantiated.

Mr. Robinson (Burnaby): Madam Speaker, I too have a copy of the confidential special inquiry report, and the minister has misled the House.

Some hon. Members: Oh, oh!

Mr. Robinson (Burnaby): The special inquiry report states, for example, and I quote:

> There is little doubt that many inmates were maced because they did not react to commands immediately and that they did not do so because they could not hear properly what was being said through the gas masks.

There was rough and unprofessional behaviour. Many inmates were beaten about the hands for some five or six hours. The RCMP were not present for the critical period of time. That is what this special inquiry report states.

In view of that and in view of the fact that until now the minister has stated that these very serious allegations should be subtantiated by an independent source and that the allegations have been substantiated by his own inspector general, is the Solicitor General now prepared to appoint a fully independent judicial inquiry to get to the bottom of this serious incident and the other serious incidents which have taken place at Dorchester so far?

Mr. Kaplan: Madam Speaker, I have not seen the language the hon. member read. He says he has a copy of the report. I thought I had a copy of the report as well. I took a quick look through it this morning. I would be very glad to see the copy of what the hon. member says is a report, to look through it and make a statement to the House about it.

Oral Questions

CAPITAL PUNISHMENT

REQUEST FOR VOTE ON PRIVATE MEMBER'S BILL

Mr. Bill Domm (Peterborough): Madam Speaker, last month in the House I asked the Solicitor General a question which dealt with allowing one of the many private members' bills on capital punishment to come to a vote rather than it being talked out by members of the government party. The minister suggested I ask the government House leader that question since it was in his jurisdiction to determine whether matters of this nature should be allowed to come to a vote.

I will ask my question of the government House leader. Would he give serious consideration to allowing one of the many dozens of private members' bills concerning a return to capital punishment to come to a vote in this House of Commons and not be talked out by members of the government party?

Mr. Jelinek: And if not, why not?

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, I am advised that a similar bill was discussed not very long ago. I think it would be advisable to give a fair opportunity to all members who have sponsored private bills. We will follow the order established in the Standing Orders and in the order paper. I am convinced that the hon. member does not want us to violate the Standing Orders and deprive other members who have very interesting bills to discuss and are waiting their turn.

[*English*]

Mr. Domm: Madam Speaker, it is not giving everyone in this House a fair opportunity if the government will not allow a bill to come to a vote.

My supplementary question is also directed to the government House leader. If he will not listen to the opposition and allow these bills to come to a vote, would he listen to the people of Canada who through three years in a row have been surveyed? Gallup polls indicate that 70 per cent to 75 per cent of the people support a return to capital punishment. If the minister will not listen to the opposition, will he listen to the people of Canada and at least allow one of these bills to come to a free vote in this House of Commons, as promised by the former Conservative government?

[*Translation*]

Mr. Pinard: Madam Speaker, I am advised, if I am not mistaken, that when the matter was discussed during private members' hour not long ago in this session, it was a Conservative member who indeed talked that bill out. In that case it was the hon. member for Edmonton East.

[*English*]

HOUSING

AHOP—ASSISTANCE RESPECTING SHELTER COSTS

Mr. John McDermid (Brampton-Georgetown): Madam Speaker, my question is directed to the Minister of Public Works who is responsible for CMHC. My question is with respect to AHOP. Under the program 30 per cent of income is allowed for housing for people who are suffering very severely. Mortgage rates have increased from 8 per cent to 15 per cent or 16 per cent. How did the minister inform AHOP owners of this plan, and how many have taken advantage of it?

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, I assume the hon. member is speaking about the program change introduced in March of this year. That change guaranteed those people in the program whose shelter costs exceeded 30 per cent that those additional costs would be underwritten by the corporation and not be part of the demand for payment either under their repayment plan or part of their loan forgiveness. My understanding is that at the end of October approximately 420 people had qualified and had taken advantage of that provision. It was administered in the various local offices of CMHC across Canada.

Mr. McDermid: Madam Speaker, I would like to ask the minister, if the program is working so well, why 50 to 75 homes per month in my area of the county of Peel alone are being returned to CMHC. What is the minister going to do about that?

Mr. Cosgrove: Madam Speaker, I am very pleased to advise the hon. member that since the program change was announced in March of last year, the rate of claims against the fund has decreased. The number of defaults against AHOP has decreased. The problem is diminishing. Although it is severe in the hon. member's riding—and I appreciate that—I would like to indicate to the hon. member that when we consider that approximately 139,000 families took advantage of the program, and when there is is a decrease in defaults we are indeed hopeful that the improvement will be to the advantage of all.

* * *

● (1450)

SHIPPING

SUPERTANKER EXPERIMENT IN STRAIT OF JUAN DE FUCA—GOVERNMENT POSITION

Mr. Jim Fulton (Skeena): Madam Speaker, my question is directed to the Minister of State for Science and Technology and the Minister of the Environment. Recently he informed me that there is inadequate equipment on the coast of British Columbia to clean up an oil spill. A recently released United States coastguard report predicts that tanker traffic on the British Columbia coast will cause three major crude oil spills per year. Now the United States plans to bring a very large

crude oil carrier through the Strait of Juan de Fuca in January, contrary to the marine mammals protection act and various United States federal regulations. Will the minister tell the House whether he supports this individual project for a crude carrier to come through the Strait of Juan de Fuca and, if so, is he now supporting the Trans Mountain or the northern tier project?

Hon. John Roberts (Minister of State for Science and Technology and Minister of the Environment): Madam Speaker, I have not given my support to this project which, on the basis of information given to me, I understand is one that is taking place entirely in American waters.

NAVIGATION AND EMERGENCY PROCEDURE TESTS

Miss Pauline Jewett (New Westminster-Coquitlam): Madam Speaker, my question is directed to the Secretary of State for External Affairs. Is he aware of the navigation and emergency procedure tests which are being planned for January by this oversized supertanker? Was the minister consulted, and what is he doing to inform the United States administration of our opposition to these plans?

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, we have not made an objection to this specific trial run for the reason that it is not only within American waters, as my hon. colleague said, but also because on this occasion it will be carrying sea water rather than oil. So there is no possible danger on this occasion, but we have made it known frequently to the American authorities that we are very concerned about the possibility of tankers containing oil using the strait. Certainly we are not abandoning that position; we are pressing it strongly with Washington.

INQUIRY WHETHER PROTEST MADE TO UNITED STATES ADMINISTRATION

Mr. Donald W. Munro (Esquimalt-Saanich): Madam Speaker, my question is directed to the Minister of Fisheries and Oceans, the Minister of State for Science and Technology and the Minister of the Environment, or to the Secretary of State for External Affairs.

Despite the acknowledged fact that these experiments can be carried out in United States waters, there are several related facts which ought to be borne in mind. First, that the currents carry northward from where the experiments will be taking place; second, that if these experiments are conducted without protest, it virtually forecloses any possibility of preventing the real supertankers from coming in. I ask all three ministers if they will rise in unison and say that they will protest—

Miss MacDonald: They would never agree.

Mr. Munro (Esquimalt-Saanich): They could not speak with one voice, that is true. Why has no protest been made in this instance? It is sea water being carried, but they are not refining sea water, they are refining petroleum.

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, we have by no means given away our position—

An hon. Member: Oh, oh!

Mr. MacGuigan: No, we have not.

Mr. Nielsen: What position?

Mr. MacGuigan: —with respect to the passage in these waters of oil tankers. Our position is one of great concern which we have communicated consistently and persistently to the American authorities. But we believe we should protest voyages which can cause damage. This trip is an experimental one within United States waters by a tanker carrying a cargo of sea water. I ask my hon. friend how it is possible to make a formal objection to that kind of voyage.

* * *

[*Translation*]

FISHERIES

STRINGENT INSPECTION STANDARDS FOR EASTERN CANADA SEA PRODUCTS

Mr. Alexandre Cyr (Gaspé): Madam Speaker, my question is directed to the Minister of Fisheries and Oceans. The quality of fish remains a problem in eastern Canada and several factors are involved, such as the nets that are used and the storage of catches both on boats and on shore. It seems that for several years now the fish industry has shown greater concern for quantity than quality. Does the minister intend to adopt more severe inspection standards to improve the quality of our sea products?

Hon. Roméo LeBlanc (Minister of Fisheries and Oceans): Madam Speaker, I thank the hon. member for putting his question: it gives me the opportunity to answer highly erroneous articles published recently. The truth of the matter is that at times the quality of our fish production is not constant; foreign buyers not being advised of this, they do not know whether they are dealing with fish of prime or inferior quality. We intend to introduce a permit system that would set the standards to be respected in processing plants as well as on the boats that deliver fish to the plants. In that way, instead of having a problem in the future, we will, on the contrary, build up the Canadian reputation in the field of fish exports.

Oral Questions

McDONALD ROYAL COMMISSION

SUGGESTED PRO-GOVERNMENT BIAS OF MEMBERS

Mr. David Kilgour (Edmonton-Strathcona): Madam Speaker, my question is directed to the Solicitor General. It deals with the McDonald commission and I shall put it in English.

[*English*]

The commission has been sitting for four years. One of its members made a $500 donation last year to the Liberal party while the commission was sitting. The chairman is the past chairman of the Alberta Liberal party. Recently it has been indicated that a complaint against his colleague, the minister of energy, was heard in secret and dismissed without hearing the minister. Does the minister not think that perhaps the point of a reasonable apprehension of pro-Liberal or pro-government bias has been met by the commission? Therefore, would he not consider turning over all the relevant evidence to the various attorneys general?

Hon. Bob Kaplan (Solicitor General): Madam Speaker, the McDonald commission has proceeded for a very long time, and in that period of time it has certainly well demonstrated its independence from the government of the day. I am looking forward to its report and we are doing everything we can in government to co-operate with the McDonald commission so that the report will be of maximum use to Canadians when it is available. As I have indicated to the House, it will be received by the government by the end of next March. Shortly thereafter, all relevant findings and evidence will be brought to the attention of provincial attorneys general and to my colleague, the Attorney General of Canada. I hope that in very short order the recommendations of the McDonald commission will speak for themselves to Canadians regarding the independence of its work.

Mr. Kilgour: Madam Speaker, the question of a stale prosecution as a term of law does not seem to be well known to the Solicitor General. My question is one of apprehension of bias. The minister will be aware that Marshall Crowe was found by the Supreme Court of Canada to create such a reasonable apprehension of bias that he was unfit to consider hearing the Mackenzie Valley pipeline inquiry before the National Energy Board. Does the minister not think that the indications of pro-government bias already demonstrated by the McDonald commission are far greater than they were in the case of Marshall Crowe?

Mr. Kaplan: Madam Speaker, I am not aware of any evidence of pro-government bias by the McDonald commission. When members opposite formed the government, they had a full opportunity, if they felt that way, to do something about it. My understanding was that the government, which the hon. member supported, also supported and co-operated with the McDonald commission in the hope that its findings would be forthcoming soon and would be of maximum benefit.

ENERGY

INQUIRY RESPECTING CONTINGENCY PLANS TO ASSIST UNEMPLOYED OIL WELL DRILLERS

Mr. Bill Wright (Calgary North): Madam Speaker, my question is directed to the Minister of Employment and Immigration. Last Friday in the House I quoted from the November report of the Canadian Association of Oilwell Drilling Contractors which indicated that 200 rigs were leaving Canada and that 10,800 workers would lose their jobs. On Friday morning the minister was present at a meeting in which the drilling contractors told him that the total could reach 200 rigs with 12,000 workers losing their jobs. Could the minister tell the House if he has any contingency plans to help those workers?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, we pretty consistently monitor job registrations and vacancies in the province of Alberta. I can report to the member that as of last week the number of registrations in our offices is down from what it was last year, showing that there is less demand for job applications than almost a year ago.

Mr. Crosbie: You have given up.

• (1500)

Mr. Axworthy: The fact of the matter is, Madam Speaker, that there is such an intense demand for labour in the province of Alberta, particularly skilled labour, that where there may be a small downturn in one part of the economy, or in the industrial sector, there is a very major upturn in other parts. There will still be a very intense demand for labour in the province of Alberta without any abatement whatsoever.

Mr. Wright: Madam Speaker, my supplementary question is addressed to the same minister. A recent financial magazine reported that there would be job losses in the following Ontario cities: Stratford, Welland, Hamilton, Sault Ste. Marie and Peterborough. Those were the only cities mentioned. I wonder if the minister could tell us if he is aware of the number of workers who will be laid off due to the downturn in the oil industry, and what are his plans to help these workers?

Mr. Axworthy: Madam Speaker, I think I just pointed out to the hon. member that there is already a very intense demand for labour in the province of Alberta. If the hon. member would look at the proposals and initiatives put forward in the budget, he would see that the kinds of incentives which are being offered major exploration and development and in regard to conversion from oil to gas, amount to approximately $8 billion to $10 billion worth of reinvestment back into the economy, which will create a strong demand in the entire country.

MUNICIPAL AFFAIRS

REQUEST FOR EXTENSION OF COMMUNITY SERVICES CONTRIBUTION PROGRAM

Mr. Maurice Foster (Algoma): Madam Speaker, my question is for the Minister of Public Works responsible for CMHC. In view of the concern being expressed by municipalities about the discontinuance of the community services contribution program, will the minister consider extending the program for at least one or two more years beyond the planned termination date of 1982, to allow projects which are now planned and committed to tender to be completed and so that these municipalities will be able to finish these projects?

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, the government indicated there would be no extension in terms of the funding committed for this program. The funding is scheduled to terminate at the end of March, 1982. I have had submissions, not only from the hon. member but from many municipalities and other hon. members, to the effect that the time committed for the use of these funds be extended. These groups have asked whether that type of proposition would be available. The corporation officials have prepared a submission to the government and to Treasury Board asking them to consider the impact of such an extension of the period of time of payment, bearing in mind we are attempting to free up time and space for new program initiatives starting in March, 1982. If such an extension were granted it would have to be on the understanding that the moneys paid out in 1981-1982 would be reduced accordingly if moneys are paid out in 1982-1983. I am awaiting an answer with respect to that.

* * *

[*Translation*]

THE LATE JEAN LESAGE

HOUSE OF COMMONS TRIBUTE

Hon. Jean-Luc Pepin (Acting Prime Minister): Madam Speaker, I would like to pay tribute to the late Hon. Jean Lesage.

It is not easy to add any original thoughts to those which have been expressed since last Friday about the former Quebec premier whose passing we all regret.

Everyone has spoken very highly about the long list of reforms effected in Quebec during his term of office. This impressive list covers all fields of public activity and includes social, cultural, legal, administrative and economic areas. I do not intend to repeat this list.

We should note, however, the importance given to economic affairs in these reforms: the creation of Hydro-Quebec, of the deposit fund, of the General Investment Corporation, and so on. A former parliamentary secretary to the Minister of Finance in Ottawa, Mr. Lesage respected budgets and, during

his six years in office, he remained his own finance minister. He also understood that the development of Quebec should perhaps be first of all an economic development.

[*English*]

All the reforms he introduced were not necessarily of his own invention. He recognized that first, before others did. He was a wonderful conciliator, a good orchestra leader, and a fine practitioner of the art of the possible. The best ideas in the world, as we all know, are not worth much if not properly channelled into contemporary realities.

Mr. Lesage throughout his life and until the end of it was keen to combine his *Quebécité* with his Canadianism, his provincial preoccupations with his respect of the central government. Yes, he did want a modern Quebec, but he wanted it in a Canadian federation. Having two eyes, he refused to close one. Having access to two cultural heritages, he refused to ignore the second. Living under two orders of government, he recognized the importance of both. In that, as in many other aspects, he leaves an important message.

[*Translation*]

In the tribute he paid to Mr. Lesage last Friday, the Right Hon. Prime Minister of Canada (Mr. Trudeau) emphasized the importance given by Mr. Lesage to the renewal of the concept of state, the fact that, partly because of him, this concept had acquired a more positive significance in Quebec and even in the rest of Canada, and also the fact that, through Mr. Lesage, the state had become less an impersonal "it" and more a collective "we", and an instrument for action and progress.

Madam Speaker, all governments have a choice to make: laissez-faire—have it done or do it itself. Mr. Lesage, whom I do not consider a theoretician, believed that a balance could be stricken in this respect, and he gave us a good example of such a balance in harmony with his time.

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, it was with regret that I learned last Friday of the death of the Hon. Jean Lesage. I would like today to join with the Acting Prime Minister and Minister of Transport (Mr. Pepin), and all my colleagues of the House in paying tribute to Mr. Lesage and offering our deepest sympathy to his wife and the other members of his family.

Mr. Lesage had a remarkable political career. After thirteen years on the federal scene, he chose to direct his efforts more particularly toward Quebec. He became the leader of the Quebec Liberal party and premier of his province. Under his leadership, Quebec entered an era of deep change and intensive development, and he himself earned the name of "Father of the Quiet Revolution."

[*English*]

Jean Lesage will be remembered particularly for the profound and important changes which he introduced, and over which his government presided in the province of Quebec. As the Acting Prime Minister (Mr. Pepin) said, Jean Lesage

always looked beyond his native province to see the country as a whole. He knew that the changes in Quebec must not simply be encouraged and allowed expression there but that they must be understood in the rest of the nation. I remember when I first had the honour to meet him, which was in my own region in western Canada, where he had come in the early days when the question was being asked as to what Quebec wanted in the hopes that he could answer, and with success he did answer that question being asked by Canadians who wanted to build the nation but wanted to understand all of its elements. He worked to bring change to his own province and to bring understanding of that change to all of the nation.

[*Translation*]

With the disappearance of Mr. Lesage, Canada has lost a distinguished citizen and Quebec a great premier.

Mr. Edward Broadbent (Oshawa): Madam Speaker, Quebec has lost a great politician. He had been called, and rightly so, the "Father of the Quiet Revolution". He had promised significant changes for Quebec and he kept his word. He achieved his goal. Within a few years Quebec underwent transformation under his leadership.

Mr. Jean Lesage proved that one could be at the same time a Quebec nationalist and a Canadian. He was proud of belonging to Quebec and to Canada. Under his administration, Quebec became a modern society thanks to the social and economic reforms implemented by his government. Quebeckers today benefit from his important work.

Mr. Jean Lesage will remain in the eyes of all Canadians one of the most progressive and efficient politicians Quebec has ever known. Finally, Madam Speaker, personally and on behalf of my party I extend to Madame Lesage and her family our most heartfelt condolences.

* * *

● (1510)

[*English*]

POINT OF ORDER

MR. HAWKES—OFFICIAL REPORT—INVESTIGATION OF ERRORS AND OMISSIONS

Madam Speaker: I am sorry that the hon. member for Calgary West (Mr. Hawkes) has left the House at the present time, but I think that he will be happy to hear that we did check on the omissions in *Hansard* on December 8, 1980, which he indicated. He was right. The error to which the hon. member referred was an error in proof reading and the omissions occurred through a misunderstanding as the reporters changed over on the floor of the House. Both matters have been corrected and revised in the final version of *Hansard*.

HAZARDOUS PRODUCTS RECALL ACT

PROCEEDINGS DECLARED NULL AND VOID

Madam Speaker: Last Friday, through inadvertence, a motion standing in the name of the hon. member for Hamilton-Wentworth (Mr. Scott) for the introduction of Bill C-622, an act to establish the hazardous products recall, was introduced. The bill was read the first time and ordered to be printed and ordered for second reading at the next sitting of the House. All this was reflected in *Votes and Proceedings* of last Friday but, regreattably, while the document with respect to the motion was prepared, the bill itself had not been drafted and, therefore, was not ready for introduction.

Standing Order 69 is very clear:

No bill may be introduced either in blank or in an imperfect shape.

I now find myself required to direct that the proceedings of last Friday relating to this bill be declared null and void and that the notice in the name of the hon. member for Hamilton-Wentworth be carried on the order paper until the bill is drafted. The hon. member will then be able to proceed and to ask for leave to introduce the bill pursuant to the Standing Order.

* * *

[*Translation*]

POINTS OF ORDER

MR. PINARD—CORRECTION OF ERRONEOUS STATEMENT

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, earlier during question period I indicated in answer to a question by the hon. member for Peterborough (Mr. Domm) that the hon. member for York East (Mr. Collenette) was the last one to speak on a bill during private members' hour and prevented that bill from being put to a vote. I have checked and it seems that this was not Bill C-215 on capital punishment, but rather Bill C-216, on abortion. I have therefore inadvertently misled the hon. member for Peterborough. I apologize and I would ask that the report be corrected.

[*English*]

MR. OBERLE—IMPLEMENTATION OF CANADA BUSINESS CORPORATIONS ACT

Mr. F. Oberle (Prince George-Peace River): Madam Speaker, as you know I was seeking the floor of the House during question period. On a point of order, I would like to raise a matter which is rather serious. I was checking to see whether any of the government ministers would rise today on motions to make a statement with respect to a matter involving the Canada Business Corporations Act. When it was passed in 1975, the then minister said that on December 15, 1980, the act would be fully implemented, and that any Canadian company which was not properly registered by that date could

have its assets confiscated by the government, and he outlined other serious possibilities for such companies.

It is my understanding that up to 12,000 companies have not yet registered, for a variety of reasons which are best known to the companies and which are also known to the government. Since today is December 15, what is the government doing to those federally incorporated small businesses in particular which have not registered? Will their assets be confiscated today, or is it the intention that one of the ministers will make a statement on motions, or some kind of statement, to inform these companies, which will be very anxious as to what the government's position will be with respect to this matter so that their anxieties and fears may be allayed? Is the government in a position to say something on this matter today, a very crucial date?

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, I shall check on the question put by the hon. member and make sure that he is given an answer as soon as possible.

[*English*]

MR. CLARK—STATEMENT MADE BY MR. PINARD

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, on a very minor point of order, I believe there was an error in the apology offered by the President of the Privy Council (Mr. Pinard). He delivered an accusation against the hon. member for Edmonton East (Mr. Yurko) and directed his absolution toward the hon. member for York East (Mr. Collenette). I think he will agree that he meant to absolve the hon. member for Edmonton East.

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, I never wanted to accuse the hon. member for Edmonton East (Mr. Yurko). If I said York East (Mr. Collenette), it was Edmonton East that I had in mind, but I never wanted to accuse him. In any case, no such accusation was implied in my answer. In reading my answer in today's *Hansard*, the Leader of the Opposition (Mr. Clark) will note that I said "If I am not mistaken,...". I was indeed mistaken, and I simply corrected myself. I have too much respect for the hon. member for Edmonton East, whose motion on unilateral patriation of the constitution I supported, to accuse him in that way.

* * *

[*English*]

PRIVILEGE

MR. ROBINSON (BURNABY)—DORCHESTER PENITENTIARY—STATEMENTS MADE BY MR. KAPLAN

Mr. Svend J. Robinson (Burnaby): Madam Speaker, I rise on a question of privilege of which I have given notice both to

yourself and to the Solicitor General (Mr. Kaplan). It concerns the question which I raised during question period today and it involves certain statements that were made by the Solicitor General to the Standing Committee on Justice and Legal Affairs, on October 30, and also on a number of other occasions.

The question of privilege concerns certain allegations which had been made by a number of prisoners at the Dorchester penitentiary following the tragic death of guard Bill Morrison and alleged violence which took place at the institution, specifically following that particular incident. I visited Dorchester penitentiary shortly after the incident, and both myself, members of the official opposition and, indeed, a member of the government party raised very serious concerns about the allegations which had been made, suggesting that it was only through the vehicle of a full independent judicial inquiry that we could get to the bottom not only of these particular allegations but of a number of very serious matters which had taken place at Dorchester Penitentiary over the past several months.

These include such occurrences as three hostage-taking incidents in the past eight months, one of them resulting in a tragic death of a prison guard at the hands of the IERT, the special team, the escape of four convicted murderers, the suicide of a prisoner, the allegations of widespread destruction of personal property of prisoners, and the substantiated allegation of shooting into the penitentiary gymnasium involving some 137 rounds of ammunition. It involves allegations of violence before the hostage-taking incident in which prisoners alleged they were victims of what was called psychological and physical torture. Finally, it includes the allegations of violence, of physical and mental torture immediately following the hostage-taking incident.

With respect to those allegations the Solicitor General on October 30, 1980, replied to questions by myself on the allegations, questions that following the hostage-taking incident, prisoners were stripped, forced to lie under their beds with their hands tightly handcuffed and their arms extended outside the cell bars, and that for a period of some five hours or six hours they were gassed and their hands were beaten. These are obviously very serious allegations. There were other allegations as well with respect to very serious acts of violence against individual hostage takers. In response to these allegations, the Solicitor General stated:

—I would be interested in holding a judicial inquiry only if an element of credibility were established in relation to that allegation. Otherwise the inmates would run our institutions—

The minister suggests that there was no credibility for the allegation.

At page 8:16 in the minutes of that committee meeting of October 30, the minister stated:

Now, you have referred to a number of specific allegations. You said that the inmates were stripped; that is true. They were stripped and they were searched after the hostage-taking incident ended. They were handcuffed so that the search could take place. Tear gas had been used in the institution during the entry to try to end the incident and capture the hostage takers, but there was absolutely no torture. Now, you say the inmates were beaten and gassed.

We come now to the critical words, Madam Speaker:

I categorically can deny that because independent witnesses were present during the time that took place.

This did not occur!

Now, this has satisfied me that there is no credibility to these allegations—

I should add, if any substance is added to any of the allegations of inmates by this process—

I suppose this refers to the various investigations.

—then a judicial inquiry could well be justified at some point down the road, but it is not now.

● (1520)

In other words, Madam Speaker, at that point in response to calls for a full, independent, judicial inquiry, not only by myself but by representatives of the official opposition, the minister said that these allegations were categorically unfounded, that there was no substance to them, but that if in the future there was some substance to them then indeed an independent judicial inquiry might very well be considered.

The Solicitor General went on and it was very clear that he was relying upon the warden of the institution, presumably, as well as other individuals four days later at the justice committee, when he said:

While the inmates allege that they were stripped, handcuffed to the bars of their cells, tear-gassed and beaten. At all material times the warden was present and members of the RCMP were present and they deny that anything like that happened, that the inmates were tortured at all, so I do not feel that that is an allegation that I should be concerned about.

One final quotation from the Solicitor General on November 4, Madam Speaker, is as follows:

But I feel those allegations have been sufficiently discredited in the last few days by a recent statement of the warden that he was present at material times with members of the RCMP who are, of course, outsiders as far as the correctional service is concerned and that no such gassing and beating took place.

Those statements were simply not accurate. The minister was misleading the committee and, through the committee, was misleading the House. I say that because I recently obtained a copy of the confidential special inquiry report drawn up by the Solicitor General's own officials, including the Inspector General, Mr. Renshaw, another independent person from New Brunswick, and another member of the Inspector General's staff.

There is no doubt that this confidential report is couched in rather careful terminology. That is not surprising. It is an in-house report attempting to put the best possible gloss on the events that took place. Madam Speaker, no matter how one reads this document it is very clear that what the minister told the justice committee, and through it the people of Canada, and this House, was absolutely unfounded.

I should like to refer to this confidential special inquiry report which rebuts fundamentally the statements made by the Solicitor General in which he categorically said, without hesitation, that those allegations were totally unfounded. The report starts out by stating that the staff at Dorchester were interviewed, that inmates on the range were interviewed, and that the hostage takers themselves who had subsequently been transferred, were also interviewed. There is then a chronology of events which took place at the penitentiary.

One of the critical points of the report is that immediately following the removal, the dragging of the hostage-takers out of that particular tier, for at least 20 minutes there were no independent witnesses present whatsoever. There were no RCMP officers—no independent witnesses at all, yet the Solicitor General said that at all material times independent RCMP witnesses were present. This report of his own inspector general says that just in not true, that during the critical period of time, the 20 minutes immediately following the removal of the hostage takers, there were no independent witnesses present and no RCMP officers whatsoever on D-4 range. The report goes on to say that there was absolutely no pre-planning, and I quote:

—there had been no pre-planning as to what was supposed to take place once the range had been secured.

One member of the security squad told everyone to sit on their beds and another one came along and told them to lie under their beds. They were stripped and told to lie under their beds. The report confirms that they were handcuffed very tightly with nylon handcuffs.

On the question of gassing, which the minister has denied took place, I quote:

Systematically, two IERT members—

That is the Independent Emergency Response Team.

—went from cell to cell and cuffed all inmates.

These were the inmates who were trapped on that tier. They were not involved in the hostage-taking in any way. They were innocent victims of what took place on that tier. The report states:

When an inmate did not respond immediately he was maced. An officer would grab the inmate's hands and pull on them to get them far enough out then cuff the wrists together.

For this they used flexicuffs, nylon bands approximately one quarter inch wide. The wrists were very closely bound and the cuff tightened snugly, with the hands in a prayer-like fashion.

The chronology continues. The incident started about 6.40. By 9.19 one of the hostage takers who was down in dissociation was being watched by the RCMP. He was their prisoner. The RCMP were so concerned about what was happening there that an RCMP constable told the IERT officers that he was the RCMP's prisoner and he did not want anything to happen to him. The RCMP officer did not like the way Enman was handled. Then, in an incident which even this special in-house inquiry report has referred to as degrading treatment of a prisoner, there were at least three masked IERT members who dragged one of the hostage takers, head first, across the main dome and down C-1 range to the hospital in such a way that his buttocks and back would slide along the floor. The report goes on to say that the RCMP again said to the guards that the RCMP were in charge and that it was not the guards who were running the prison at that point, because things were clearly out of hand.

Some five or six hours later the inmates on that tier were removed and taken to hospital. I have the reports of the medical inquiry which indicate very clearly that many of these prisoners were bruised on their hands and that they had other injuries. The report goes on to indicate that nine of the prisoners complained of having been maced, and kicked or clubbed on the hands. One complained of having been maced only, and two of having been maced or struck with a night stick.

Then we get to the factual conclusions which are directly at variance with what the Solicitor General categorically stated to the justice committee. This special inquiry in-house report states:

It is clear that the majority of the inmates were maced before they were handcuffed. Inmate Grealey's version is typical. 'My ears were still ringing from the explosion and all that racket when along came this guy with a mask on and he said something to me. I guess he was telling me to lay down but I couldn't hear well through his mask so I said: 'What did you say' and I got maced and went down.'

The inmates were all ordered to the floor (most at gunpoint), cuffed, and told to lie still. This rule was rigidly enforced.

One inmate said—

—'every time you'd move, you'd get maced or hit with a club or kicked.'

Then the report goes on:

The board has little doubt that a few discreet shots of mace were applied unnecessarily despite the presence of RCMP officers.

Of course, RCMP officers were not even there for a period of 20 minutes. The report continues:

There is also little doubt that some inmates were kicked in the hands or had them struck by a night stick—

That was categorically denied by the Solicitor General in misleading the justice committee.

I will come to the conclusion very shortly, Madam Speaker, but there were a number of other concerns that I wanted to point out briefly arising from this report. Another quote directly from the in-house report is as follows:

There is little doubt that many inmates were maced because they did not react to commands immediately and that they did not do so because they could not hear properly what was being said through the gas masks. There is also little doubt that inmates were handled in a rough fashion.

The report goes on to deal with rough and unprofessional behaviour and to express very serious concerns about the fact that all of these IERT members were unidentified, were anonymous. Finally, the report states that one of the inmates was subjected to degrading treatment by being dragged across the prison.

My question of privilege, Madam Speaker, is that the minister, in speaking to the justice committee, and through it to the House, has categorically denied there were gassings and beatings, and has stated that independent witnesses were present at all times. Both of those alleged facts are simply not true. No independent witnesses were present for the first 20 minutes at that tier. The minister's own in-house inquiry report clearly states there were beatings and gassings, that inmates' hands were handcuffed very tightly, that they were held there for five or six hours and at least one inmate was subject to degrading treatment.

● (1530)

In view of this, and in view of the fact the minister has misled the House, I have no doubt the situation had something to do with the warden of the institution having placed his own reputation on the line by saying he was present at all times and that none of this had occurred. Therefore, I assume the minister will take the necessary action with respect to that particular individual, because his own official has said that what that acting warden has stated is not accurate. However this arose, it is clear that the minister has a responsibility to the justice committee, to this House to which the justice commmittee reports, and through this House to the people of Canada, to state that he has misled the House and the people of Canada and that these very serious allegations indeed have substance.

Therefore, if Your Honour finds there is a prima facie case of privilege in this particular instance, I would be prepared to move seconded by the hon. member for Winnipeg North Centre (Mr. Knowles): that this matter be referred to the Standing Committee on Privileges and Elections for a full and comprehensive examination.

Hon. Bob Kaplan (Solicitor General): Madam Speaker, I will be brief in my submission. However, I would like to say a few things about this report, which I confess I had not fully read by the two o'clock period today.

When I appeared before the justice committee and gave answers referred to in the statement made by the hon. member for Burnaby (Mr. Robinson), I was relying on the information I had received, as he noted. However, I had been told and was well aware that another investigation was under way. That second investigation is the report from which my friend has read in such a totally distorted way, with no reference to many of the other matters contained in the report which certainly temper the impression which the hon. member for Burnaby has attempted to give to them.

I was quite satisfied, and I remain quite satisfied, that the events which took place following the release of the hostage takers cannot be characterized as a kind of revenge-torture session, which is the impression my friend has attempted to create. There is nothing in this report which indicates there was a revenge-torture situation. My hon. friend has this report. I intend to quote from it, and I know that that means the report will be made public. But in fairness to those who work for the correctional service of Canada I think the report should be made public. I say that because the way in which it has been read by my hon. friend totally distorts the findings, which I will come to, and the observations which were made.

First, I want to comment on the absence of the RCMP officer. The report does indicate, and this is somewhat inconsistent with the information I had, that for a twenty-minute period following the release of the hostages the RCMP officer was not present. But I believe the warden was present at that

time. As I said in the justice committee, and as I believe to the present, although I am not certain, the warden was present. I understood he was present. I view him, having met him and interviewed him, as an honest and independent person in such a situation. I believe my friend is of the same opinion, and perhaps that is common ground between us.

I must state that I knew about the handcuffing, but there has been an attempt to create the impression that this is a revelation. However, I indicated to the justice committee that these people were handcuffed and that was a totally legitimate procedure in those circumstances.

I want to come now to the beatings and the macings. Doctors both inside and, I believe, outside the institution examined inmates following this incident. The board interviewed them as well. Although the statements which my friend read are accurate, and members of the House will have a chance to read them for themselves, the hon. member read only half of each paragraph, for example, when the hon. member said 12 inmates were interviewed and nine complained of having been maced, kicked or clubbed in the hands and one complained of having been maced only, and two of having been maced or struck with a night stick. I knew about those allegations, as did my hon. friend, but I indicated to the committee that I believed revenge-torture had not taken place. I shall now read from the same report which my hon. friend relies upon, although he left this part out. It states:

None of the fourteen inmates suffered any serious physical injuries. There were no observations made by medical staff of any injuries at all to the top of the hands, which would have been the case had the officers in fact jumped on the hands.

My friend read the first part of that paragraph but he did not read the medical evidence. He just read the allegations.

I want to read three more portions to which my friend referred in a distorted way. The first is:

—McCready complained of having been burned in the face by mace. McCready's file indicates that he is allergic to dust. As a result, Health Care Officer Gallant feels that the redness about the face was more likely caused by the allergic reaction from lying face down on the floor for a few hours.

Mr. MacKay: How many hours?

Mr. Kaplan: I think four to five hours.

During the question period, the hon. member for Burnaby read another half paragraph which reads:

There is also little doubt that some inmates were kicked in the hands or had them struck by a night stick.

As I said, this was news to me. When I stood up to answer the question, I had not yet read that part. But the report goes on to state:

—the lack of physical injury indicates that these incidents were few and of low intensity.

On that score I feel justified in making the statements I made before the justice committee, relying on the information upon which I then relied.

Coming to the conclusions, we read:

After reviewing the foregoing facts, the Board finds that . . .

(1) The force used to effect the arrest of the hostage-takers and their subsequent removal from D-4 Range to the dissociation areas was, having regard to all circumstances, not excessive.

(2) There is no evidence to indicate that inmates 2579 DESROCHES and 3321 WRIGHT were subjected to excessive force or mistreatment.

(3) Inmate 0592 ENMAN was subjected to degrading treatment while being transported from the dissociation area to the institutional hospital.

(4) The keeping of 14 inmates secured to their cells—

This referred to the handcuffing and the lying on the floor of the inmates. It continues:

—on the D-4 Range, while police were gathering physical evidence was justified.

(5) With the following two exceptions, all inmates on D-4 Range, including the hostage-takers, were guarded by CSC staff under the observation of RCMP officers at all times:

(i) A period of approximately 20 minutes immediately following the removal of the hostage-takers from D-4 Range.

(ii) Inmate ENMAN was transported from the dissociation area to the institutional hospital without police observation.

(6) All remaining D-4 inmates underwent a medical examination upon being moved from D-4 Range. No serious injuries were recorded.

(7) There was a lack of pre-planning for the orderly securing of all remaining D-4 inmates—

The hon. member for Burnaby referred to that.

The final recommendation is:

(8) The total anonymity of IERT members is not advisable.

I can tell the House that we are changing that procedure. We are putting numbers on the IERT uniforms so that an inmate will know exactly who is approaching him from the IERT. This recommendation will be implemented in the next day or so.

● (1540)

When I read parts of the report and my friend reads parts of the report, it sounds like two different reports. The sentences he read are there. In many cases he has just read half sentences. When I look at the findings, I insist in substance no torture or vengeance took place following the freeing of the hostages. The information I gave to the justice committee was justified. I believe hon. members who read this report will draw their own conclusions and will come to the same conclusion. Therefore the motion by the hon. member for Burnaby is ill-founded.

[*Translation*]

Madam Speaker: Does the hon. member for Notre-Dame-de-Grâce (Mr. Allmand) want to speak on the same question of privilege?

Mr. Allmand: Yes, Madam Speaker.

Madam Speaker: No. I do not think I can hear him if those incidents occurred under his administration. If necessary, I could perhaps let the hon. member for Notre-Dame-de-Grâce explain himself. But this is a discussion following a report of which only one person in the House has a copy. I have the feeling that the hon. member for Burnaby (Mr. Robinson) has the copy, and the minister himself, of course. At first glance, I think there is a difference in the interpretation of the facts.

Perhaps we do not have two reports, as the minister says, but if there is only one report, we have before us two interpretations of the same report which are very different. Off-hand, I have the impression that it is a different interpretation of the facts, but to make sure, I shall take that question as notice, because it is very important.

[*English*]

Mr. Kaplan: Madam Speaker, since I failed to do so while I was speaking, I wonder if I might have permission now to table this document.

Some hon. Members: Agreed.

Madam Speaker: The minister may table the document.

Mr. Kaplan: Madam Speaker, I am in your hands as to one matter. The document is in English only at the moment. A translation can be prepared.

Madam Speaker: That is the minister's choice. If he wishes to table it now in one language only, he may do that. If he wishes to defer, I will accept that, too.

Some hon. Members: Table it.

MR. ROBINSON (BURNABY)—STATEMENT MADE BY MR. KAPLAN

Mr. Svend J. Robinson (Burnaby): Madam Speaker, I recognize the ruling you have made, but there is another matter which arises from the remarks the Solicitor General (Mr. Kaplan) has just made to which I must draw attention. The minister has again misled the House in the remarks he just made.

Madam Speaker: Order, please. If the hon. member feels he has some reason to rise again, he may do so on a new question of privilege.

Mr. Robinson (Burnaby): That is what I am doing.

Madam Speaker: The discussion is now closed. The hon. member has had an opportunity to present his point and the Solicitor General (Mr. Kaplan) has replied. I have to close the discussion in so far as that question of privilege is concerned.

Mr. Robinson (Burnaby): With respect, Madam Speaker, this is a new question of privilege arising out of the minister's response. The minister once again misled the House on a very fundamental question of fact in his reply to my initial question of privilege. The minister indicated that on October 30 he stated:

> Now, you say the inmates were beaten and gassed. I categorically can deny that because independent witnesses were present during the time that took place.

The minister said that at that particular time on October 30 he knew there was another independent inquiry, that a special inquiry was under way into these allegations and on that basis he was giving the response he gave on that point. That simply is not true. On October 30, 1980, this special inquiry had not even been commissioned. For the minister to suggest that he knew this special inquiry report would be forthcoming very shortly and on the basis of certain information which he had, to be supplemented by the special inquiry report, he made the false and misleading statement that he did, is false and is misleading this House. I call upon the minister to admit that a decision was not made to have another special inquiry into these allegations until well after that, in the month of November.

Hon. Bob Kaplan (Solicitor General): Madam Speaker, my friend was reading from a report of the justice committee. I do not have the report in front of me. I believe I have been before the justice committee three times. Each time I have been asked extensive questions about the incident at Dorchester.

I was under the impression the hon. member was reading from a statement I made during my most recent appearance when I was anticipating this report. At that time I was asked the same questions he had asked me the time before. The answer sounded like the one I gave when, as I say, I appeared there the last time.

Of course I did not know in October that this second report would be justified or called for. Therefore, the hon. member is quite right about that. I will retract that statement if I have his permission to do so. I knew at that time when we were talking on October 30—well, Madam Speaker, I am trying to recall now. I want to be very precise about the times. I cannot be, because on at least three separate occasions before the justice committee I have been questioned about this.

The report of the incidents that took place following the hostage-taking have been made public. You, Madam Speaker, and the public generally can draw conclusions from it.

Hon. Allan Lawrence (Durham-Northumberland): Madam Speaker, I would like to say a few words with respect to the question of privilege. I am not too sure which one we are on. They both amount to the same thing, namely, that the justice committee and this House have been misled by the Solicitor General (Mr. Kaplan) with regard to the contents, the interpretation and the misapprehension he has deliberately attempted to convey to the committee, the House and the public. I refer to the contents of investigative reports resulting from the great tragedy which took place in Dorchester in connection with the death of guard Bill Morrison and the results of the various investigations which have taken place with regard to that tragedy.

I do not know which one we are on. It does not matter much to me. We are on the second one? That's fine. They all fit in together in a pattern in any event. The pattern has been that the minister has intentionally attempted to leave the wrong impression in the committee and in this House as to what happened at the time and since that tragedy, and also with regard to the various investigating groups.

The tragedy in Dorchester Penitentiary took place on a Friday night. On the following Monday in this House, the minister was asked if a report would eventually be made to the House. The minister very deliberately said that within a few days the group he had set up would be reporting to him and,

within a few days, that report would be released. That was not off the cuff, nor was it off the top of the minister's head. Exactly the same question was asked the next day, the Tuesday, in this House, and essentially the same reply was given.

Later the minister backtracked and backtracked greatly, in the House, at a press conference and at the meeting of the justice committee, and this obviously affects the privileges of the members of this House. He said at that time that he would not necessarily release the contents of the report when he got it, in direct contradiction to what he had said in the House, because now another group would take a look at it, namely, there was to be a coroner's inquest.

• (1550)

At a subsequent meeting of the Standing Committee on Justice and Legal Affairs, the minister indicated that he had received the report and, after receiving it, realized that the report itself said the same things that had been said at the inquest and had come to the same conclusion. I might have missed something at the justice committee meeting, but at that time I am firmly convinced that the impression which the minister attempted to convey was that that was the end of it so far as he was concerned, that there was only the one report in his hands, and that there had only been the one group set up in his department to take a look at the whole matter.

We now find that that group was reconvened as a result of certain allegations that were made, and that the minister has only now received the second report from the same group, which is quite different from the misleading impression he had attempted to give.

This might be merely semantics, and perhaps the time of the House has been wasted by this because perhaps this is the usual conduct of the minister—I am not sure. In any event, I plead with the minister to take into account that the problem with which the House is faced at the moment, the problem which he has forced members on this side to bring to the attention of the House at this time, is solely and simply the result of attempting to hide things somewhere under the rug and keep them secret.

Quite frankly, we took the heat off the minister in the week after this tragedy because of his absolute commitment to this House that he would be releasing the initial report. The long and the short of it is simply this: he did not release that report to this day, which he should do because he gave that commitment. The only way we found out that the same group was reconvened and has now presented a second report is simply because some of the officials at Dorchester or in the department have leaked it to opposition members. This is the only way in which we can find out these things, and that is part of the continuing tragedy of Dorchester and part of the continuing tragedy of the whole correctional service organization so far as this government is concerned. I also say it is a personal tragedy so far as the minister is concerned because he does not live up to the commitments he gives to members of the House or members of the justice committee.

Madam Speaker: The minister has had a chance to reply to the hon. member for Burnaby (Mr. Robinson), but I suppose that had he known at the time that other hon. members would want to speak on this question, he would have reserved his comments and spoken later. I believe I have to give the minister a chance to reply, but now I see that other members are asking for the floor. Perhaps the minister would prefer to be recognized later. I think that would be much better for the Chair because then I will be able to hear what reply the minister makes to the statements.

I shall recognize the hon. member for Central Nova (Mr. MacKay), followed by the hon. member for Notre-Dame-de-Grâce (Mr. Allmand), who insists on being heard on the second question of privilege, and then the minister will have the floor.

Hon. Elmer M. MacKay (Central Nova): Madam Speaker, my intervention will be very brief. I listened with a great deal of attention to what has been said so far, and I would just like to add another dimension, or make a suggestion to my friend, the minister. I shall be very interested to hear the comments which will be made by the hon. member for Notre-Dame-de-Grâce (Mr. Allmand), the former solicitor general.

I want to suggest to the present Solicitor General (Mr. Kaplan) that there is ample precedent for making him very skeptical indeed of the quality of information which he receives from the RCMP. I do not know about penitentiary officials, but there is at least one precedent where the commissioner of the RCMP misinformed the hon. member for Notre-Dame-de-Grâce when he was solicitor general. It is quite clear to me that the results of that particular bit of misinformation had some very tragic effects, which still exist to this day, on a number of members of the force and former members of the force.

I hope that when the minister is replying on this very serious matter he will tell the House whether he is still taking all of the information conveyed to him by the RCMP on blind acceptance because, if he is, he is much more foolish and naive than I think he should be.

Hon. Warren Allmand (Notre-Dame-de-Grâce): Madam Speaker, as a member of the Standing Committee on Justice and Legal Affairs and a former solicitor general, I had received many letters from inmates of Dorchester Penitentiary alleging provocation, harassment and cruelty on the part of some of the staff against certain inmates following the tragedy which took place. I must say that I was not surprised, because things like that had happened in the past, and, when investigated, were found to be true. I want to make clear that such allegations were not made against all staff, but some staff had been found guilty of such actions in the past, so it did not surprise me that it might take place again. Consequently, when this matter was raised before the justice committee, I also put several questions to the Solicitor General (Mr. Kaplan) about it. He replied to me in much the same way as he replied to the hon. member for Burnaby (Mr. Robinson),

that he felt there was no evidence to substantiate the allegations.

Now it seems with this report, and I have copies as well, that there is more evidence than there appeared to be in the first place. Once again, as pointed out by the hon. member for Central Nova (Mr. MacKay), this does not surprise me, because I learned through bitter experience as Solicitor General that you just cannot rely, unfortunately, on much of the information that is given to you about some of the tragic events which take place within our criminal justice system.

I have tried to caution the minister against accepting such flat statements of non-guilt on the part of staff, and have suggested to him that perhaps there should be a more independent and more exhaustive inquiry into this matter. I pointed out that under the Liberal party and with Liberal governments over the past five years faced with similar incidents, we did have independent inquiries.

After the death of Mary Steinhauser at B.C. Penitentiary, we appointed Chief Justice Farris to investigate that matter. Following the terrible riot at Kingston penitentiary, my predecessor, Mr. Goyer, had appointed Attorney Swackhamer from Toronto to conduct an independent inquiry into that incident. During my term of office we had also appointed Judge Ducros of the Quebec Superior Court to investigate irregularities at the Laval Institution, and when there were irregularities at the Millhaven Institution we appointed a board of inquiry made up of four members of the House, the former Mr. Speaker when he was chairman of the justice committee, Mr. Jerome, the hon. member for Kingston and the Islands (Miss MacDonald), Mr. Stuart Leggatt from British Columbia, former NDP member, and one other member, to investigate Millhaven penitentiary, because the prima facie evidence, while not fully substantiated in advance, indicated that there was more serious trouble there than the staff wanted to admit.

My intention this afternoon is not to demand retribution from the minister, because I think he probably spoke in good faith in reporting to the justice committee and in reporting to the House, but I caution him not to rely entirely on what he is told, and what comes up to him through the line, with respect to certain serious incidents of this kind. I hope that he will shortly announce to this House or to the justice committee the type of action he intends to take on the findings in this report, to discipline those who perhaps have misled him. If he feels that a more complete inquiry is necessary, I repeat again that there are many precedents for complete inquiries, some of which I mentioned in the last few minutes. When he spoke before the Standing Committee on Justice and Legal Affairs, he said he would not rule out a more extensive inquiry if more evidence was brought forward to support the allegations. It seems to me that more evidence has now been brought forward, but he may wish to take definitive action instead of having another inquiry, and that would be acceptable to me as well.

• (1600)

Mr. Kaplan: Madam Speaker, I appreciate the sympathy for me in my job which has been expressed by hon. members. I want to make just a few points in reply to specific comments which have been made by hon. members.

There is very good reason for not making reports of this nature public. Now that one has been made public because of what I want to assert is its misinterpretation, the House once again is given the opportunity to look at a report and contemplate the wisdom of that rule. Names of inmates in that institution have now been made public. In some cases their former offences are described. This may endanger some of them. It certainly could endanger the order of the institution. Similarly, guards may be named. The types of jobs they hold and perform in the institution are described. Certain operational procedures are commented upon. I am not certain as to whether some physical details of the institution are described in this particular report.

Mr. Speyer: We have to rely on you.

Mr. Kaplan: However, for all these reasons and because of the risks involved in those kinds of disclosures, it has always been the practice to keep reports confidential. When the first report was in the course of preparation I indicated, as my friend, the hon. member for Durham-Northumberland (Mr. Lawrence), has pointed out, that I would be prepared to make a statement later. I said I would be prepared to or, if the House wanted one, I would. I do not feel I made a definitive commitment to do so, but I used words of that sort. The reason I was saying that at this time was because wild allegations were being made which in their way are as damaging to the good order of an institution as the other disclosure to which I referred arising from the report as it was tabled.

I thought that if wild allegations were going to be made and believed by the public, it would be better to make a full statement of facts at that time. Subsequently the coroner of New Brunswick indicated that he would be holding a public inquest into the matter, and it seemed to me—and still does—that it was desirable that the facts be brought out through evidence at that hearing. That is exactly what happened. The evidence was given before the coroner. Conclusions were reached by the coroner. I could say that substantially all of the facts which were available and which are consistent with the facts in the internal report were given by witnesses who appeared before the coroner at that public hearing, and they are available.

Mr. Lawrence: Why not release the report?

Mr. Kaplan: Since the findings of fact were substantially the same, I did not feel at that point that there would be much to be gained, if anything, by making the report public, against the risks of the problems of disclosure to which I referred in connection with this special report.

Mr. MacKay: What problems?

Mr. Kaplan: The last time I appeared before the Standing Committee on Justice and Legal Affairs I was aware that a

second report was being prepared, and I am not certain that I said so, but I indicated, as the hon. member for Notre-Dame-de-Grâce (Mr. Allmand) quoted, that more information would be coming to my attention.

In any event the hon. member for Notre-Dame-de-Grâce has quoted me as saying that if more information comes out or more allegations are substantiated to my satisfaction and in a way which justifies taking further action, that action would be taken. That information has come. It has now been made public. I have had the opportunity in the last hour or so to read the details of that report. I feel that the findings of this inquiry are definitive. I would like to take another look at all of the facts. I would like to discuss this with members of the Correctional Service of Canada. In fact the only reason I did not read the report last weekend was that I knew I would be seeing, at my regular meeting, officials of the correctional service of Canada later this week, and I did not see the urgency of reading the report at the precise time it was handed to me.

Mr. Beatty: This is a sad admission.

Mr. Kaplan: I felt I would be doing my job if I devoted myself to preparing for matters which would be arising today, tomorrow and Wednesday, and doing the things necessary to prepare for Thursday afternoon somewhat later during the week. I think the hon. member who just made an observation would know, as a former minister, that that is a very sensible way to organize the use of one's time.

Mr. Collenette: He wasn't a minister long enough.

Mr. Kaplan: I would like to indicate to the hon. member for Notre-Dame-de-Grâce that I do not automatically believe everything I am told by officials. I do try to establish alternative lines of communication so that when incidents occur I do not have just an official version but that I also have other versions. This was illustrated by the way I handled the Dorchester incident. I called the correctional investigator and asked him to do his own investigation. He is an official whose position was established by Parliament. He is not accountable to the correctional service of Canada. It was intended that he conduct investigations, I called upon him to undertake one, and I had two meetings with him at which we discussed what he had found when he went there and interviewed witnesses.

Mr. Lawrence: But only you see the report.

Mr. Kaplan: I have tried to establish a direct relationship with the inspector general, who conducts these investigations. I do not feel he should report to the commissioner and that the commissioner should report to me. I have been a member of this House for many years, and I have seen the problems which can arise in one way or another. I am well aware of them, and I take this into account and try to have alternative means of obtaining information. I travel to institutions and speak to people on-site. I have spoken to warden Corbett. I spoke to him following the incident on at least two occasions. From what I can see, I think he is a good warden. I think he is a sensitive individual who is very conscious of all the human problems as well as the security problems involved with running a prison. I look forward to continuing to work with him as the warden of Dorchester.

As I understand it, this matter of privilege is before us so that whether there is validity can be determined. I stand by the substance of what I said in the Standing Committee on Justice and Legal Affairs. Nothing in this report challenges that. No revenge torture took place. It does appear that there was rough treatment following the release of the hostages but, as the report says, that rough treatment was not considered in general, except in the case of Enman's treatment, to be excessive.

At an early opportunity, perhaps in the Standing Committee on Justice and Legal Affairs, I will indicate the ways in which the recommendations made by the coroner's inquest, in this report and in the first report, are being implemented.

[*Translation*]

Madam Speaker: That second question of privilege is obviously related to the first one. I shall also take it as notice and I shall render my decision on both of them on the same day.

ROUTINE PROCEEDINGS

[*English*]

REGULATIONS AND OTHER STATUTORY INSTRUMENTS

SIXTH REPORT OF JOINT COMMITTEE

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Madam Speaker, I have the honour to present, in both official languages, the Sixth Report of the Standing Joint Committee on Regulations and Other Statutory Instruments. This is our report on Bill C-42, the Canada Post Crown corporation bill.

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

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[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 1,013, 1,496 and 1,695.

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

[*Text*]

TELIDON SYSTEM—PROGRAMMING—HEARING-IMPAIRED CANADIANS

Question No. 1,013—**Mr. Beatty:**

1. Is the government committed to the development of the Telidon system closed captioning of programming for hearing-impaired Canadians instead of encouraging the use of the system designed by the American PBS?

2. Is the government discouraging the use of the PBS system on programming designed for Canadians who are hearing-handicapped?

3. What is the time-frame for having the Telidon system commercially available?

4. What is the anticipated cost to deaf Canadians for the Telidon system and how does this figure compare to the cost of equipment compatible with the PBS system?

5. Will the Telidon system enable Canadian viewers to decode programming employing the PBS system?

6. What specific action is the government taking to increase the amount of programming available for the deaf?

7. What are the government's projections of the number of hours per week of programming for the deaf available over each of the next five years over Canadian broadcasting networks?

8. Does the government intend to make the Telidon system available for deaf Canadians through broadcasting, cable or a combination of the two and what is the timetable for making facilities available if they will not be introduced simultaneously?

9. What discussions, if any, have been held with Canadian broadcasters on the question of captioning or interpreting programming for the deaf and what steps have been taken by the broadcasters to increase such programming?

Mr. Peter Stollery (Parliamentary Secretary to Secretary of State and Minister of Communications): In so far as the Department of Communications is concerned, the answer to the above question is as follows: 1. In the long term the government is committed to the development of a Telidon-based closed captioning delivery system of providing television programming for the hearing-impaired for at least four reasons:

(a) It is felt that the potential value of Telidon to the hearing-impaired is far superior to that of the PBS system, although the latter is already operational while the former is yet to be;

(b) A full-service Telidon system would provide the deaf with a whole range of interactive services in addition to closed captioning, without their having to purchase a separate device which would serve only to provide captioned television;

(c) For the sake of fully exploiting a vast international market for Telidon, it would be preferable to have one system which would provide captioning "plus" rather than two separate and therefore competing ones, which would result only in unnecessary market fragmentation to both;

(d) Telidon technology makes more efficient use than the PBS system of the electromagnetic spectrum, which is a scarce resource, thereby freeing more spectrum to be used for other, non-related purposes.

It is, however, equally important to state, and to emphasize, that the department is actively pursuing with the Canadian Co-ordinating Council on Deafness, the National Film Board, the CBC and others, the development of an interim Telidon-based system for captioning. Indeed, draft specifications for such a decoder now exist and were presented at the Canadian Videotex Consultative Committee (CVCC) this spring. A special subcommittee of the CVCC which was given the mandate to examine the issue of television and the deaf recommended on September 27, 1980, that the Department of Communications establish price and availability for a Telidon decoder of minimal capability with an optional capability for decoding captions from the National Captioning Institute in the U.S.A. The Department of Communications is currently going out to industry to obtain this information.

2. No, the government is not actively discouraging the use of the PBS system. In fact, I am in agreement with the subcommittee on captioning's recommendation to the CVCC that no action be taken that may inhibit the orderly introduction and use of the system such as implementing regulatory, tariff, trade or broadcast barriers, at least until an equivalent Canadian system becomes available. However, the Telidon system is projected to be available in a similar time-frame, and the government wishes the hearing-impaired community in Canada to be fully aware of this goal to enable them to decide for themselves which device they will purchase. From recent information obtained from the manufacturer of the PBS decoder, the marketing of the decoder may be delayed because of the unavailability of "chips" from the manufacturer of the integrated circuits which has a two-year exclusive right to produce them. Also, the Canadian version of the PBS decoder requires an additional "chip" to display the French symbols. This chip has not yet been designed and, therefore, a Canadian version of the PBS decoder may be further delayed. This means that for the deaf to await the arrival of a Telidon terminal next year, should not result in any disadvantage. Moreover, captioned versions of U.S. programs are now being provided in some localities by cable companies allowing subscribers to use only a normal cable converter in the home. There is, therefore, already a low-cost alternative to the PBS decoder in these regions.

3. A "mini" Telidon terminal (comparable to and optionally compatible with the American decoders now available in the U.S.—but not capable of providing the full range of potential Telidon services) should be available on the Canadian market by next year.

4. It is expected that the Telidon terminal will be comparable in cost to the American devices—that is, approximately $350. Ability to decode off-air captioned programming from the U.S. would represent an additional production cost. Exact costs will be volume-sensitive, and the market demand has not been quantified at this time.

5. Yes, but at an optional cost where direct reception over the air is involved.

6. The government has no direct control over the programming provided by broadcasters. However, the government has long been urging and will continue to urge the broadcasters, in general, and the CBC, in particular, to provide for the needs of the hearing-impaired. Ultimately, the amount of programming

available to the deaf is a matter of economics, as it is currently estimated (in the U.S.) to cost $2,000 to produce a single hour of captioned television programming. The NFB, the CBC and NH&W are currently putting together a proposal for the Government's consideration to develop a Canadian caption centre from which the CBC and other broadcasters in this country may have captions added to their Canadian programs. In addition to captioned material for the deaf, specially made programs for and by the deaf are currently offered by various cable systems in the country, of which the government wholeheartedly approves and which it urges the cable industry to increase wherever possible.

7. The CBC is proposing to make substantial amounts of French and English captioned television network programming available once a Canadian caption centre has been established, in addition to the interpretation (or "sign" language) provided on such broadcasts as the House of Commons coverage. Beyond that, it is not presently possible to project over the next five years specific amounts of programming that may be offered by private broadcasters. At separate licence renewal hearings last year of both the CBC and CTV networks, before which the deaf intervened, the CRTC urged the broadcasters to provide captioning at the earliest opportunity, but the CRTC recognized the economics involved.

8. The Telidon system will be available both off-air and via cable simultaneously. In the meantime, some cable companies, on their own initiative, have begun to provide American captioned programming which is now being delivered by three U.S. networks off-air in an "open" format (i.e., only the cable head end need be equipped with a decoder; the viewer does not require one at home) in border areas on converter channels.

9. Many discussions at various levels have taken place involving officials of this department, the CBC, NH&W, NFB and the cable industry, as well as with organizations of/for the hearing-impaired over the last two or three years. The response to these discussions to date has been limited by three factors:

(a) the simple fact that until only a few short months ago the technology was not in place, even in the United States, after some nine years of discussion there;

(b) the high cost of producing captioned programming; and

(c) the fact that the government has no authority to compel the broadcasters to provide such programming.

Nevertheless, positive progress is being made, and I am expecting to receive from officials at the NFB, in the near future, a proposal which they are currently collaborating on with the Department of National Health and Welfare. A final note is that an information paper prepared within my department on "Television and the Hearing-Impaired" has been released in the last few months, and is available on request to the public. This document is intended to provide basic information on this matter to all interested parties.

FOREIGN CLAIMS FUND

Question No. 1,496—**Mr. MacKay:**

1. Did the government contribute to the Foreign Claims Fund or its operations and, if so, in what amount and on what dates?

2. Did any foreign governments contribute to the Foreign Claims Fund or its operations and, if so (a) which governments and what was the amount and the date of receipt of such contributions in each case (b) have funds been sought from other governments and, if so, which ones?

3. (a) On what dates did disbursements to claimants begin in regard to the above governments and on what dates were they completed (b) what was the total disbursements to claimants, by government (c) what were the costs of administering the fund in regard to staff, accommodation, travel and the like?

4. At the end of each fiscal year since 1975, what was the balance on hand?

5. Are payments currently being made in respect to claims against the fund in regard to Algeria and Czechoslovakia?

6. Are negotiations currently under way or planned, with reference to the Foreign Claims Commission, in regard to Cuba, Yugoslavia, the German Democratic Republic and the Soviet Union?

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): I am informed by the Departments of External Affairs and Finance as follows: 1. The Government of Canada has made the following contributions to the Foreign Claims Fund in respect of expenses of the Foreign Claims Commission:

$ 1,000	May 1967
30,000	January 1971
40,000	March 1972
20,000	March 1974
36,000	March 1975
31,000	March 1976
47,000	March 1977
55,000	January 1978
36,000	December 1979
39,000	March 1980
$335,000	

2. (a) The following amounts have been received by the Foreign Claims Fund in accordance with agreements concluded between Canada and five foreign governments:

Government	Amount	Date
Bulgaria	$ 40,000	August 1966
Hungary	1,100,000*	August 1970—August 1974
Romania	1,400,000	July 1972—October 1974
Poland	1,225,000	June 1972—June 1978
Czechoslovakia	3,250,000	November 1973—November 1979

* In addition amounts totalling $239,912.27 were transferred to the fund under the Treaty of Peace with Hungary in respect of Hungarian assets formerly vested in the custodian.

(b) Funds have not been sought from other governments as voluntary contributions to the fund, however, it is expected that funds received in future from other governments as a result of agreements in respect of claims will be deposited in the fund.

3. (a) and (b)

Payments to Claimants up to September 30, 1980

Country	First	Last	Amount
Bulgaria	June 1967	August 1968	$ 41,296.95
Hungary	May 1972	July 1978	1,500,540.88
Roumania	January 1973	October 1977	1,523,237.26
Poland	July 1973	In progress	1,161,984.30
Czechoslovakia	October 1974	In progress	980,177.39

Payments are complete in the case of Bulgaria but in the cases of Hungary and Roumania small amounts remain to be paid pending advice from the claimants. The interest earned by the fund made it possible to pay claimants more than the amounts received from those governments as shown in answer 2 (a).

(c) Costs of adjudication and administration paid from the fund have amounted to $684,274.62 up to March 31, 1980.

4. Fiscal Year End Balances of the Fund

Date	Balance
March 31, 1975	$2,575,594.72
March 31, 1976	2,874,920.78
March 31, 1977	3,444,100.66
March 31, 1978	3,487,097.80
March 31, 1979	3,676,084.72
March 31, 1980	3,408,045.12

5. Payments are currently being made in respect of claims against Czechoslovakia but not in respect of Algeria.

6. Negotiations with Cuba in respect of Canadian claims have been completed and it is expected an agreement will be signed shortly. The government of Yugoslavia has agreed to investigate Canadian claims and it is expected negotiations will commence when those investigations are completed. Initial discussions have been held with the German Democratic Republic and the latter has agreed to investigate Canadian claims referred to it. There have been no negotiations held with the Soviet Union nor are any planned in the immediate future.

NATIONAL MUSEUMS

Question No. 1,695—**Mr. Herbert:**

For each of the past five years, by province, what amount was given by the National Museums of Canada to museums other than those in the national capital region?

Mr. Peter Stollery (Parliamentary Secretary to Secretary of State and Minister of Communications): I am informed by the National Museums of Canada that the reply to the above question is as follows:

Fiscal Transfers to Provinces

Province	1975/76	1976/77	1977/78	1978/79	1979/80
British Columbia	937,909	2,434,875	1,404,857	1,282,930	1,371,181
Alberta	279,192	524,204	991,497	631,253	696,627
Saskatchewan	851,495	546,543	339,473	449,707	419,172
Manitoba	588,223	720,365	544,053	698,616	582,951
Ontario	1,121,811	938,585	1,910,630	1,504,528	1,109,320
Québec	783,238	1,124,322	732,014	2,281,500	1,289,220
New Brunswick	672,889	601,759	272,144	961,400	608,150
Nova Scotia	225,819	459,010	944,460	914,759	1,150,870
Prince Edward Island	160,098	108,300	183,164	111,836	81,200
Newfoundland	176,494	436,329	406,615	251,083	195,300

[*Translation*]

Madam Speaker: The questions enumerated by the hon. parliamentary secretary have been answered. Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

● (1610)

GOVERNMENT ORDERS

[*Translation*]

FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS AND ESTABLISHED PROGRAMS FINANCING ACT, 1977

MEASURE TO AMEND

Hon. Pierre Bussières (for the Minister of Finance) moved that Bill C-24, to amend laws relating to fiscal transfers to the provinces, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

He said: Madam Speaker, the bill whose second reading we are now broaching is designed to amend laws relating to fiscal transfers to the provinces. The bill now before the House will implement changes to the structure of fiscal agreements between the federal and provincial governments. Under those arrangements, the federal government will transfer over $12 billion to the provinces in 1980-81. That amount reaches almost $17 billion if we also take into account those payments related to the transfer of taxes under the Established Programs Financing Act. The financial effects of the changes provided under this bill are important in absolute terms and are an integral part of our efforts to limit government expenditures. However, they are of little importance compared with the total amount of transfers paid to the provinces by the federal government.

I should like to add that Bill C-24 is identical to Bill C-26 that was introduced on December 11, 1978. Moreover, the minister of finance of the previous government stated on November 6, 1979, before the Standing Committee on Finance, Trade and Economic Affairs that he intended to implement the provisions of Bill C-26. Bill C-24 therefore implements what has been federal policy for over two years.

This bill is important in at least two regards. First, it proves that the federal government must adapt to evolving circumstances. Fiscal arrangements are not static and must be revised from time to time to take into account new facts of life. Second, the provisions of this bill reflect the will to reduce expenditures and the federal deficit.

We know that all administration levels share that purpose.

Bill C-24 provides amendments to two statutory programs. The first relates to the equalization payments authorized under the Federal-Provincial Fiscal Arrangements and Established Programs Financing Act, 1977. The second aspect of the bill has to do with the payments made under the Public Utilities Income Tax Transfer Act. I will deal briefly and specifically with both questions.

Hon. members recall that the equalization program is meant to authorize the transfer of sufficient revenues to the have-not provinces to enable them to provide satisfactory public services without levying higher than average taxes. I would like to point out that the equalization program ultimately rests on the capacity of the provinces to provide those services. And the program performs that role by estimating the revenues which each province would draw through the levy of average tax rates on its basis of assessment and by adjusting upward such potential revenues in the case of provinces below that average.

Thus we make sure that those provinces have sufficient financial resources to finance the main public services. Equalization is one of the most important programs of the federal government and I want to assure the House that we remain firmly committed in that respect. The very substantial payments which continue to be made under the program indicate quite well the federal commitment in that area. Indeed, the payments will be over $3.3 billion in 1980-81 even if the bill is passed by the House. Newfoundland and Prince Edward Island will each receive more than $600 per capita in 1980-81, New Brunswick and Nova Scotia over $500 per capita, Quebec and Manitoba each more than $250 per capita.

The equalization formula encompasses nearly all the revenue sources of the provinces, including those drawn by the provincial government from their oil and gas resources. These revenues from oil and gas resources have increased sharply in the past five years. In particular there has been a spectacular rise in the revenues of the provinces from the sale of exploration and oil and gas development rights. These revenues have gone from $253 million in 1976-77 to $932 million in 1977-78 yet they remain very unstable and varying.

It is obvious that the costs borne by the provinces to provide services have not risen at the same pace as the revenues drawn by the rich provinces from their natural resources. Furthermore revenues coming from the sale of rights differ from the ordinary revenues of the provinces given the fact that they come from the sale of assets. For these reasons it is considered that these revenues should not be included in the equalization formula.

The present bill provides also for the gradual suppression over a period of two years of the revenues from the turning over of Crown concessions on oil and gas fields for the purpose of equalization. Even if we take into account this change, the equalization payments to the provinces will increase by $311 million in 1979-80 and by $130 million in 1980-81. Each of the seven provinces receiving equalization payments will share in these increases. Saskatchewan's shares will go down in 1980-81 by comparison with the previous year, but this decrease will not be due to the provisions of the bill before the House, Bill C-24.

● (1620)

The bill also includes another change in the equalization formula. This change is based on the principle that the provinces in which per capita personal income is regularly higher than the national average should not be eligible for equalization payments. The reason for this change is that such a province can provide for its residents the services which they normally expect. Obviously, it would be inappropriate to make equalization payments to an economically strong province, such as Ontario, simply because Alberta revenues from oil and natural gas are increasing. This is what would happen under the present formula. This would seriously threaten the basic purpose of the equalization program and the capacity of the federal government to finance it. The situation of Ontario within the equalization program will be given priority during the next renegotiation of financial arrangements for the period from 1982 to 1986.

We must also ensure that a province where the per capita income is only temporarily higher than the national average will not be excluded from the equalization formula. This provision would therefore only apply during a year where per capita personal income in the province is higher than the national average that year and the two previous years. We would therefore take into account a period of three consecutive years where the average in the province would be higher than the national average.

If I may, I would now like to speak about the Public Utilities Income Tax Transfer Act. Hon. members may recall that the government announced on September 8, 1978, in the context of the expenditure restriction program, its intention to eliminate the payments made under this act, which allowed the federal government to transfer to eight provinces and both territories 95 per cent of the federal income tax paid by public utilities of the private sector for the production and distribution of electricity and natural gas.

In determining the restrictions concerning tax transfers, the government judged that all provinces, and not only those who receive equalization payments, should play some part in the cutback of federal expenditures. The public utilities income tax transfer program met this objective since it included not only five of the seven have-not provinces, but also Alberta and

British Columbia. Originally, this program aimed at eliminating any attempt by the provinces to nationalize for taxation reasons the public utility companies of the private sector. This was the purpose of reimbursing the income tax paid by these utilities. The federal government had also expressed at the time the hope that these reimbursements would be passed on to consumers as rate reductions. In fact, while this program was being implemented, a large number of private companies were nationalized. The only provinces where there are still some private hydro companies left are Alberta, Newfoundland and Prince Edward Island. Furthermore, it is only in Alberta that federal payments were in fact passed on directly to consumers.

When the program was created in 1947, the rate of payments was set at 50 per cent. That reached 95 per cent in 1966 when the Churchill Falls project was launched. However, despite this increase in the transfer rate, which allowed Newfoundland to receive all the income that would have accrued from the federal income tax, the province eventually nationalized these facilities.

After the government announced its intention, on September 8, 1978, of eliminating completely this transfer payment, that is of decreasing it from 95 per cent to zero, representations were made by the provinces concerned as well as by certain public utilities and some consumers. The federal government therefore decided to reconsider its proposal. This bill effects a compromise by reducing transfer payments, as of taxation year 1979 for corporations, from the present rate of 95 per cent to an initial rate of 50 per cent. So instead of dropping from 95 per cent to zero, the rate will go down to 50 per cent.

Mr. Speaker, that summarizes what I wanted to say on the main provisions of this bill. Essentially, it would bring needed changes to the present equalization formula so that it is not unduly affected by the rapid increase in oil and gas prices, and it would also effect a compromise with respect to the Public Utilities Income Tax Transfer Act. Even though these changes are proposed with a view to cutting back expenses, which is an objective all members of this House support, there are no doubt some members who believe that this reduction in transfer payments to the provinces is unjustified. But considering the level and the rate of increase of these transfers, it is absolutely impossible to slow down the rate of increase in federal expenditures without decreasing slightly the rate of increase of these payments. And it is with those goals in mind that I ask hon. members to approve this bill on second reading.

Mr. Kilgour: Mr. Speaker, would the minister allow me to put a question to him about his comments?

The Acting Speaker (Mr. Ethier): Would the hon. minister accept a question?

Mr. Bussières: Yes, Mr. Speaker.

The Acting Speaker (Mr. Ethier): Very well then, the hon. member for Edmonton-Strathcona (Mr. Kilgour) has the floor.

Mr. Kilgour: Mr. Speaker, if I may, I shall ask two questions. First, does the minister approve of the nationalization of electric power companies in Alberta and, second, how much, as of now, is the federal government going to pay the Ontario government?

Mr. Bussières: Mr. Speaker, about the first question, it is a matter of opinion and if I were a member of the legislature in a province where there are private electric power companies, I could say what I thought about it. However, I do not see what purpose it would serve for me to say what I think about a purely theoretical matter that does not concern the federal jurisdiction at all. As to exact amounts, I must say I did not commit them to memory, but I can assure the hon. member that in committee I shall give him readily and in detail the exact amounts involved. I am sorry I do not have them here now.

[*English*]

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, this is an omnibus bill which deals with equalization and also the Public Utilities Income Tax Transfer Act. With respect to the equalization problem, this party recognizes the government's concern. Indeed, if this bill were not passed the government's deficit would increase by at least a billion dollars, and probably by the end of 1982 by about $2 billion in total, so that equalization would be payable to the province of Ontario. In effect this bill will remove the right of equalization from the province of Ontario. The province of Ontario, for a number of reasons which I will mention later, is perhaps prepared at this time to go along with the bill.

• (1630)

The second part of the bill deals with the Public Utilities Income Tax Transfer Act. This bill particularly affects a part of our country in which there has been some concern about how the federal government is operating with regard to what might be called crushing individual rights of people, and that is the province of Alberta.

My party has suggested to the minister that if he will withdraw section 3 of the bill, we will make sure that the bill passes all three stages today. But if this section is to remain in the bill, we are concerned that the terms of the bill will be used by those who might advocate the break-up of our country, as another grievance. The amount of money involved is not that much. Our estimate is that at the very most we are talking about some $30 million spread over two years. That is an insignificant amount of money in terms of the government's budget.

Mr. McDermid: They can spend that in ten minutes.

Mr. Blenkarn: Indeed, as my friend has said, the government could spend that money in ten minutes. I am not sure

that I could spend it that rapidly, but we are fast approaching that level of expenditure. If the government would indicate that it will withdraw clause 3 of this bill—and we appreciate the fiscal problems of the goverment—then we are prepared to let clause 1 and clause 2 of the bill pass. We suggest that the government, in light of the political climate of today, should not concern itself with the minor amount of money involved in clause 3 and that it immediately indicate that it will withdraw this clause from the bill.

Perhaps the government may wish to introduce that clause later, and perhaps it may be a question of discussion in dominion-provincial fiscal matters as they transpire, but it is a matter which will be used by people who are at this point—perhaps rightly, perhaps wrongly,—inflamed over the actions of this government in connection with the budget, the constitution—

Mr. McDermid: Energy.

Mr. Blenkarn: —and, as my friend has indicated, energy. It may be used by these people as another grievance which might well tear apart the fabric of the country. We are not asking for very much. The minister may wish to reflect on what I have said.

This party has always believed in equalization of provincial revenues. It is a fundamental precept of my party. Indeed, this party, under the hon. member for Yellowhead (Mr. Clark), when he took over the leadership of the party, convened a conference at Kingston at which all Conservative premiers of the day met and fully endorsed equalization. Included among those premiers was the premier of Alberta, who has clearly stood behind the principle of equalization. If it were not for the confrontational techniques of this government, there would not be near the problems which we face today with respect to energy taxation. There would be agreement.

The Progressive Conservative Party, both provincially and federally, is fully behind the principle of equalization. We have a number of concerns about the question of equalization, but I think the principle of equalization was well spelled out by the Hon. Mitchell Sharp in 1966, when as minister of finance he said equalization represents:

> —one of the dividends of Canadian unity, designed as they are to enable all Canadians to enjoy an adequate level of provincial public services. Where circumstances—whether natural or man-made—have channelled a larger than average share of the nation's wealth into certain sections of the country, there should be a redistribution of that wealth so that all provinces are able to provide to their citizens a reasonably comparable level of basic services, without resorting to unduly burdensome levels of taxation.

There are several methods by which equalization could be obtained. Perhaps the easiest method is spelled out in the bill, that equalization should be on the basis of the gross provincial product divided by the number of people in the province. If a province has a better ratio than the average, that province should be deemed a have-province, and if the province has a worse relationship than the average, then that province would be deemed a have-not province. Equalization would be on the basis of equalizing the gross provincial domestic product available for provincial taxation.

Unfortunately our system of equalization is not the one which I have just mentioned. Our system has been described as a representative tax system in which some 29 items of provincial taxation are equalized. This group of 29 includes such diverse items as personal income tax available to the provinces, business tax revenues, tobacco taxes, gasoline taxes, revenues from the sale of beer as opposed to liquor, and so on. There are 29 separate items. Under the current system we try to equalize, for example in the case of personal income tax, by taking all the revenue of the province from personal income tax and multiplying it by the population of the province or the per cent of population.

For example, the province of Newfoundland has 2.43 per cent of the population of Canada. All provinces receive $10.7 billion in revenue. Therefore, they multiply that dollar figure by 2.43 per cent. The average revenue of the province of Newfoundland would be less than the figure arrived at, therefore there would be a claim for equalization, based on equalizing that particular source of revenue. Each province is equalized on these 29 items of revenue. A plus figure or a minus figure is arrived at and the total at the bottom of the pile is determined by adding the pluses and subtracting the minuses.

For example, with regard to personal income taxes Newfoundland would be entitled to $129,000, but since it has certain mineral revenues, water power rentals and so on, these revenues are all taken off as equalization and you add and subtract until you get $343.8 million, which was the figure for the 1979-80 fiscal year. This applies to every province. I might point out that in the case of Ontario, if that formula were used in fiscal year 1979-80, Ontario would be receiving $255 million. The effect of this bill is to prevent Ontario from receiving $255 million to which it would otherwise be entitled if the system was as it is written in the act. The effect of this bill is that it takes that money away from the province of Ontario.

The problem which has developed was set out to some extent by the minister, but I would like to set it out again for the benefit of the House. There are only three provinces in this country which have any significant oil and gas revenue at the present time, and those provinces represent a relatively small portion of the population of Canada. Indeed, the population of Alberta has only 8 per cent of the population of Canada. The problem is that when you add oil and gas revenues into the pot, you wind up with a levering effect.

● (1640)

I want to explain to the House what in fact has happened. Because the province of Alberta has such a relatively small population and such a relatively large revenue from oil and gas, the province of Alberta's revenue is equalized into the totality of what is to be equalized. The effect is that as you increase the revenue from oil and gas and oil, the system would remain the same. A dollar increase in revenue in oil and gas generated in western Canada increases the federal government's responsibility to equalization by 78 cents. That is the kind of relationship you get, whereas if you had an increase in revenue in another source, say, personal income tax in a

province, that increase of one dollar would only increase the obligation for equalization by seven cents. In other words, there is a levering up because of the relatively small population of the province of Alberta, and that levering up affects the whole equalization process.

The problem, of course, is that the federal government's revenue does not come, or has not come until this stage, from natural resources. The provinces' and the federal government's revenue has come from the traditional sources of personal income tax, corporate tax, customs duties, sales tax, and the like. In fact, the province of Ontario contributes 43 per cent of the tax revenue that the federal government has. That 43 per cent winds up being revenue used to equalize. As the revenue in western Canada available to provincial parties increases, the demand on the federal treasury increases and, consequently, the demands that are placed on the province of Ontario.

Indeed, sir, if you analyse the tax base you find that of federal revenues, 29 per cent comes from western Canada, that is, the four western provinces; 28 per cent of federal revenues comes from the five eastern provinces, including the province of Quebec; and 43 per cent comes from Ontario. The huge increases in provincial revenues in the west do not cost the west, in terms of equalization, anything like they have cost Ontario.

The result is that the province of Ontario, probably not being as altruistic as one would think, is saying, "Look it, don't give us equalization, because if you do—if this bill does not go through—the real burden on the people of Ontario will be even greater." And so, whereas the province of Ontario, as I said at the beginning of my remarks, might well be entitled over the total period of this bill, and to March 31, 1982, as a result of an increase in oil and gas prices, to as much as $2 billion, it is prepared to forgo that. I think that is a very important thing, that the people of Canada should know that the province of Ontario is prepared to forgo revenue that it would get in equalization. The point of the matter, of course, is that the system is wrong, as the minister says, and this is just a patch-up bill.

What we would really be happy to see is a new bill, because there is a solution. A solution would be to change what you equalize. There is absolutely no reason why we should follow the existing equalization pattern. There is no reason why we are not equalizing on the basis of gross domestic product. There is also no reason why the federal government should attempt to equalize oil and gas revenue when the federal government has no access, or up until now has no access, indeed, constitutionally, has no access, to oil and gas revenues. The federal government has no right to royalties on Crown-owned land. The federal government has no right to rents on Crown-owned land. That is constitutionally not proper. There is no reason then why the federal government should attempt to equalize that type of revenue; it should be equalized separately. It should be equalized by an agreement between the provinces setting up a separate provincial fund to equalize, in some fashion, the fact that some provinces have massive natural resources, and that they do not need to pass that equalization money through the federal government. Indeed, the federal government has no right, sir, to say, "Because we have to have equalization we have the constitutional right to seize resources, seize revenues that are really provincial, because we are going to spread some of them out to the provinces."

Some hon. Members: Hear, hear!

Mr. Blenkarn: One of the reasons why people are opposed to the entrenchment of equalization in the constitution is that they view that entrenchment of equalization in the constitution as perhaps a method by which the federal government could seize what is really provincial resource assets, resource revenue, and use that seizure as an excuse for equalization, or use equalization as an excuse for seizure.

What we have to do is go along with the suggestion, without confrontation, but in a sense of compromise, to have the provinces between themselves equalized with their own revenue—the excessive revenue that accrues to some provinces by virtue of their ownership of resources—and have the federal government only equalize that which the federal government receives to equalize.

An. hon. Member: Hear, hear!

Mr. Blenkarn: Sir, we have a problem in the country. Our problem is that one of our provinces is almost a Kuwait. The revenues in the province of Alberta have been such as to almost knock the spots off Canada. Alberta has provincial and local government services that are among the best in Canada. It has no sales tax, no gasoline tax, no residential property tax for school purposes, and by far the lowest individual corporate income tax rates. In its 1979 budget it retired all municipal debt. It is almost a Kuwait. It still has a billion dollars of possible surplus, and its Heritage Fund is increasing, and increasing, and increasing. It is almost a Kuwait.

One of the grave dangers to our confederation is that one part of Canada may become so exceptionally wealthy that it is able to supply services to its inhabitants far in excess of what any other part of Canada can supply, is able to have tax rates far lower, or, indeed, no taxes. Indeed, there was a proposal that Alberta abolish all corporate taxes. There is no doubt about it, that with the revenues that were not diverted to the Heritage Fund, they could abolish all taxes in the province of Alberta and rely on oil revenues. The situation is a matter which must cause great concern to a government which should be trying to keep a country together.

● (1650)

I refer to the Economic Council of Canada report of last year entitled "Two Cheers for the Eighties". One of the great cheer problems for the 1980s is the issue of development and taxes. At page 57 of this report we find:

> The issues this development raises are political rather than economic, although the way in which they are resolved will have a bearing on the nature of economic management in the country. The federal government is in a poor position to continue to play its major role in economic management, equalization of

provincial revenues, and the conduct of major national policies. In most areas of economic policy, achieving national objectives will require extensive provincial participation, or these objectives may never be met. There is an urgent need for more co-operation. In the longer run, the fiscal structure of the federation will have to be rebalanced and better institutional arrangements will have to be developed to cope with the challenge of interdependence between the federal and provincial governments.

That is what has to be done.

What do we have from this government? We have confrontation where we should have accommodation. We have a situation where we have Pierre and Peter fighting with each other. We have a situation where we do not get down to brass tacks. We do not make arrangements where provinces could do some sharing without the necessity of the federal government being involved. I point out to you, sir, and to the minister, that every Conservative premier agreed to equalization at the Kingston conference. There is no reason why that cannot be effected. There is no reason why we could not have an equalization bill and an equalization arrangement among provinces with respect to natural resources revenue which would solve the problem this bill is skirting around.

One concern expressed by the province of Ontario is the effect of the present equalization system. In fact in many cases there is overequalization. The reason for that is you wind up using this 29-tax item. Instead of using gross provincial product relationship to population, a study in the province of Ontario shows that this year the federal government will spend $628 million more in equalization payments than it should spend if it used the gross provincial product system with relation to population. I ask the minister why that has not been a policy of this government.

The present system is unfair. It tends to overequalize. It tends also to create a situation where natural resource revenue must be financed and equalization paid out of other revenues. That situation cannot go on. Even though we have reduced the equalization of non-renewable resources to 50 per cent, we still wind up with that continuous problem.

One thing which bothers me about this bill is that it continues to leave the province of Saskatchewan as a have-not province even though that province can afford to set up a heritage fund. It is the only have-not province with a heritage fund. The minister says it gets only $52 million. But it seems strange that when the province of Ontario, which has no oil to speak of, no heritage fund at all, and with a billion-dollar deficit, is prepared to come to the government and say, "Yes, we will forfeit our share to equalization," yet the equalization bill does not refer to the province of Saskatchewan, and allows Saskatchewan to continue to be treated as a have-not province. This is a ridiculous situation. When the minister introduced this bill, I would have thought that that particular concern would have been brought to his attention.

In the last few minutes I have before five o'clock, I would like to speak about the Public Utilities Income Tax Transfer Act. At the beginning of my remarks I said that we are very concerned about this portion of the bill. There are several problems with it. Aside from its possible use by those opposed to our confederation, the bill tends to make it more profitable for a provincial government to set up a Crown corporation. Provincial Crown corporations under the British North America Act, as the minister knows, are not taxable.

When the British North America Act came into being in 1867, there was no intention that provinces should set up businesses as Crown corporations. The situation we have today is that what may have been a service originally has been treated almost as a business. For instance, we have Ontario Hydro selling hot water tanks, electric stoves, air conditioners, and whatever. Consumers' Gas Company, a private utility company, is affected by this act. It pays its corporate tax. The corporate tax money goes back to the province of Ontario and it is kept in general revenues. That corporation is not entirely a public utility. It is a merchant. It sells new gas furnaces, hot water tanks and whatever else it can sell. In my riding the corporation has a display room where it merchandises all kinds of products. In other provinces there are Crown corporations which are certainly intended to be in business. For example, the potash corporation in Saskatchewan is intended to be in business and intended to make a profit. It is not a utility. It could never be described as such and it pays no tax. This bill encourages a province to take gas and hydro companies and make them public corporations under the jurisdiction of the provinces, so they will pay no income tax at all.

The minister must look at whether we can continue having Crown corporations in Canada in business and paying no corporate tax, certainly no corporate tax to the federal government. If the provincial government wants to waive corporate tax for its own entities, that is one thing—and provincial governments can do that if they have the revenue to do it—but as far as the federal government is concerned, every time one of these companies is made a Crown corporation then the federal government's share of revenue becomes less and less.

Does the minister see any advantage in messing around with the Public Utilities Income Tax Transfer Act? All it will do is encourage provincial creation of Crown corporations on which no federal income tax will be paid. The minister may say—

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Ethier): Order. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Ottawa-Vanier (Mr. Gauthier)—Public Service—Inquiry whether retirees will benefit from indexation; the hon. member for Athabasca (Mr. Shields)—National Energy Program—Alsands Project—Request for assurance of completion; the hon. member for

Winnipeg-Birds Hill (Mr. Blaikie)—Atomic Energy of Canada Limited—Disposal of nuclear waste.

It being five o'clock, the House will now proceed to the consideration of private members' business as listed on today's order paper, namely, notices of motions.

PRIVATE MEMBERS' MOTIONS

[*English*]

Motions Nos. 14 and 20 allowed to stand by unanimous consent.

* * *

● (1700)

VETERANS AFFAIRS

SUGGESTED EXTENSION OF BENEFITS TO SURVIVING VETERANS OF SPANISH CIVIL WAR

Mr. Bob Rae (Broadview-Greenwood) moved:

That, in the opinion of this House, the government should consider the advisability of providing veterans' benefits to Canadian members of the Loyalist Republican forces who fought in Spain between 1936-1939.

He said: Mr. Speaker, there are few motions which have given me greater pleasure to move and have considered in this House. Basically, what we are attempting to do is have the government and people of Canada finally recognize the contribution made to and on behalf of our country, indeed on behalf of the democratic ideal, by a group of Canadians some 1,250 strong. Without any organized payment by anybody, they decided to take it upon themselves to leave this country, from British Columbia through to Newfoundland, and fight on behalf of the forces of democracy those enemies of democracy who attempted and were eventually successful in overthrowing the democratically elected government of Spain.

As pointed out by my colleague, the hon. member for Regina West (Mr. Benjamin), we are dealing with about 200 surviving veterans of the Spanish civil war whose only mistake, if it can be described as a mistake, is that they were anti-fascists before it was fashionably popular to be so. They were the idealists, from all walks of life across Canada, different backgrounds and of different ethnic groups, who recognized something that other Canadians and people throughout the western world were slow to recognize.

They saw that the forces of fascism and nazism were fighting as one. They saw that Mussolini's Italy and Hitler's Germany looked upon Spain as the first arena in which they were going to fight the cause of anti-democracy. They were going to attempt to subvert democratic and liberal democratic institutions. The vast majority of these idealists fought in the battalion now known as the Mackenzie-Papineau battalion.

Others fought privately and joined other battalions on behalf of the Spanish republican forces.

The first thing the government did in 1936 when these people went to Spain was to declare them illegal. They were made outlaws in their own country by the passage of the Foreign Enlistment Act. In order to get to Spain, they were forced to go hither and yon. They had very little official support from any government or diplomatic agency in Britain, France, or wherever. If they were shot or wounded, they had to rely almost entirely on their own resources and the resources of a number of Canadians who were prepared to contribute to their welfare. Basically, this was a self-help operation.

These people have been described in many ways. One of the most interesting descriptions is by Hugh Garner in his novel "Cabbagetown" which, as many members know, is a description of working class life in Toronto during the depression. At the end of the novel, the hero decides to become one of these idealists who were to fight fascism before it became fashionable. He gives a very good description, a very evocative description, of who some of these people were. In describing these people, Mr. Garner wrote:

They were a ragtag of communists, socialists, trade-unionists, social-reformers, intellectual anarchists, liberals, and the just plain angry, from twenty countries, drawn together by a strange social osmosis, yet each man's reason as individual as he was himself. The Internationals had already proved themselves in the suburbs of Madrid, in University City and Casa Del Campo, these amateurs who sometimes defeated the Spanish regular army, the Moors, the Spanish Foreign Legion, the Carlists, the Falange, the Italian Blackshirt divisions, aided by the German Condor Legion of the Luftwaffe, and the Portuguese. None of them knew it then, but they were already doomed to defeat, not by Spanish fascism, or Hitler, but by the machinators in Whitehall, the Quai d'Orsay and on Washington's Capitol Hill.

The war in Spain was a great and noble cause, a democratic and social democratic cause. It was not, as has so often been described when this matter has been raised as it has in this House on a number of occasions, a private war, with soldiers of fortune going off to fight in it. As I said before, this was the central arena where the forces of fascism decided to become involved. What in fact happened in that war was that Mussolini's Italy and Hitler's Germany—the Luftwaffe, as my friend for Regina West suggests—used that war in order to test their weapons.

Throughout all this time the governments of the west, England, France, Canada and the United States, were following appeasement and the doctrine of appeasement. The notion was that all you had to do was give Hitler a little more, and that was all he would want, it would be sufficient. One had to recognize the principle of absolute neutrality, even though that principle was being breached every day by the fascist powers.

The principle involved here is very simple and basic. The principle is that if the Government and Parliament of Canada can, through the War Veterans Allowance Act and all the legislation which applies to veterans in Canada, provide for pensions and allowances not simply for Canadians, but for members of the allied forces who are now Canadian citizens who fought in World War I, World War II and the South African war, there is no reason why, retroactively, it is not possible to designate those Canadians who fought in the

Spanish civil war on behalf of the Spanish forces as equally entitled.

I want to anticipate for a moment the response of the government and of many people. The first statement is that they were simply soldiers of fortune and we cannot go around subsidizing people who fought in any individual war anywhere in the world, that it has to be a war officially declared by the Canadian government. Let me deal with that problem very briefly.

• (1710)

I do not see why, retroactively, Parliament cannot admit that perhaps the Government of Canada made a mistake when it passed the Foreign Enlistment Act. I do not see why Parliament cannot recognize that those people, whose only mistake was to have been unfashionable, should now be granted some recognition by virtue of the fact that the war which they were fighting in Spain was exactly the same cause which so many other Canadians fought and died for only three years after the Spanish civil war began. In fact it was the continuation of precisely the same kind of battle between the same kind of forces. The fight between Vichy France and Canadian troops, the fight between fascist Germany and Canadian troops, and the fight between fascist Italy and Canadian troops was exactly the same fight as the fight between fascist Spain and those Canadians who chose to ally themselves with the Spanish republican forces in 1936.

Some hon. Members: Hear, hear!

Mr. Rae: Indeed, the Spanish government itself has now recognized this by granting pensions to all those who fought on whatever side. If the Spanish government is capable of doing that and capable of attempting to rebuild its democratic institutions, recognizing that retroactively one can attempt to rectify mistakes one has made, I see no reason why the Canadian government should be any less generous and less forthright. We are not dealing with tens of thousands of individuals, because we are not dealing with vast amounts of money, we are dealing with a principle.

Some will say, "Well, if we do it in one case, we will have to do it in every other case." All I can say is that this is a matter for the discretion of Parliament. It is for Parliament to decide that, on balance, those Canadians who were fighting in a given theatre of war were in fact fighting for principles and ideals, the same principles and ideals for which Canadians themselves were officially engaged to fight some years later. I say it is an important act of discretion for us to be able to do this.

Let me say very briefly, Mr. Speaker, that when my colleague, the hon. member for Regina West, raised this matter most recently in Committee of the Whole, as I have been raising it and as our leader raised it last year, he put a question to the minister with respect to the treatment that is being accorded to those 200 Canadians who live throughout Canada, many of them in very difficult conditions. When he raised this question, as reported at page 2731 of *Hansard* of July 9 of this year, he was told by the minister:

> Mr. Chairman, I planned to make some reference in this regard but I see that time is moving on. The hon. member may not know but this is under consideration by the department. I have no answer for him today other than to say that it is under consideration.

I had discussions about this matter with the minister, the Hon. Daniel MacDonald, when he was alive, and he indicated to me privately that he was considering the matter and that he realized the difficult circumstances in which many of these veterans found themselves. He realized the anomalous distinction between those veterans who fought in the Spanish civil war and went on to fight for the allies and who were receiving pensions, and those veterans who were so ill after 1939 that they were unable to continue fighting, and who are receiving no pension.

I look forward to hearing the government's response because it is a matter of principle, it is a matter which involves, I think, the exercise of collective compassion on the part of this Parliament, and also a question of retrospective political judgment, to recognize that the official wisdom of the time was the wisdom of appeasement. In Canada, the official wisdom was the wisdom of not getting involved in any foreign wars.

If you read the diary of the Prime Minister of the day you will see that when he went to visit Hitler, he was very impressed. He thought that a marvellous experiment was going on in Germany and he could not understand what all the fuss was about in Spain. There were many, many Canadians, not all of whom fought in the Spanish civil war but many of whom fought in the Second World War and worked for the government in different ways, who recognized the fact that the policy of appeasement, the official wisdom of the time, the official policy of Chamberlain, the official policy of Daladier, that policy, was bound to lead, as it inevitably did, to the Second World War because, unless Hitler was resisted in Spain, unless he had been resisted years before in Germany, unless he had been resisted in the 1920s in his country, one could see the writing on the wall in terms of the intentions of the nazi idea, the notion of total domination of Europe by a totally reactionary and inhuman philosophy.

There were many people who were wrong about Hitler, many people who were wrong about Spain, many people who unofficially decided that they would take it upon themselves to do something in which they believed, which was to fight in a war which was not popular. So they were declared effectively to be outlaws by their own government. But when you read the description of the return of the Mackenzie-Papineau battalion to Toronto in 1939, you recognize the fact that this was a popular and courageous thing to do. By that time, in 1939, the public of Canada recognized the fact that indeed these people had a great deal of courage and deserved recognition.

I want to conclude my remarks now, Mr. Speaker, because there are a number of other hon. members who want an opportunity to speak and because I want to hear from the government. I think this is a matter on which it should be possible to achieve some agreement. I want to close by quoting from George Orwell's book "Homage to Catalonia". George Orwell was even more courageous, unofficially, tha others. He decided to fight his own group on the left among whom there

was a great deal of in-fighting in terms of which side or which way one would go in the Spanish war. He was wounded and he came back to England. I think his description of England would fit very well the description of Canada by someone who came back from Spain at that time. I will read it because I think it is a good description of the contrast between what Orwell found in England in 1939 when he returned and what he knew was on the horizon. He wrote:

Down here it was still the England I had known in my childhood: the railway-cuttings smothered in wild flowers, the deep meadows where the great shining horses browse and meditate, the slow-moving streams bordered by willows, the green bosoms of the elms, the larkspurs in the cottage gardens; and then the huge peaceful wilderness of outer London, the barges on the miry river, the familiar streets, the posters telling of cricket matches and Royal weddings, the men in bowler hats, the pigeons in Trafalgar Square, the red buses, the blue policemen—all sleeping the deep, deep sleep of England, from which I sometimes fear that we shall never wake till we are jerked out of it by the roar of bombs.

Those words were written before the outbreak of the Second World War. They were written by someone who, having fought in the war in Spain, having seen the awfulness of the political conflict there, recognized that there was a deep complacency within his own country and his own society, a complacency in people who could not come to grips with the fact that a war was going to be fought between those people who believed in democratic institutions and those people who believed in exactly the contrary.

Canadians, perhaps, slept an even deeper sleep than those in Europe who were much closer to the conflict. Canadians who went overseas, who fought in Spain and returned to say "appeasement will not work, this is a force that has to be fought, a force that has to be fought with guns because it cannot simply be fought with words", those who lost their lives—and there were hundreds of them—and those who were wounded—and there were hundreds of them—came back to Canada as official outlaws, but as unofficial heroes to many, many people.

● (1720)

Many of them went on to fight in the Second World War. Many of them were unable to fight any longer because of the seriousness of their illnesses, but all of them have one thing in common, and that is that none of them, by virtue of the fact that they fought in the Spanish Civil War in the battles of Jarama, Brunete, Quinto, Belchite, Fuentes de Ebro, Teruel, The Retreats and The Ebro, will be as well known as those Canadians who "officially" died. But dare one say that their fighting for democracy in Spain was just as important, just as worthy now, finally, of our official recognition as the fighting of those Canadians who sacrificed so much for us in the First World War, in the Second World War and in Korea, and, indeed, who continue to risk their lives in the keeping of peace throughout the world?

Mr. John Campbell (Parliamentary Secretary to Minister of Veterans Affairs): Mr. Speaker, the hon. member has made a very eloquent speech and, I must say, for a very worth-while cause. I welcome this opportunity to speak on the motion proposed by the hon. member for Broadview-Greenwood (Mr. Rae). He asked that the government consider the advisability of providing veterans benefits to Canadian members of the Loyalist Republican Forces who fought in Spain between 1936 and 1939. The wording of the motion demonstrates the hon. member's understanding that there are factors to be taken into consideration and that the government must weigh carefully these factors when contemplating the validity of what is proposed.

The government has given this question every consideration, as have previous administrations.

Mr. Benjamin: Well, do something about it.

Mr. Campbell: Before his untimely death, the late Hon. Dan MacDonald gave very serious consideration to this cause, as did the hon. member for Victoria (Mr. McKinnon) in the previous administration, and as has the present acting minister, the Minister of National Defence (Mr. Lamontagne). These three ministers have all been asked to consider this matter.

I am certain that they all gave it serious, thoughtful consideration, and yet none of them felt they could recommend that the members of the Mackenzie-Papineau brigade become entitled to the benefits available to Canadian veterans under the veterans charter.

One can certainly congratulate those men who went to Spain and waged war on the fascists. One can applaud their bravery in the face of a better manned and better equipped enemy. As soldiers they were superb, and Canadians in general regard the performance of the Mackenzie-Papineau brigade as heroic. Certainly the Spanish people appreciate the participation of the international brigade. The new administration in that country has, I believe publicly thanked all persons who joined the international brigade. However, the indisputable fact is that they were "soldiers of conscience", freelancers against fascism, and by all logic this House cannot say that they should be treated in the same manner as men and women who fought in the uniform of Canada or, in some cases, fought for countries allied with us in war.

Let us just consider the mandate of the Department of Veterans Affairs. First, it has an obligation to commemorate the memory of those who died in the service of Canada. That is why every April Canadians gather on Vimy Ridge to pay tribute to those who lost their lives in the carnage of the First World War.

On November 11 of each year Canadians stop to remember their fallen countrymen. DVA has programs in place and is developing others to ensure that Canada does not forget the sacrifices made during the conflicts in which we participated. Veterans' associations like the Royal Canadian Legion and members of the National Council of Veterans' Associations are active in supporting the cause of veterans and active in commemorating the sacrifices made by veterans.

Just over a week ago the acting Minister of Veterans Affairs led a pilgrimage to the Far East to commemorate the memory

of those Canadians either killed in the defence of Hong Kong or the victims of years of captivity.

Mr. Benjamin: Look at the number of years it took to do something about it.

Mr. Campbell: These were Canadian ceremonies, our way of recognizing that our present freedom and prosperity were secured through the sacrifice of those who believed this country was worth fighting for.

The department's mandate includes the objective of perpetuating recognition of wartime sacrifice and achievements and their contribution to Canada. Let us note the words "contribution to Canada". Similarly, the department provides a wide-ranging program of benefits in recognition of wartime service. The objective is, and I quote:

To manage special programs for veterans and other specified persons which will compensate for death or disabilities incurred in the service of Canada.

The words "service of Canada" are the key to the benefits Canadian veterans can receive. With the best will in the world I cannot accept that the veterans of the Mackenzie-Papineau battalion were serving Canada in the full meaning of the department's mandate.

Mr. Benjamin: Change the mandate.

Mr. Campbell: The hon. member for Broadview-Greenwood has detailed the reasons why these men went to fight in Spain, and from the standpoint of history these reasons seem valid and noble. However, at the time these Canadians deliberately chose to ignore the laws of their own country and to join in the conflict raging in Spain. This was an individual decision for which we are now being asked to give a collective reward. Whether the Foreign Enlistment Act was worthy legislation is certainly something which can be disputed over 40 years later, but at the time it was the law of the land. Canada chose to be neutral when Spain erupted into war.

Mr. Benjamin: It is time to admit a mistake.

Mr. Campbell: Over 1,200 Canadians chose to ignore that neutral stance and to take sides against the nationalist forces. Nobody forced them to go. Canada was not at war, but they let their conscience be their guide. Surely such an individual conviction does not entitle them to join the ranks of those Canadians who went to war because their own nation asked them to serve. The strength of the conviction which propelled these brave individuals to fight against tyranny and oppression as it existed in Spain was not shared by the Government of Canada, nor by most other nations of the world. Although we can only see the world order from an historical perspective, I do not believe it would be wrong to say that the Mac-Paps were very alone in their struggle. Canada did, however, offer some measure of welcome when the survivors returned in 1939, and the Department of External Affairs did assist in the return of the battalion to Canada.

As I said earlier, our government has given the requests of the veterans of the Mackenzie-Papineau brigade every consideration. Representations were first made back in 1975. Only last May 22 members of the Mac-Paps met with Dan MacDonald and received an understanding hearing when they voiced their objectives.

Dan MacDonald was aware that the survivors of the Mackenzie-Papineau battalion had seen the horror of battle and shared a common experience with our soldiers who fought Hitler and Mussolini a few years later. During the meeting they asked that the Foreign Enlistment Act be amended. This is understandable because they were still living under the threat of prosecution. While there has never been any intention in recent years of prosecuting them, this symbolic cloud was there, and the minister appreciated this concern.

• (1730)

As a result, the minister of justice was able to give an assurance that the government would not undertake any prosecutions of members of the Mackenzie-Papineau battalion under the Foreign Enlistment Act. A symbolic gesture it may have been, but it was the government's way of putting on record its view that these men were not criminals and should not have to live in the shadow of the act any longer. Also at this meeting the veterans of the Spanish civil war asked for recognition under the veterans' charter. This request was not shrugged aside. It was given a long, serious study. The study reaffirmed the government's conclusion that it could not, in all conscience, give these veterans the recognition they felt they deserved. This decision was not taken out of a spirit of meanness. In financial terms, the cost to Canadian taxpayers would be insignificant. The decision was taken simply of the grounds that these men did not qualify under the provisions and the spririt of the veterans' charter.

This is not to say that their cause was unworthy or that they were not brave and stubborn soldiers. They fought in the company of a man called Norman Bethune whose concern for humanity went beyond geographical boundaries. Certainly the exploits of the International Brigade will live on in literature long after all the members of that gallant group have passed away.

History has proven them right. They were among the first to take on fascism. As has been said, some of them enlisted in the Canadian forces in 1939 and continued their struggle against Hitler and all the evil he represented. Naturally these particular men are entitled to all benefits available to any Canadian veteran. With that said, the House must deny the Canadian survivors of the Spanish civil war the benefits earned by servicemen and women who fought in the uniform of Canada.

I should like to repeat the government's reasons. These men went to Spain in defiance of the laws of Canada at that time. They fought on behalf of their own conscience, not on behalf of the people and the Government of Canada. The fact that they are now regarded as having been on the right side at the right time is not the point. If Canadians were asked whether they now agree or disagree with the action taken by the members of the Mackenzie-Papineau battalion, I am certain that few would disagree.

But that is not the issue. We are being asked to consider treating these men in the same way as we treat those who, in two world wars and Korea, went into combat on behalf of the Canadian nation officially at war. It cannot be said that these men contributed to Canada directly. It can be argued that they attempted to contribute to the cause of world justice, and I believe it is only fitting that they are greeted as heroes in post-Franco Spain. Perhaps any requests for veterans benefits could be directed to Spain.

Other speakers on this side will detail the practical problems which would be involved in processing applications for wartime benefits for men who did not serve in the Canadian forces. Others will point out the consequences which would accompany the precedent of Canada officially recognizing freelance soldiers. Soldiers of conscience are not exclusive to the battlefields of Spain.

The government recognizes the sincerity behind the motion of the hon. member for Broadview-Greenwood. This debate gives some of us an opportunity to say to these men that many thousands of Canadians do not regard them as criminals, but as gusty and motivated individuals.

We salute their bravery but simply cannot agree that men who fought in a war not sanctioned by Canada are entitled to the benefits reserved for people who answered their own nation's call to arms.

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, I have a few comments to make at this stage, but I do not propose to use the full 20 minutes allotted to me. I think there is another aspect to this problem which ought to be brought to the attention of the House; it is time that it was.

I suggest that the hon. member for Broadview-Greenwood (Mr. Rae) is stretching credibility beyond the point of no return to suggest that there is an absolute parallel between what occurred in Spain and what occurred in the 1939-45 war. There were forces contending in Spain; there is no question about that. They were the forces of fascism, on one side, represented by a fascist group in Spain, supported by fascists from Italy and the nazi forces from Germany. On the other side, however, in that particular operation were the forces of communism. There is no question about that.

Mr. Rae: Rubbish!

Mr. Munro (Esquimalt-Saanich): I was of an age to attend those meetings, and I was aware of the infiltration of communist elements in the recruiting campaigns. What was going on was a contest between fascism on the one hand and communism on the other.

But I should like to make the following caveat right away—this is not to condemn those who out of good conscience were not able to see the particular machinations of the communist recruiters; this is not to question their good will. I am sure many of them went there idealistically believing that the forces they were fighting were the forces of fascism, and that they were supporting the democratic principles of western democracy. They were being appealed to and asked to support international communism. Some of those members of the Mackenzie-Papineau battalion who came back—and I think it was probably the idealists—went on to fight when Canada's call came in the Second World War. Those who came back and who did not put on the Canadian uniform might well have been aware that there had been an entente or deal worked out between the Soviet Union and nazi Germany in 1939 and who, therefore, would not become involved in that particular operation. At that time there was an element which was trying to prevent Canadians from joining, putting on the Canadian uniform.

Mr. Benjamin: What does this have to do with the motion?

Mr. Munro (Esquimalt-Saanich): It has a great deal to do with the motion. I am suggesting that those who went abroad at that time were, to a considerable extent, motivated and urged to do so by communist influences and not in the interests of democracy as I understand it. If there is anyone who is entitled to further recognition beyond that accorded by the Canadian government, I would suggest—and I have suggested this to ministers of national defence for a number of years—it should be those civilians who were posted in the Vietnam conflict to one of the international joint commissions in Saigon, Hanoi, Phnom Penh or Vientiane. The civilians who served on those commissions in Vietnam, Cambodia or Laos, have never been recognized, as those who were wearing uniforms have been. A medal was struck for that service. The military were awarded medals for their duty in that service, for the dangers they underwent at that time. I speak with the thought in mind of the father of the member who introduced this motion, as one who was entitled on more than one occasion, having served on the International Joint Commission in the Far East, and should be accorded the same privileges and the same recognition as those who were wearing uniforms were accorded.

• (1740)

I close on that note. I feel that if there is anybody at all who deserves some recognition it is the civilians who served in that area before all others.

Mr. Les Benjamin (Regina West): Mr. Speaker, I wish to thank the three hon. members who have spoken previously on this motion. I want to be brief, sir, and say to you, to my colleagues and especially to the hon. member for Esquimalt-Saanich (Mr. Munro), that in what he had to say about the fascists in Spain on the one hand and what he called the communist element on the other hand, he ignores what was called the loyalist cause, made up of the monarchy and the monarchists, the trade union movement, the democratic socialists, the communists and the small business community who had some belief in democracy. The loyalists were a melange of people of all political points of view, except that of fascism and fascist totalitarianism. Those who fought on the loyalist side were often tarred with a communist brush. The fact is, they were in a united fight, men and women of all political stripes from all walks of life from Spain as well as from outside Spain. I do not want to hear any more paranoia held over from the dirty

thirties, or any other time, with respect to that particular fight, or subsequent ones.

Mr. Speaker, it took us 25 years to finally do something about special recognition, some special act of discretion by Parliament for our Hong Kong war veterans. It took 30 or more years for a special act of discretion and recognition for other veterans who were prisoners of war in Europe and places other than Hong Kong.

In my opinion, had the rest of the western democracies listened to those who went to Spain, those of all political stripes and all occupations from Canada and many other countries, we might well have stopped Hitler, Mussolini and Tojo sooner than we finally did. They were vilified in their own countries, including ours, and certainly ignored and deserted by their country and by their government.

Mr. Speaker, my colleague, the hon. member for Broadview-Greenwood (Mr. Rae) who moved this motion has asked for an act of discretion. When members of our caucus and members of the caucuses of the other parties met with this organization earlier this year they will recall that they were not being asked for any kind of financial benefits. All they were being asked for was recognition of some historic facts and of history itself. I suppose that without them saying it, they were asking us, as a parliament, to say that in this time-frame, from 1936-1939, our country, our government and Parliament was wrong. That is all they are saying, it was wrong, at least in their case.

This is more than an act of discretion, which is a good way of phrasing it. It is also an act of recognition, of passion and compassion. I remember when I was some 17 years of age working at the shipyards, Burrard Drydock, in North Vancouver, I got to know a veteran of the Spanish Civil War. I saw scars on his body caused from having been in a fascist prisoner of war camp. He has never asked his country for anything. He volunteered, was accepted and went through another four years of the Second World War, which many others tried to do—some were told they could not because they may have had communist sympathies or influences. Some of them tried to join and were turned down. I hope the hon. member for Esquimalt-Saanich will remember that.

This will do no more than the minimum. It is not changing or attempting to change what has gone on before. The government is only being asked to consider making whatever minimal changes are necessary to provide these remaining 200 or so people with recognition and reclassifying them as veterans. I say this should be done without mentioning the Spanish Civil War or anything relating to it, just as an act of discretion by this Parliament which would entitle those who need it—or those who ask for it, if any of them do—to the same kind of benefits, as well as recognition, as are presently provided under our veterans legislation.

I plead with the House to accept this resolution. It does not require the government to do anything other than consider it, to take into consideration the opinion of the House. One can only hope that thereafter the government will make a decision in favour of these gallant and heroic men.

[*Translation*]

Mr. Marcel Dionne (Chicoutimi): Mr. Speaker, I must regretfully decline to support this proposal. Like all other hon. members, I cannot help but admire those who fought in the Mackenzie-Papineau battalion against the nationalists during the Spanish civil war. Some in the House of Commons have properly called them the soldiers of conscience. The expression is certainly more charitable than the opinion which some hon. members expressed during the Spanish civil war: "Here, in Canada, our own country, there are volunteers who have boarded ships to enlist in the Spanish Red Army, something over which, I must confess, I do not grieve. If only they did not come back, we would be rid of these undesirables".

As I said, this fairly inhumane point of view is symptomatic of the controversy which was raging then in Canada. In his book entitled "The Mackenzie-Papineau Battalion", Mr. Victor Hoar wrote that the Communist Party of Canada had been the main driving force behind the enlistment of Canadian volunteers, and that the members of the brigade have never been recognized internationally as fighters for democratic freedom because they had been trained by Russia.

● (1750)

The Canadian government at the time wanted Canada to remain neutral, as did most other countries. In 1937, it enacted legislation dealing with the enlistment in foreign lands, making it a criminal offence to enlist in the armed forces of a foreign state at war with another state on friendly terms with Canada. In July, 1937, the law was applied to the enlistment on both sides in the Spanish civil war. It is estimated that over 500 Canadians were then already fighting in Spain and that some 700 more came to join them within the next 14 months, although it was then forbidden to travel to Spain. As far as I am concerned, we are not called upon to decide whether history has proven they were right to commit this offence, but whether they should be entitled to the same consideration as the veterans of the Canadian Armed Forces. Doing so, Mr. Speaker, would be grossly unfair to our own veterans.

Canada has one of the most generous programs in the world for veterans and their families, and the Canadian people should be proud of it. But were this House to grant the veterans of the Spanish civil war the privileges recognized by the veterans' charter, we might be accused of granting preferential treatment to those who did not wear the Canadian uniform. Think, for instance, of the formalities the volunteer or the Canadian recruit had to lend himself to on signing up with the forces. First, he had to submit to a complete medical check-up; his medical background was put on file and his physical condition examined. When he was sent overseas, his medical file was kept up to date. He had to undergo regular medical check-ups. If he was wounded, he was usually treated by Canadian nurses and doctors and, upon his return to the

country, a large number of services were made available to him, to help him recover.

Wounded veterans were entitled to a disability pension. The Canadian Pension Commission could study their medical background, compare their physical condition at the time of enrolment with that after being wounded in service, and determine what pension corresponded equitably to the degree of physical disability, on the basis of military and medical documents. Any veteran who felt denied his rights in that regard could appeal any decision to the Pension Review Board. Once again, his medical and military files played a determining role in their decision.

The same checks and comparisons apply in matters relating to veterans allowances. The applicant has a file on his military services. Documented proofs are easy to obtain and can be compared with the applicant's present situation. However, how could the organizations associated with the Department of Veterans Affairs deal so exhaustively with the cases of Canadians who fought in the Spanish civil war? At the time, Canadians did not undergo medical examinations before going overseas. There were no service files such as we know them today. How could the Canadian Pension Commission determine the eligibility of an applicant in such a case?

Are we going to tax further still the resources of the commission which considers each year a great many applications by veterans by changing the normal duties of some officers and asking them to analyse in great detail claims submitted by people who do not even have the required evidence? And what about veterans allowance? We have no register. No file has been established during service. All we have is somebody who says: I went to Spain to fight Franco for two years, so I am entitled to veterans allowance.

I think that many Canadian men and women who served in the armed forces and whose claims were rejected after a thorough review of their case would have reason to feel wronged if we were to grant benefits to those who did not wear the Canadian uniform, and who, besides that, were not even subjected to the reviews and conditions applicable to the granting of benefits. This would create an impossible situation, Mr. Speaker. How could an agency determine to what extent the health of someone has deteriorated because of wartime service when there is no evidence to show how healthy this person was at the beginning of the Spanish civil war? This would create a double standard, Mr. Speaker. Such an action would enable the veterans of the Spanish civil war to bypass the regulations and formalities to which every Canadian veteran must adhere to be eligible for benefits.

I believe this would be unfair and intolerable. Moreover, Mr. Speaker, we should think for a few moments about what it would mean internationally if this House recognized officially the fight of these volunteers. Whether we wanted it or not, we would be approving the actions of other people who may want to interfere in the internal affairs of other countries. Canada and most democratic countries do not interfere in the internal affairs of other countries. We do not send observers or volunteers to other countries. Mr. Speaker, the government would create an extremely dangerous precedent by recognizing officially these volunteers as Canadian soldiers. Where would we stop? How could we justify not giving benefits to all Canadians who fight in other countries for what they consider to be a just cause?

Let us examine a few recent examples. There is the case of Canadians who were living in Israel at the time of the six-day war. Let us suppose that a Canadian was wounded while fighting for Israel. Would he not be entitled to assert before the Canadian government that, in his opinion, his cause was as noble as that of the Spanish civil war for the veterans of the Mackenzie-Papineau battalion? If the situation got worse and Russia invaded Poland, would we not have every reason to believe that certain Polish Canadians would consider it their duty to go back to their country and defend it against the invader? Let us suppose that some of them were wounded or killed. If we give the green light to the Mac-Pap, how could we refuse to Polish Canadians the benefits that they would claim and which are now reserved for those who have fought for Canada?

Let us take the case of Uganda. If Canadians residing in that country had joined others in their praiseworthy efforts to overthrow Idi Amin Dada, would they not be entitled to be considered soldiers for a cause? Should Parliament or the Department of Veterans Affairs be placed in a position where they would have to decide whether an Amin is worth a Franco? No, Mr. Speaker. If this House decided to grant these rights to the veterans of the Spanish civil war, we would be opening the door to the claims of other non-recognized veterans and their dependants. We must not allow such a situation to occur. For my part, Mr. Speaker, if we gave to these men the same privileges as to Canadian veterans, it would be like stating that a Canadian injured while working on an oil drilling platform belonging to a British company in the North Sea is entitled to compensation from the Workmen's Compensation Board simply because he was born in Toronto. This is simply illogical and unfair. Canada asked its young men to fight in two world wars—

The Acting Speaker (Mr. Ethier): Order, please. The hour provided for the consideration of private member's business having expired, I do now leave the chair until eight o'clock this evening.

At 6 p.m. the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS AND ESTABLISHED PROGRAMS FINANCING ACT, 1977

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Bussières that Bill C-24, to amend laws relating to fiscal transfers to the provinces be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

The Acting Speaker (Mr. Blaker): When the debate was interrupted at five o'clock, the hon. member for Mississauga South (Mr. Blenkarn) had the floor. In his absence I will recognize the hon. member for Broadview-Greenwood (Mr. Rae).

Mr. Bob Rae (Broadview-Greenwood): Mr. Speaker, the principle of fiscal transfers or equalization within our federal system is one which all parties agree is of vital importance for the continuation of our country. It has been described by most observers as the very lifeblood of the principle of co-operative federalism. There should be rough and ready equality of service and the provision of services between and among the different regions and provinces of Canada.

The principle of equalization was first recognized as the result of the Rowell-Sirois commission in pre-World War II days, but took on its modern form in 1957-58. At that time, the payments were $139 million representing less than one-half of one per cent of the gross national product of the country. In 1980-81, the latest year for which figures are available, they total some $3.3 billion, well over 1.2 per cent of the gross national product.

The hon. member for Mississauga South (Mr. Blenkarn) gave the House a very accurate, lengthy and detailed description of the basis on which the equalization formula is currently calculated. It is not based on the average income in each individual province, but in terms of looking at a number of revenue categories.

● (2010)

In determining the equalization formula, some 29 categories are taken into account. It is important to recognize that the equalization formula is based on the principle that the federal government should be the agency of redistribution. Under our present system, the federal government is the sole agency of redistribution. This is a feature of our current equalization to which I shall return and deal with as to whether it is appropriate now, with the resource revenues, for the federal government to be the sole distributor or whether we should look at another system.

We approach this debate with a number of very real problems in mind. The first problem or challenge is that the fiscal balance within confederation and within the country has dramatically changed since the days when the principle of equalization was first worked out. In those days, there was no question about the federal government being the critical agency in the economic management of the country. The federal government was not simply the *primus inter pares* of governments, but indeed it was the whole of the economic management of the country.

There are a number of ways of looking at this. One can look at the share of tax revenues collected by the federal government or at the share of public expenditure by all governments which is borne by the federal government. If one looks at it in those years, it is clear that the federal government was far and away the most important and powerful government. Indeed, the provinces were tremendously dependent upon the federal government for provision of services essential to the growth of social services, public education, higher education, research and development and all of the programs now associated with our various provincial governments.

This began to change in the sixties. Perhaps it was personified by the arrival of medicare that the role of the provincial governments was going to become increasingly important and that their share of public revenues had to increase. Other tax points had to be transferred to the provincial governments to allow them to carry out their responsibilities in the fields of medicare, social services, public education, higher education and so on.

If there was a kind of revolution in the sixties in terms of the provision of public and social services by the provinces and growth of government, both at the provincial and federal levels, there has been another fiscal revolution which has deeply affected the balance within confederation. The major factors of the seventies seem to be the economy, along with federalism, the notion of federalism, and understanding of the country. It is this new situation with which we have to come to grips. I am referring to the fact that ever since the OPEC increases of 1973-74, the fiscal power, financial power and resource base of a number of provinces has become so significant as to throw the whole pattern of equalization payments up until 1973 into question.

I am not saying this to single out one province as being peculiarly wealthy or another as being peculiarly poor. Generally speaking, the over-all economic power of the federal government has declined. This has affected the ability of the federal government to redistribute wealth within the country, which is the purpose of the equalization formula. It also affects relations between and among provinces. This problem has been recognized by many people. It has been recognized by the Leader of the Opposition (Mr. Clark) who, as I have heard him say and as I have heard him quoted as saying a number of times, expressed the view that there is a fiscal imbalance in

confederation which poses a very severe problem. As quoted in *The Globe and Mail* of December 3, 1980, in the first week of the last election campaign, he said:

> We must face the fact that the federal government is not as able as it should be to manage the national economy, to help overcome regional disparities and to conduct major national policies.
>
> There has grown up a serious fiscal imbalance not only among the provinces, but between the federal and provincial levels of government.

● (2020)

That fact has also been borne out at some length by the Economic Council of Canada in its 1979 report, which is called, appropriately enough, "Two Cheers for the Eighties". The Economic Council Report for last year—it seems almost prescient in terms of what we are facing now—points out, for example, that projections of surpluses and deficits are extremely sensitive to the projected path of the economy in assumptions about government actions. It goes on to say:

> But the persistence of the federal deficit and the Alberta surplus are very clear consequences of the current fiscal structure. This situation stands in marked contrast to the one that prevailed up to 1974, when the revenue-generating powers of the federal government made possible a central distribution system to finance nation-wide policies and to supplement revenues of the provinces with a relatively low revenue base, while leaving the federal government enough room for fiscal management of the economy and programs for economic development.
>
> The issues this development raises are political rather than economic, although the way in which they are resolved will have a bearing on the nature of economic management in the country. The federal government is in a poor position to continue to play its major role in economic management, equalization of provincial revenues, and the conduct of major national policies. In most areas of economic policy, achieving national objectives will require extensive provincial participation, or these objectives may never be met. There is an urgent need for more co-operation. In the longer run, the fiscal structure of the federation will have to be rebalanced and better institutional arrangements will have to be developed to cope with the challenge of interdependence between the federal and provincial governments.

To describe as briefly as possible the problem caused by the exponential growth in resource revenue in the three resource-rich provinces of British Columbia, Alberta and Saskatchewan, and the impact these revenues have had on the principle of equalization, let me say that the principle of equalization has been that the federal government will attempt to bring up all the provinces to a common level of service and a common level of revenue, based on the 29 factors that are taken into account in calculating the revenue base of each province. The fundamental difficulty with the resource question is that the federal government has been obliged—although it is trying to get out of it—to attempt to bring up the have-not provinces to the level of the have provinces without having access to the revenues which would make such redistribution fully possible. That is precisely the nature of the fiscal imbalance in which we find ourselves. The federal government has been expected until the present time—this is the cause of the fiscal squeeze in which it finds itself—to redistribute wealth without having full access to the revenues which are the basis upon which the equalization will take place.

The system of equalization has attempted to take this problem into account in a number of ways. It is a major problem because the growth in revenue from natural gas and oil has been exponentially higher than any other form of revenue one can think of. For example, there is no comparison between the growth in revenue which has taken place from sales tax or from income tax or corporate tax at the provincial level, and the growth in resource revenue. The system has tried to accommodate this fact by, first of all, saying, "We will take out 50 per cent of the resource revenues right off the bat. The provinces can skim that right off. We will not include that in the revenue base". The other way they have done it is to say that only one-third of all equalization can be based on that resource base. There is a one-third cap on the calculation of the over-all amount allowed to be calculated when one looks at the revenue of the provinces of Alberta, Saskatchewan, and so on. In a sense, this is the first shift away from the principle of equalization. It is a very understandable shift because it appears to accommodate two things. First of all, it allows the federal government to get around the dilemma of having to spend money it does not have.

An hon. Member: They can do that anyway.

Mr. Rae: It is an attempt to do that, although it has not been quite successful, as we have seen. The second thing it does is to allow the provinces to establish heritage funds. They are not permanent—it is important to remember this because we are talking about a depleting resource, not a resource which is renewable. The three producing provinces have established heritage funds so as to create a capital base which will allow them to diversify away from a reliance on non-renewable resources and give them an assurance that, in the long run, they will be able to deal with the long-term economic needs of the citizens of their provinces. I think those two principles are very important. If there are people in the country who begrudge Alberta the concept of a heritage fund or who begrudge Saskatchewan its heritage fund, I think they are mistaken because it is terribly important that provinces be able to develop capital funds so as to move away from dependence from a resource base that is very narrow so they can diversify their economies.

The bill before us further accommodates those principles because again it takes out in an aspect of the oil and gas revenues from the base and in this way further protects the provincial heritage funds. Moreover, it further guarantees that the federal government will not be required to spend money which it says it does not have.

When these things happen, somebody always loses. So who loses? The answer is very simple. It is not the federal government, because it is not making equalization payments—we have taken that out of the revenue calculations. And it is not the producing provinces because we have said to them, "We will not put that in the calculation, so you are okay too". The people who lose as a result of this are the have-not provinces. It is not the federal government that is losing, and I can understand the position of the federal government trying to protect itself. The problems that have been caused in the last six or seven years have a great deal to do with fiscal imbalances which are structural in nature. Some of them have to do with mismanagement and incompetence as well, but others

have to do with structural causes and I am prepared to accept that.

● (2030)

However, it is important to remember—and very important for the producing provinces to remember—that their fight with the federal government should not be confused with another principle and another problem, that is, the question as to who wins and who loses in the resource game is not simply one between the provincial governments and the federal government; it is between provincial governments which have won the game of geological roulette and the provincial governments which have not. Where do we go from here? One of the reasons I am not happy with the proposal put forward by the hon. member for Mississauga South that we remove the section on public utilities and simply get this bill through in three days is that the federal government is about to engage itself in a process of negotiation and renewal of the equalization formula with the provincial governments. This matter has not been discussed in the Standing Committee on Finance, Trade and Economic Affairs. We have not had an opportunity, as has the Senate committee on national finance, to discuss the implications which are involved in these transfers and the implications for federalism and federal-provincial relations.

Therefore it seems to me it is important that the Senate committee on finance have an opportunity to discuss more than simply PUITTA, which is particularly important to one province. I do not gainsay the importance of that province and the consumers of that province, but I think it is of too great a seriousness for us simply to get this thing through when this is the only opportunity we will have in the near future to participate, to ask the minister and the department questions and to obtain information from the department as to its perspective on the problems caused by the imbalances produced by the nature of our economic system and the economics of co-operative federalism.

A number of suggestions have been made for dealing with the fact that resource revenues are growing in one part of the country. That is called the recycling problem. One of them has been that the federal government should get a greater share. I think all of us in all parties agree with that principle. It was one of the principles contained, in a slightly blurred way, in the Crosbie budget of last year. It is a principle which was contained in the Liberal budget of this year. Each budget chose to take a different route in guaranteeing that the federal share would be larger, but each recognized that the federal share had to be larger whether taken in the form of taxes on resources at the refinery level or in the form of a tax on gasoline at the pump. I think there has been a general recognition that the federal share has to be larger. I think this feeling is shared by all parties. Not everyone is prepared to carry it forward as a greater principle, but I think everyone recognizes that that has to happen.

We still come back to another problem. That takes care of the federal government, but it does not take care of Nova Scotia necessarily. It does not take care of New Brunswick, Quebec, Manitoba or those other provinces which, as I put it before, have lost the game of geological roulette and which can foresee no real possibility of being able to win it. Suggestions have been made by a number of observers as to how to deal with the problem of the equalization of resource revenues. If we were to agree that money should be taken out of the general formula for the provision of public services, that would not be a bad thing, because it is in a sense almost a separate phenomenon and is so large that it creates a tremendous imbalance in the formula itself. To include it in the formula and simply redistribute it as "gravy" across the country would be unwise and very shortsighted, but if we simply allow it to accumulate in one or two provinces—the accumulations are going to be rather large if we adopt the types of price regimes which are being suggested, even by the Minister of Finance (Mr. MacEachen)—then I should think we would have to look at something else.

A number of other proposals have been made. I do not think there is any need to be ideological about any of them. The Premier of Saskatchewan suggested the creation of a federal-provincial energy bank as one way of dealing with revenue. The government of Alberta has suggested that it simply lend money to those provinces which want it. The government of Ontario produced a paper which was, if I may put it this way, widely drawn on by the hon. member for Mississauga South when he gave his speech. The government of Ontario in its budget of 1980 produced a very thoughtful paper on equalization and fiscal disparities. It has a number of proposals to make. Professor John Halliwell of the University of British Columbia has also made a number of proposals. Professor Courchene, a former Conservative candidate in London and, if I may say so, a distinguished conservative economist, has made suggestions as to what to do about the recycling problem. Professor Scarfe of the University of Alberta has made a number of proposals. What all these proposals have in common is a concern that a proportion of this capital which is growing in the producing provinces has to be distributed in some way. It should not be distributed to the federal government, because it can take care of itself, but it should be distributed to those provinces which do not have as much. I refer to the have-not provinces.

There has been a suggestion with respect to a negative income tax. There has been a suggestion with respect to a distribution between and among provinces which would be separate from the federal government. There have been suggestions with respect to interprovincial transfers. Some of these suggestions are very exciting. They draw on the idea, for example, of capital funds for Atlantic Canada, for Quebec or for the province of Manitoba.

There is the notion that a heritage fund is not something which should be restricted simply to the producing provinces but something to which all Canadians should have access, perhaps not solely through the federal government. There may be other ways of doing it, but all these things point to new adventures in co-operative federalism and new institutions of

economic interdependence which require imagination, not the old approach by which the federal government will come down with a heavy hand and take it all. I do not think that is the necessary answer. The answer may be to acknowledge that we have an equalization formula, and rather than see it based on revenue, I would prefer to see it based on gross per capita income and transfer it that way and then deal with the separate problem of resource revenues or, indeed, any other similar revenue which is allowed to grow in some provinces or parts of the country and not shared adequately because of the legal nature of the resource ownership concept. Our present institutions do not allow for those revenues to be shared.

I believe the primary claim on resource revenue has to be with those provinces which have the resources. If we move away from that principle, it seems to me that we move away from the very notion that people who live and work in an area have to possess a greater sense of control over their lives and a greater sense of control over their economies. We do not want governments simply imposing their will on people who live thousands of miles away. The country does not lend itself to that kind of economic system. In my view the principle must be that of socialization and sharing but not necessarily of total centralization. The two things are not necessarily the same.

If I have a concern about this bill, putting it in the broadest terms, the concern I have about the first clause is that it simply buys a little more time for the federal government to get around an immediate fiscal problem. That is to say, unless we take certain items from the revenue base, the federal government will be forced to spend more money which it does not have, although I question this, now that the federal government has increased its share of resource revenues by such a large amount. It seems a rather ironic twist that the federal government would be getting out of it on the one hand and taking money on the other.

I still see the problem, but the federal government does this in a kind of philosophical vacuum. This is why it seems to me we ought to refer this question to the committee so that we can find some way of dealing with this problem, some way of dealing with the very significant fiscal imbalances which have grown up in our economy and which have to be dealt with in a constructive way. They must be dealt with in a manner which is not confiscatory but recognizes the principle of sharing and the fact that certain provinces have simply been lucky. It is not as though Shell Oil and Imperial Oil went out and planted a bunch of oil 50 or 60 years ago and are now reaping the benefit of what they sowed. It is a question of luck and chance as to what geological formations exist in certain parts of the country whether or not certain revenues are available in certain parts of Canada.

• (2040)

Mr. Benjamin: God put it there for the Social Credit.

Mr. Rae: I hear the hon. member for Regina West (Mr. Benjamin). It is possible, but whether or not one believes in predestination, we believe firmly that there must be some way of dealing with the problem other than the evasion which is implicit in Bill C-24.

Essentially Bill C-24 niggles away; it is a buying of time until the renegotiation in 1981-82. But I want the committee and Parliament to have something to say about that renegotiation, because we have a right to be involved in the principles contained in the various federal proposals which will be put forward.

We must be consulted, and we must know what will happen. The disturbing element with which the hon. member for Winnipeg-Birds Hill (Mr. Blaikie) will deal at greater length is that the federal government is attempting to buy economic fiscal respectability at the expense of the have-not provinces and at the expense of the level of services in provinces right across the country. That is why they brought in the fixed programs act in 1977; that is why there has been a decline in medicare services. One can document this from experience. Specialists in the city of Toronto in a variety of fields are practising outside medicare. So, it is virtually impossible to find an obstetrician, a gynaecologist or an anaesthesist in Toronto who practises under medicare or OHIP. One cannot have a baby or an operation without paying extra, which is an offence to the principles which were supposed to have been contained in medicare.

Some hon. Members: Hear, hear!

Mr. Rae: There are two other aspects of the bill with which I should like to deal in the time remaining. Again, it is an improvisation dealing in a haphazard manner with what is going on in the country, with the realities of the economic inequalities in the country.

They say that Ontario will not get equalization payments because its average income is too high. There can be no real objection to that. There is no real objection to the fact that Ontario is not getting equalization payments, but something must be said about a scheme which is inappropriate to the nature of the country at the moment. They say the legislation before us is making minor changes, that Bill C-24 is a minor bill. It is not a minor bill. On the one hand it affects the oil revenues and, on the other hand, they say that payments will not go to the largest provinces in terms of population. These are very major changes in the concept which was first introduced.

Finally, I come to the question of the Public Utilities Income Tax Transfer Act and the fact that private utilities in provinces which still have private utilities for the production of energy now pay corporate income tax to the federal government but public utilities pay no corporate income tax. Previously the federal government agreed that 95 per cent of the revenue from the corporate tax on private utilities would be redistributed to those provinces which had such utilities and that the consumers of those provinces were supposed to benefit. The federal government wanted to eliminate the payments altogether and get out of the formula in that manner. It has finally moved to 50 per cent, which is where it was between 1947 and 1966.

I should like to refer to a press release distributed by the then minister of finance, the present Minister of Justice (Mr. Chrétien). Does the House remember him in those days? It is dated at Ottawa on November 24, 1978. It shows how quickly we have managed to move on the principles contained in PUITTA; we are still debating this matter two years later. It was designed to discourage the nationalization of private utilities. That was the purpose of the change, and I presume that remains the purpose of the change.

In 1978, the payments were $7 million to Newfoundland; $1.5 million to Prince Edward Island; $2 million to Quebec; $15 million to Ontario; $234,000 to Manitoba; $64,000 to Saskatchewan; $235,000 to British Columbia; $411,000 to the Yukon; $272,000 to the Northwest Territories; $50.5 million to the province of Alberta.

An hon. Member: Poor Alberta!

Mr. Rae: It is clear that this aspect of the change affects Alberta more than any other province. Again it is a kind of improvisation. Whenever this question has been raised in the House during question period by the hon. member for Bow River (Mr. Taylor) and others, they have expressed a real concern.

I understand their concern, because unless Alberta gets equalization payments, the rates paid by consumers will not be subsidized, will not come down, and the consumers of Alberta will be paying more as a result of the change in this legislation. We in this party understand that; there is no problem with that. But I suggest there is another issue at stake, that is, whether, at a time when the oil and gas revenues of Alberta are over five billion billion dollars on an annual basis, the federal government should be paying transfer payments at this level to the province of Alberta.

Mr. Andre: How much?

Mr. Rae: That is the nature of the debate. The second problem is: why should we be discouraging provinces from taking over control of private utilities?

Some hon. Members: Hear, hear!

Mr. Rae: The province of Newfoundland—

Mr. Wright: It will not give cheaper rates.

Mr. Rae: There is no black and white in these issues; there is no easy answer to these issues. Of course the rates which consumers pay are important. but I suggest that if the Alberta government were to nationalize utilities, it would be able to get around this problem and have lower rates.

Mr. Wright: We have the cheapest rates now.

Mr. Rae: They have the cheapest rates now partly because they are receiving equalization payments from the federal government. If they were not receiving equalization payments from the federal government, the member would say that the rates would rise, but I say that the problem would be solved partly if we got around the hard fact that, in a sense, we are subsidizing the private ownership of what I always regarded as a public utility. Even the Tories in Ontario have always regarded it as a public utility.

Mr. Malone: Let them do it.

Mr. Rae: The hon. member for Crowfoot (Mr. Malone) said, "Let them do it". I can understand that. He will say that each province should be allowed to make its own bed in its own way; if it decides to do it privately, then it is up to the province and we should not impose patterns of living, ownership and everything else on provinces from the outside. But I simply say to the hon. member who I know will make that point, it is fine if that is the way he chooses to do it, but he should not expect the federal government, which means the taxpayers of every province, in that instance to subsidize the luxury of private ownership. That seems to be a legitimate statement.

Mr. Wright: When has public ownership been cheaper than private ownership?

Mr. Rae: If the hon. member has a few hours we could go through a number of instances where it has been repeatedly shown that for the provision of those basic services it is cheaper to do it on a public ownership co-operative basis than on the basis of production for private profit.

• (2050)

Mr. Blaikie: Hydro rates in Manitoba are frozen for the next five years. Tell me the name of a private company that will do that.

Mr. Rae: Mr. Speaker, this is a difficult time in our country to talk about any subject which affects federal-provincial relations in a way which does not simply say: you are from Ontario, you are from Alberta or you are from Manitoba, and that is what you think. If I have not succeeded, I am prepared to learn and listen, to take as much abuse as is due to me and that which has been given to me so far. We must be imaginative. We must try and be fair. We must look at all the sources of revenue. We have to pay regard to the problems of provinces which are less able to speak for themselves. We must look to the importance of continuing to provide as high a level as possible of public service in each province. The hard fact is that the policies of the Liberal government, as enunciated by the Minister of Finance in his budget, will lead to a decline in public and social services and a decline in funding for education. I heard the Minister of National Health and Welfare (Miss Bégin) quoted the other day as saying that maybe one of the problems which would have to go would be higher education because that was a kind of luxury program—

Mr. Blaikie: An elitist program.

Mr. Rae: She said it was an elitist program. Where does she think our technologists will come from, our skilled manpower, our artists? Where does she think the people who will contribute to all walks of Canadian life will come from? Why should

the federal government not be involved in the funding of those programs? Why should the federal government not be concerned about the level of manpower training in the 1980s, the 1990s and in the year 2000? There is no reason for calling it an elitist program. The federal government should continue, and must continue, to be concerned about the level of funding for secondary education—there is nothing elitist about that. That is fundamental to the growth of a democratic society. We will have a poorer country if we take to university bashing, health care bashing or hospital and library bashing. Failure to provide for very basic and essential services, for artistic funding, and so on, will only serve to create a poorer country. We will have a country which lacks the level of services it deserves to have.

I suggest the answer, Mr. Speaker, is to go back to certain basic principles of co-operative federalism and the basic principles of the co-operative commonwealth. We must attempt to create an economy which reflects the regional reality of our country. We need an economy which reflects the need of the provinces for an assured income, a steady income. We must have programs which they can develop in their own way to reflect the needs of their communities—programs not imposed by people from the outside. But to guarantee that kind of system we will also need a federal government which has the ability to lead and the ability to co-ordinate and redistribute. There are new ways of doing this, they do not have to be the old ways. Even the Leader of the Opposition (Mr. Clark) has recognized that we must have this. The method does not simply have to be in the form of straight taxation followed by distribution. There are various ways of doing it among the provinces.

Mr. Speaker, the reason we are so concerned about getting this issue to committee is because this is precisely the kind of debate we should be having in committee. We should be looking very seriously at the challenges, not the problems. We talk too much of problems and of the insoluble difficulties which we face. We must look at the challenges which face us because we live in a country which is diverse and rich. Yet it is a country which needs to do so much more to provide for the needs, desires and the wishes of all its people.

Some hon. Members: Hear, hear!

Mr. Harvie Andre (Calgary Centre): Mr. Speaker, before I get into the main part of my remarks I would like to comment on some of the points raised by the hon. member for Broadview-Greenwood (Mr. Rae).

I am sure he inadvertently stated that the Public Utilities Income Tax Transfer Act was, in effect, an equalization payment from the federal government to provinces which happen to have private utilities. He cited the figures and indicated that the amount of money involved for Alberta is $50 million, for Newfoundland $7 million and for Ontario $15 million. I am sure he would not want to mislead the House with an indication that this is some sort of subsidy for the taxpayers of Canada because the Public Utilities Income Tax Transfer Act simply rebates to the provinces corporate taxes collected from private utilities. All it does is put the consumers, if you will, the provinces which have privately-owned utilities, on the same basis as those provinces which have publicly-owned utilities.

Socialists believe that socialized public ownership is somehow superior to private ownership. I take no offence to them believing that. Where they find the economics to support that belief is beyond me.

Mr. Evans: Alberta owns some companies. Public ownership is not good on one side and bad on the other.

Mr. Andre: The Parliamentary Secretary to the Minister of Finance (Mr. Evans) is interrupting with some inanities which have nothing to do with the subject at hand.

Mr. Evans: Public versus private onwership.

Mr. Andre: In Canada the bulk of our utilities, certainly electricity, are publicly owned by the provinces. For example, there is Ontario Hydro, which we in Alberta like to think of as the Ontario heritage fund. It is about equal to the value of the fund, as a matter of fact.

Mr. Rae: I do not think of it that way.

Mr. Andre: Obviously not. There is also Quebec Hydro which could also be equated to a heritage fund, if you will. It is approximately of the same magnitude.

Clearly, one of the principles of taxation should be that it is fundamentally equal and fair in its application, that is, that a person of similar circumstances in one part of Canada should not be taxed more heavily than a person of the same circumstance in another part of Canada with regard to the federal government. I am sure everybody in this House accepts that fundamental principle. If you are a farmer living in southern Alberta your power is supplied to you by Calgary Power. Calgary Power is a privately-owned, widely held Canadian-owned utility. It is not foreign owned, it is Canadian. It is an efficient and well-managed company. For example, if you lived in Irricana, Alberta, your hydro bill might have been, as this typical bill I have in my hand shows, for the month of September, 1979, $81.37, less a $15.05 income tax rebate for a net cost of $66.32. This puts you on an equal basis with a farmer in Ontario and Quebec who receives power from the provincially-owned utilities. Of course, these utilities, such as Ontario Hydro and Quebec Hydro, and the other public utilities, do not pay income taxes. So all PUITTA did in 1966 was restore into our income tax system that sense of equity and fairness which everybody, socialists included, would favour.

What is so offensive about this cancellation of the Public Utilities Income Tax Transfer Act—

An hon. Member: Not a cancellation, a reduction.

Mr. Andre: That is right, it is not a cancellation it is a reduction. The original intent was to eliminate it altogether,

but as a result of pressure the government said it should be made a saw-off, 50 per cent instead of a total cancellation. It is still unfair. The principle still applies. It is unfair because if you are a consumer supplied by a privately-owned utility, through your bill you will be paying income tax to the federal government. If you are a consumer supplied by a publicly-owned utility you will not be paying that federal income tax. That is unfair. I am sure the hon. member said inadvertently that PUITTA is an incentive to private ownership and that we should not offer that incentive to private ownership.

• (2100)

It is not an incentive to private ownership. PUITTA puts on an equal basis publicly and privately-owned companies and is a disincentive to private ownership. It puts private and public ownership on an equal basis. Therefore, it is a misrepresentation when the hon. member for Broadview-Greenwood suggests that PUITTA unamended is somehow equalization for Alberta, which is so rich that it does not need equalization. It is not equalization to Alberta at all.

Mr. Rae: That is not what I said.

Mr. Andre: I am sorry, I heard the remarks.

Mr. Rae: It is a difference of opinion.

Mr. Andre: We will examine the blues. The existence of PUITTA—and I believe these are the exact words of the hon. member for Broadview-Greenwood—discourages provinces from taking over private utilities, and we should not discourage provinces from doing so. It does not do any such thing.

Mr. Rae: I was reading from a government press release.

Mr. Andre: The hon. member is right, he was reading the minister's remarks which were totally wrong.

This matter first arose in December, 1978. The Minister of State for Finance (Mr. Bussières) said it was part of a restraint expenditure program which is a twisting around of words. It is not an expenditure restraint program at all. It is a new tax. The government will be able to tax private utilities which it did not tax before because it did not want to tax only private utilities and not public utilities which it was not allowed to tax because of the constitution. Now the government will be able to tax private utilities. It is not restraint. It is new revenue; it is a tax, a tax which was contemplated simply because, fortuitously, it affects primarily the people of Alberta.

When the gurus in finance look for new ways to raise money, this is where they look.

Mr. Evans: Oh, oh!

Mr. Andre: The hon. member should examine the consequences before he shakes his head in the negative. Let him take a look at the bill. I am sure he cannot imagine this government or any government saying, "We are going to tax Ontario or Quebec, but not the rest of the country." Not on the hon. member's life, would the government design a tax which hits hardest at Ontario and Quebec and not the rest of the country. But since this tax will hit Alberta, it is fine. Members opposite are shaking their heads.

Mr. Benjamin: You can hear them rattling over here.

Mr. Andre: Yes, I can hear them. I wonder when somebody over there will take the time to stop and look at their policies and the things which they are doing and think for a minute and say to themselves, "Gee, are all those people who are joining separatist parties and talking about alienation out west bananas? Is there something in the air out there, or do they, perhaps, have some complaints at which we might take a look?"

This bill is nothing more than fuel for the next West-Fed meeting. This national government, which represents all of Canada, has simply found another way to tax Alberta more than the rest of the country. The government is merely giving more fuel to the West-Fed movement. When does it intend to stop and smarten up and become a national government for the whole country? It is pathetic in the extreme.

I would think that the Minister of State for Finance who has fought separatism in Quebec and who must feel strongly about this country in the sense that he would like his constituents and the people of his province to feel a part of the national whole, would have some understanding of the feelings which exist now in the west when, time after time, including again today, this government in Ottawa comes forward with a proposal designed to hit Albertans a little harder than the rest of the country. It is not the money, because the amount involved is not that large. I agree with the hon. member who just spoke in that regard.

The principle embodied here should not apply. Albertans should not have to beg for fair treatment; it should come as a part of being Canadian.

Some hon. Members: Hear, hear!

Mr. Andre: We are getting tired of begging for fair treatment, tired of trying to explain why we feel frustrated, alienated and angry. We should not have to explain. Any national government concerned about the whole country should be aware of the situation automatically, but apparently it is not. After all, it does not need votes from Alberta when it can form a national governement without the votes of that province. So, why the hell bother being fair? What the government needs is money, so it can buy more votes where it counts, here in central Canada. That is the principle behind this bill.

We from Alberta have a minister in this government, Senator Bud Olson. On June 27, 1966, when Senator Olson was a member of this House he said with regard to PUITTA, as reported in *Hansard* at page 6893:

> I suggest that the purpose of this bill, for which I commend the Minister of Finance—is simply to provide a measure of justice to those citizens of Canada in areas that are served by privately-owned utility companies, because certainly the only way in which privately-owned companies can get the money with which to pay the federal corporation tax is through the rates charged to their customers.

Where was the Senator when this bill was discussed in cabinet? Where was this minister who comes from Alberta and is presumably the member of cabinet who should represent Alberta? Where was he when he let this bill get through? Where are his principles? I guess that is something one gives up when one crosses the floor in exchange for the remuneration one receives for being a minister; he must forget about all his obligations and responsibilities and the things he might have said in the past.

We in this party cannot accept the PUITTA provision. We cannot accept such discrimination. We cannot allow the government to carry on in this way. The bill itself is very short, containing only three clauses. The first two deal with the question of equalization and the ramifications of resource revenues as affected by equalization. By and large I share many of the views expressed by the hon. member for Broadview-Greenwood with regard to the problems which exist in arriving at a more modern way to reflect the reality of Canada today considering the changes in income patterns, and revenue patterns of individuals and provinces.

Perhaps a better way of dealing with this bill would be to refer it to the finance committee. The current equalization regime runs out at the end of the next fiscal year, March 31, 1982. Certainly at the rate we work around here, it is not too early to begin talking about what might be done in the future. It is a very worthy subject for that committee to debate and discuss over a considerable length of time. I say this in the context of the bill before us because if we were to get that subject discussed in committee, the bill would not come back until next June, July or August, so extensive is the subject.

Since we are all presumably in agreement with clauses 1 and 2 of this bill, I think I can speak on behalf of my party and say we are quite prepared to let clauses 1 and 2 pass. For that matter they could be heard in the House and passed very quickly through all three stages and receive royal assent. If there is insistence on tying all three clauses together, then I am afraid we cannot give our commitment to that kind of co-operation. We would certainly support any suggestion by the hon. member for Broadview-Greenwood to have the subject matter referred to the finance committee, since it is a subject worthy of consideration. It deserves a lot of discussion by this House and I agree with the hon. member it is a subject with which this House should be seized. It is not something to be worked out exclusively by officials in the federal and provincial governments and finalized at the time of some first ministers' meeting.

• (2110)

I want to outline just a few things with regard to the remarks made by the spokesman for the NDP. One pertains to his comments on the question of recycling revenues from oil and gas. Listening to him, one gets a notion that somewhere in Alberta there is a huge vault full of currency called the Heritage Fund, or a huge pot of gold. That money is being recycled today by the banking system. Alberta is in the money market. The bank is buying that money daily, weekly and monthly. It is using it within Canada in the normal way by responding to the normal economic situation in the country. People borrow from the bank, the bank borrows it from the Heritage Fund and that is how the money is in the system today. Without that Heritage Fund, I think the federal government would be having a terrible time financing its deficit.

Mr. Lang: That is the problem.

An hon. Member: Sit there and listen.

Mr. Andre: I heard the hon. member for Kitchener (Mr. Lang) say that is the problem.

An hon. Member: The problem is economics.

Mr. Andre: The problem resides right here in Ottawa. The deficits were not caused by provincial governments, I can assure the hon. member of that. The deficits were caused by this government.

The question of redistribution of the capital funds needs some discussion. It is illusory to claim that somehow it is not being redistributed today. Frankly, I worry about some of the suggestions being made. The banking system has the benefit of operating according to economic principles which have served this country very well. If all of that money is to be recycled by governments, you are talking about it being recycled by bureaucrats. You are talking about decisions being made—whether through an energy bank or some other development funds—by bureaucrats deciding whether such and such is a good investment or a bad investment and so on. So we are getting into the question of philosophy again. But there is precious little evidence anywhere in the world that bureaucrats make better decisions than do people in the marketplace who borrow these funds against their own assets and are, therefore, obliged to repay them. Because of that, they are guided by constraints which, in my view, make for better decision-making.

The other slogan which the hon. member used and upon which I must comment was "geological roulette." He said accurately that Shell did not put the oil there and that it was therefore a matter of geological luck. I suggest to the hon. member that he might profitably use some of his Christmas break by taking a trip to southern Saskatchewan. One of the biggest plays in the United States today is a play called Williston Basin. At Williston, North Dakota, there is a large deposit of sedimentary rock. The sediments extend into Wyoming and well up into Saskatchewan. In North Dakota, there are wells being drilled everywhere. There are wells so close to the Saskatchewan border that a roughneck on the top of a rig with a wad of chewing tobacco in his mouth could spit into Saskatchewan. There are drilling rigs on the Canadian side. I can assure hon. members that the geology does not stop smack right on the 49th parallel.

An hon. Member: Let the NDP deny that.

Mr. Andre: What happens at the 49th parallel is you change politics and thereby political systems. You change countries; you get into Canada, and if you happen to be in Saskatchewan,

it actually costs money to produce oil today. For every barrel of conventional oil produced in that province today, the combination of federal and provincial taxes means it costs money. One actually has to pay 75 cents to produce a barrel of oil. The hon. member for Kitchener says it is all the province's fault. But what kind of a system is that?

Mr. Lang: Mr. Speaker, I rise on a point of order. I did not comment on what the hon. member was saying. I hope he will make that clarification in his speech.

Mr. Andre: Mr. Speaker, any member who wants to speak on this bill is welcome to join us.

This question of geological roulette is not quite the whole answer. It is not exclusively a question of geology. It has much to do with questions such as royalties, taxes, price and many other things.

Mr. Evans: Royalties, taxes and price will not put oil there.

Mr. Andre: I grant you, you are not going to be able to find oil if there is no sedimentary rock underneath. But what it involves is an awful lot more than just running outside and poking a hole in the ground.

Mr. Rae: I did not say that.

Mr. Andre: I am not suggesting the hon. member said that, but the term "geological roulette" implies it. His exact words were: "It had a lot to do with luck". It is not just luck. It is what was done with the opportunity which was available to those provinces.

I have one other comment on the question of revenues and the necessity of developing new equalization schemes. It concerns the question of approaching this from an honest point of view. There is no hope of us reaching an accord in this country as long as the government and members opposite keep talking about needing a more equitable share—that it is unfair for the federal government to get only 10 per cent and the provinces 45 per cent. That figure is just a blatant lie.

Some hon. Members: Hear, hear!

Mr. Andre: The more often that statement is repeated as the truth, the deeper the resentment, the deeper the resistance, the more alienation—call it what you like—will occur. We have to approach this thing from an honest point of view. We must be honest.

Mr. Lang: When are you going to start?

Mr. Andre: The member who rose on his fallacious point of order asks us when are we going to start.

I would advise the hon. member to read the bible—the *Sunday Star*. By reading George Bain's column, the hon. member will note a few of the inaccuracies in "The National Energy Program". I suggest the best way to start would be for members opposite to challenge the Minister of Finance (Mr. MacEachen) and the Minister of Energy, Mines and Resources (Mr. Lalonde) in caucus by telling them that these facts are being denied by people out west, and with some legitimacy.

An hon. Member: Even the Ontario papers are doing that.

Mr. Andre: Hon. members should ask whether there is some basis for that. That is the way to start. As long as hon. members keep repeating in mailings, in speeches, etc., the demonstrably false information contained in "The National Energy Program" and given to hon. members by the minister and his officials, the more difficult it will be for this country to come together and resolve some very difficult problems. I say this in all sincerity. It is necessary to demand more integrity from that minister. It is a situation which is extremely important to the long-term future of this country. It cannot be understated.

• (2120)

Before closing, I would like to say to the minister that we are prepared to see clauses 1 and 2 of Bill C-24, dealing with equalization, receive very rapid passage. We support the view of the NDP that the subject matter of equalization is worthy of considerable discussion and a reference to that effect should be given to the finance committee. That might be a better way of doing it than using this bill exclusively as a means of addressing ourselves to those questions.

With regard to clause 3 dealing with PUITTA on the basis of equity and reasonableness, it is absolutely fundamental that the federal tax system be fair in its application to all Canadians, no matter where they live. This proposal is patently unfair and we will resist it. Therefore, we make no commitment to rapid passage of this piece of legislation.

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, I want to take this opportunity during the discussion of Bill C-24 having to do with federal-provincial fiscal arrangements and transfer payments to make a few remarks about how this topic bears on the subject of health care, for which I am responsible in the NDP caucus.

However, one never debates in isolation, and before the hon. member for Calgary Centre (Mr. Andre) leaves the chamber, I would like to respond to part of what he said. I begin by assuring him that as a fellow western Canadian and a member of a party which stands, to put it mildly, in critical relationship with many of the ideas he espouses from time to time, we do not think that the streets of Alberta are paved with gold or that somewhere in Alberta there is a large vault which Albertans are greedily hoarding and protecting from other Canadians in an inappropriate way. We understand, as do all Canadians, that the anxiety of Albertans about a non-renewable resource is legitimate and has to be taken very seriously.

Having stated that I know the streets in Alberta are not paved with gold, the hon. member and I part company for philosophical reasons. I have talked to many Manitobans who have gone to Alberta to take part in what is perceived to be a great surfeit of riches and have come home broke, partly because the great wealth being created in Alberta is not being

properly distributed by the Alberta government among ordinary Albertans. Many have gone to Alberta and come back because of the high cost of housing and everything else. Many ordinary Canadians are not able to afford the cost of such wealth. But that is somewhat beside the point of our debate this evening.

I want to make another point in response to what the hon. member for Calgary Centre said about a remark made by the hon. member for Broadview-Greenwood (Mr. Rae) concerning geological roulette. It cannot be denied that much of the good circumstances in which certain provinces and people find themselves has only to do with the fact that they happen, through no virtue of their own, to be in places under which very valuable resources are found. When speaking about the undeserved nature of the wealth which accrues to certain people in certain places at certain times, we must realize that none of those resources belong to any of us. They belong to the whole world. Many Canadians are guilty of acting as though the only debate that is important is whether the resources belong to the provinces or to the federal government. We forget we have another responsibility.

In the final sense, none of us are owners of the resources. We are the stewards or trustees. We ought not to act as if the only game in town is the game we play with each other to determine who will get the most benefit from these resources. We must begin to act in a way which reflects the wider knowledge and larger picture. These resources may be put to better use in the future by other people in other places. We should have the wisdom to use the resources wisely so that more alternatives might be open for the future. That is what we must keep in mind during the interminable debates in this House which more often than not leave out that kind of global perspective.

This morning I attended a meeting of the Canadian Health Coalition, a national coalition of various groups which came together because of their mutual concern about the state of Canada's medicare system in 1979. It became obvious to people across this country that federal-provincial fiscal arrangements, as they pertain to health care and had been determined in 1977, were not working in a way that was beneficial to the maintenance and improvement of the kind of health care system which Canadians regard as normal and have come to expect.

In 1977, the Established Programs Financing Act came into being. This recognized that there were certain programs such as medicare, post-secondary education and hospitalization which were regarded as established. The logic behind it was that these programs were written into the social and political fabric of Canada and did not have to be worried about any more. The provinces were to be given a certain amount of money through block funding and tax point transfers, and because these programs were thought to be beyond the pale of political debate, it was believed the money would be used appropriately.

However, it should come as no surprise that programs such as medicare, considering how young they are, turned out to be not all that established. Indeed, many of the social programs which have come into being since the war have never really become established. They might be better described as "never safe programs". As soon as economic times become tough, the inherent philosophical compromises which existed at the time in which these programs came into being re-emerge.

● (2130)

Mr. de Jong: That is why they should be in the constitution.

Mr. Blaikie: The hon. member for Regina East (Mr. de Jong) suggests that that is why they should be in the constitution. Indeed, witnesses before the constitution committee have suggested that one of the basic conceptual inadequacies of the constitutional proposal now before us is that it elaborates no such thing as social rights; it merely delineates the limitations of the state and goes no way at all toward delineating the responsibility of the state to its people for quality of life, for health care and for any other thing that we might regard as a social right.

Nevertheless, since 1977 we have had this problem with medicare. At the time when the provinces were, in fact, given a great deal of autonomy over how they spent their health care moneys, an ideological phenomenon occurred whereby at least seven out of the ten provincial governments, Conservative governments, came to see government spending as the greatest demon with which they had to deal, and they chose health care as one of the progams where they could fight the demon of public spending. So we found that coincidentally with bloc funding, we had this neo-Conservative trend, and health care was one of the first programs to suffer.

What has happened in the course of this debate about health care, the first rumbles of which began in the early part of 1979, is that the federal government got off scot-free. I think it is time for this to end, not just for the sake of accuracy but because the federal government itself in its most recent budget has indicated its real commitment, or lack thereof, when it comes to some of the social programs, health care in particular, about which it has been so virtuous in lecturing the provinces. Let us remember that the original intention of the federal government in setting up the established programs' financing was restraint of its own. It wanted to put the lid on the amount of money which it was spending in this area, and it wanted to enable the provinces to restrain themselves in this area. The federal government did not want the provinces to feel penalized every time they saved a dollar, as they did under the former program, because every time they did not spend a dollar, that was another dollar they did not get from the federal government. So, in effect, restraint was, both federally and provincially, one of the motivations for the Established Programs' Financing.

It was a situation of which the provinces took full advantage. In effect, they took too much advantage of it and they spoiled what could have been a good system, although we in our party are not convinced it could yet be a good system. We would prefer to return to some kind of cost-sharing system, so

that the federal government would have a positive role in health care, not just a negative one where the health minister is reduced to threatening the completed withdrawal of funds. The provinces have spoiled what could have been at least a worth-while experiment, one which has proven worthwhile in some provinces, particularly in the province of Quebec where freedom was used to develop and to expand the health care system.

Now, because the provinces took advantage of the federal government in some ways through the Established Programs' Financing, either out of resentment toward the provinces or out of a further move toward restraint, the Minister of Finance, as stated in the budget, expects that significant savings will be made by the federal government in the upcoming renewal of federal-provincial fiscal arrangements in the social development area, which of course involves medicare.

We think the federal government should be tough in its negotiations with the provinces. We do not think it should just go in there and say, "Don't worry about it, boys, we will continue to put lots of money into medicare, it does not matter what you do." We are not suggesting that the federal government be a patsy for the provincial governments. We think steps should be taken in the course of renewing these arrangements to put in place structures which would prevent the provinces from acting in the way they have recently.

We do not think, however, that the federal government should go into those renewal negotiations with the intention of saving money. Its intention should be to ensure that both the provincial governments and the federal government put in as much money on a shared basis, whatever the details might be, as is needed to maintain and to improve Canada's health care system. That should be the goal of the federal government in the upcoming negotiations with regard to the renewal of federal-provincial fiscal arrangements. To go in there with only the goal of saving money is, I think, starting off on the wrong foot. What is needed is not for the federal government to compound the stinginess of the provincial governments with regard to health care by exhibiting the same quality.

It is bad enough that the provincial governments have been pulling back on health care. What are Canadians to expect as far as health care and social services are concerned when saving money becomes the primary goal of the federal government? All Canadians agree, even people who do not otherwise agree with each other such as, for instance, the Canadian Medical Association and the NDP, that one of the fundamental problems of the medicare system is that it is drastically underfunded. Now it appears that this underfunding is to be compounded by the federal government in its intention to save money in the forthcoming negotiations.

If, indeed, the problem is underfunding, there are only two options available. One is that the money which will be needed to maintain the existing level of services, the money which will be needed in the poorer provinces to bring them up to a level of health care enjoyed by some Canadians in some provinces, the money which will be needed right across the board to fulfil the original vision of Mr. Justice Hall in his royal commission report of 1964, the money which will be needed to instal a comprehensive health care system in this country, both preventive and curative, will either have to come from public or from private sources. Of course, the argument of the Canadian Medical Association is that this money should come from private sources in the form of extra billing, deterrent fees, ward charges, premiums, and various other ways. This is really not private money but public money coming from citizens on a selective basis, coming sometimes from the sick and sometimes from people in general. For instance, with regard to premiums, that money comes on a regressive basis. There is no notion there of the kind of fairness which we expect, at least in theory, from our tax system.

• (2140)

The other alternative to solving this problem of underfunding is, of course, to solve it by public means through increasing the commitment of governments, both federal and provincial, to our health care system. That means finding political will. That means closing tax loopholes. That means taking seriously the other side of the restraint question, which is the revenue question. There is another approach to restraint other than cutting back services, and that is to raise the necessary money by going out and appealing to the best in Canadians, by appealing to their notion of a fair and just society in which health care, for instance, is something about which people do not have to worry and which they can expect without regard to their economic circumstances. That is the direction in which we want to see the federal government move in this whole area of concern having to do with federal-provincial fiscal arrangements. The federal government should maintain its role as redistributor of the national wealth. However, it should maintain that role for the right reasons and see itself as the guarantor of the quality of life of all Canadians.

If the federal government enters the negotiations with that spirit and if any further amendments which come before us are put before us in that spirit, we could see our way to supporting that kind of principle.

Mr. Bill McKnight (Kindersley-Lloydminster): Mr. Speaker, I enter the debate on Bill C-24 because coming from Saskatchewan, a province which still relies on equalization from the federal government in order to obtain revenues, I feel it is important to do so. The first two clauses of this bill do not really cause me much concern, but what does concern me is the idea of equalization. In order to equalize there must be something to begin with. If there is nothing to spread about Canada in terms of dollars, equalization really does not mean much, despite all the high sounding words spoken about it.

In the brief time allowed me I would like to talk about some of the policies of the present government and what they are doing to stifle funds in Canada. I refer not just to the western part of Canada but to all of Canada. When funds are stifled there are fewer funds to equalize. There are fewer funds to give to other Canadians to provide the joys of a better life and a higher standard of living.

My constituency is basically agricultural, but in the constituency there is a considerable amount of heavy oil and sweet oil. A considerable amount of experimentation has been going on in my constituency to enable the people in the business to extract the heavy oil from the ground. I do not want this to sound like a maiden speech, but in my constituency there are several small rural communities of anywhere from 350 to 3,000 people. As a matter of fact, a town with a population of 3,000 is large. If I wanted to go on like the Minister of Agriculture (Mr. Whelan) I could do the "I've been everywhere" act and refer to Kindersley, Eston, Maidstone, Naymont, Marsden and Lloydminster. I could go on, but I am sure not everyone is interested in the number of towns in my constituency.

I would like to talk about something which is not manufactured in my constituency, the automobile. There have been great debates in this House about the support given to the Chrysler Corporation. There have been great debates about supporting the industry in central Canada, and I agree with that. However, I will tell the House what this government's policy has done to some of the small—and I mean small—owner-managed companies in my community which employ anywhere from five to thirty employees.

Let us talk about the energy policy and what it has done. Ackerman Chev-Olds of Kindersley had plans to expand to a daily rental service. It had plans to expand its leasing division. It was going to hire three more people, and in a small community that is an asset. The company was asked to do appraisals, before the budget was brought down, by companies in the oil industry, but now those requests have been withdrawn. The company feels that in the next months it will lose vehicle sales amounting to $300,000. Those vehicles are not manufactured in Saskatchewan.

Let us talk about Tisdale Ford in Kindersley. That company will lose 20 potential sales which it had planned for over the next three months into the oil patch. The company will have lost sales of approximately $200,000. It will lose sales of $75,000 at the gas pumps because of the reduction in the number of vehicles coming in to fill up. That is how drastic the reduction in my area is.

Let us talk about Dodsland, Saskatchewan, which is a small community of 350 to 400 people. One small company lost the sales of four units, which amounts only to $40,000. But those trucks are not made in Saskatchewan. They are made in Ontario.

An hon. Member: It all adds up!

Mr. McKnight: Let's carry on. Look at Cavalier Chev-Olds in Lloydminster. One company has cancelled four units. The sale of four units at $10,000 amounts to $40,000, but Cavalier Chev-Olds has had orders for four semi-tractors cancelled, and they cost about $80,000 to $100,000. And they are not made in Saskatchewan.

An hon. Member: What about equalization payments?

Mr. McKnight: An hon. member opposite asks about equalization payments. I am telling hon. members opposite that the problem is that they are destroying part of their Ontario industry by the energy policies they are creating. Those policies are destroying the Ontario industry they propose to support. It is not hurting the people of Saskatchewan. We do not manufacture trucks and cars, but we would like to buy them from the good people of Ontario. We would like to support our friends in Ontario by purchasing vehicles, and if we can purchase them and continue in our area of expertise, which happens to be in the oil patch, we will support the industries of central Canada.

I would like to go on to say that Cavalier Chev-Olds in Lloydminster has spent a quarter of a million dollars on expansion, and now the company is wondering if it will be able to maintain its dealership.

Regal Motors in Rosetown took a look at its projected sales after the budget and reduced them by $1.2 million. Stuart Ford-Mercury in Lloydminster has reduced its potential sales by one-third. These are sales of trucks and heavy trucks.

Let us talk about what has happened to the companies which would have bought these vehicles and which would have contributed to equalization. They would have purchased goods from central Canada, Atlantic Canada and, indeed, western Canada. Let us talk about Husky Oil. Husky has not decided to take its goods out of Canada. It has not decided to drill elsewhere, but it might cut its exploration budget by 60 per cent. It still has faith in this country. It would be its intention to offer help to this government in any area this government might wish so that it could continue to explore for oil and heavy oil in my part of Canada.

Just a few months ago United Canso, led by Canadians, took back control of United Canso from the Buckleys of New York, from Cataba, an American company. United Canso fought a very expensive battle to bring back Canadian control to this company, but let us see what is going to happen. Do hon. members know what will happen after January 1 at $16.70 a barrel?

The Saskatchewan oil well income tax of $7.47 is taken from that. Freehold and overriding royalties amount to $1.11. Petroleum and gas revenue tax is $1.07. Operating costs, direct with no overhead, amount to $3.35. Federal income tax amounts to $3.34. Provincial income tax amounts to 67 cents. The total is $17.01. They will lose 31 cents per barrel. One cannot expect a company to produce at a loss of 31 cents per barrel.

• (2150)

An hon. Member: No, they will not.

Mr. McKnight: I hear a socialist saying that they will not. They say they should produce oil and lose 31 cents per barrel because it is a Canadian company. They say, "Please do that." I do not think it is proper, and I am sure most members of the House would agree.

At least 60 per cent of this company's exploratory budget will now be moved to the United States. In other words, they have doubled exploration in the United States. These people are responsible to shareholders, and they have nothing else to do but to try to protect their shareholders. The policies of the government opposite have shut down the market. When the energy policy of the government comes into effect on January 1, it could create more equalization money; but when a valve freezes, they will not send a man out at $8 or $12 per hour. They will leave the valve frozen. Why would they go out when they lose 31 cents per barrel? Nobody would go out. But the government imports oil from Mexico at approximately $40 per barrel. One cannot understand this, unless one talks to the people who have spent a long, long time in the business.

I should like to talk about Home Oil and run over its operating costs. In Saskatchewan, from a well which pumps less than ten barrels a day, they get $15.15. Their operating costs are $4.80. Their net return is $10.35, less the royalty of $5.15, net provincial tax of 77 cents, federal tax of $2.79 and a petroleum gas revenue tax of zero. They will get $1.64. But let me deal with heavy oil and a well which produces more than ten barrels a day. After January 1 they will get $16.15. Their operating costs will be $4.80. Their net return will be $11.35. Their royalty will be $6.61; provincial tax, 87 cents; federal tax, $3.06; the petroleum gas revenue tax, 91 cents. They will lose ten cents per barrel. There is no point in producing oil at losses of ten cents per barrel. This is in Saskatchewan. If a company loses ten cents per barrel on heavy oil, why would it continue? It will only continue to do maintenance. The net result of the 8 per cent petroleum gas revenue tax is that earnings will drop by 50 per cent in 1981 and by 75 per cent in 1984.

I should like to refer to Big Hart Oil which was started by a Canadian individual who worked in the oil patch, became an expert in it and went ahead on his own. Does the House know what has happened? He stopped. He will not spend any more money in Saskatchewan because he would lose six cents on the dollar. The Saskatchewan government takes 68 cents out of $1 and the federal government takes 38 cents. If Big Hart quit today, it would end up owing $5 million to the bank five years from now. They cannot quit; they say they cannot quit. He obtained a bank loan for $15 million for 1980-81 to be paid back in September, 1985. If all his cash flow was applied to reduce the interest and loan expenses, Big Hart would still owe $5,127,000 at the end of five years. His total income for 1980-81 will be $64 million, but he would still owe $5 million if he did not spend any money. What has the government's policy done? Big Hart is forced to stay in Canada with its wells, but it has gone into the United States and has purchased 55,000 acres in Texas. It has spent $4 million, which would have been spent in Canada, in order to obtain the drilling rights on 55,000 acres. The company is gambling that the Texas production, if it is lucky, will pay off its investment in Canada. Is that not terrible—a Canadian company has to go to the United States and gamble that its oil production there will pay off its investment in our country?

Yet, hon. members opposite wonder why the people of western Canada say, "What you are doing is not fair, what you are doing is not right."

Mr. Whelan: Tell us how they share the oil in Texas.

Mr. McKnight: I hear the Hon. Minister of Agriculture talking about sharing. If he was not such a tired Minister of Agriculture and had more heart and spirit, he would stand up for the farmers of western Canada. He would stand up so that they are not crippled by the energy policy of the government, so that some day equalization payments would not have to be paid to the farmers of western Canada. That will happen if the energy policy of the government continues without some support for agriculture.

I should like to continue dealing with the same Canadian company which was started by an individual. In the last two years he spent $20 million. He cancelled next year's program which means that he has cancelled 15 wells. Does the House know to what it has come? The government of Saskatchewan has a better understanding of the oil industry than the Liberal government here in Ottawa. At least the government of Saskatchewan understands that producers must negotiate and receive some return on their investment. They are willing to go an extra mile. They went in 1973 and 1974, the province of Alberta went an extra mile in those years. The federal government hopes the provinces will dig it out of the hole, so that these companies will be able to continue finding oil for the people of Canada.

Let me turn to Francana which indicated that after tax it made 12 cents per barrel. With the budget and its 8 per cent revenue tax, the federal government will take $1.02 per barrel and Francana will lose 12 cents per barrel. It will lose 12 cents per barrel on producing wells. Before the budget and including reinvestment on new oil, it was netting 30 cents per barrel, assuming that it costs $5.60 per barrel to find it. But after the budget, it will lose 90 cents per barrel on new oil. There is no way to equalize payments when a company goes 90 cents per barrel in the hole.

Turning to Buttes Resources, it has ten out of 40 wells which are marginal. They will shut them down. They will have to pay an 8 per cent wellhead tax and have indicated that they might as well shut the valve. They have two service rigs under contract, but if they do not use these wells, they will let one of the service rigs go. There goes employment! Buttes is another company which has indicated that the province of Saskatchewan is talking to them, assisting them and trying to give them a deal so that they can stay in production, because the heavy hand of the federal government has removed any incentive at all.

I am just at the end of my time, but I should like to talk about heavy oil. The budget papers indicated $30 per barrel for heavy oil, but the hooker or the snag is that it must be sold in Canada. How can one sell heavy oil in Canada when there isn't a refining plant? Where is the refining plant for heavy oil in Canada? How does the government expect people to take oil

out of the ground at $30 per barrel? That is what they are being told, but there is no refining plant in Canada. If there is no plant in Canada to handle the refining, where do they sell it? Do they sell it across the line? They could sell it across the line, but there is only one plant across the line. There is one refining plant but it must have a guaranteed supply, and the government refuses a guaranteed supply, by saying that it must be sold in Canada. Equalization means that one must generate funds so that they can be equalized. Government policy in the energy field and other areas has stifled the growth of Canada, reduced the incomes of people, and reduced the outflow of cash from any part of Canada.

Therefore, if there is nothing to equalize, why do they talk about equalization?

Some hon. Members: Hear, hear!

● (2200)

Mr. Knowles: Mr. Speaker, I rise on a point of order. Could the government whip or an hon. member on that side tell us whether we will stay with this bill tomorrow or whether the government would rather switch.

Mr. Turner: Mr. Speaker, I am advised we return to Bill C-48, the oil and gas bill, tomorrow and possibly Wednesday.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

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

PUBLIC SERVICE—INQUIRY WHETHER RETIREES WILL BENEFIT FROM INDEXATION

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, on December 9 last I directed a question to the President of the Treasury Board dealing with two matters which I consider important. First, it had to do with the pension system in the public service, especially the indexing rate for 1980, and second, I tried to learn the number of public servants who were retiring this year before December 31, and perhaps after December 1, because it was implied in my question that I wanted to know whether some public servants were waiting till the end of the fiscal year to retire thus taking advantage of an indexation measure to enjoy an indexed pension immediately in the year in which they retire.

Hon. members will remember that since 1970 a public servant can retire, subject to some restrictions of course, with full benefits at 55 years of age. Over the years, the benefits have been standardized by removing any sex discrimination

and the contribution rate of the employee has been raised from 5 to 6.5 per cent. In 1970, partial indexing of benefits was adopted and contributions of both employer and employee were increased by half a point. Finally, full indexing of benefits was recommended in 1973 and implemented by this government in 1974. A second increase of half a point was also provided for, to be collected from both employer and employee, as of January 1, 1977.

The President of the Treasury Board (Mr. Johnston) recently told me in answer to a question that he had not yet set the rate of indexing but that he would write to me; I received his letter today; I should like to read it to you. I quote:

Dear Mr. Gauthier:

Further to the question you put to me in the House of Commons Tuesday last with regard to the rate of indexing that will apply from January 1, 1981, to the benefits received by former members of the civil service, I am pleased to advise that the rate will be 9.7 per cent, as announced publicly last Friday.

I was not aware that he had announced it last Friday. I resume the quotation:

The 9.7 per cent increase will apply to the benefits paid at any time in 1980, that is, to the pensions of those persons who retired or became disabled in 1980 or earlier, and those of surviving spouses and for dependent children who were entitled to pensions in 1980 or earlier. The 9.7 per cent increase will be paid former employees of the civil service, the armed forces, the RCMP, former members of Parliament and senators, former judges—

and the letter lists all those who are entitled to that increase in pension. Mr. Speaker, I believe we all agreed, some years ago, on the need for indexing pensions, to protect our pensioners against the thief that inflation is. And I am pleased to learn that the President of the Treasury Board announced today that one hundred thousand retired civil servants and dependants will be entitled this year to a catching up increase which, while not giving them an edge in terms of real income, will at least enable them to maintain their purchasing power for the coming year. I think, Mr. Speaker, that no active and industrialized society is immune from a certain level of inflation nowadays.

Inflation, as we know, is detrimental to the various types of pensioners and widens the income gap between those who work and those who are fully retired on a pension. The debate on public service pensions has been at times quite acrimonious and it has been going on for at least over ten years. I witnessed the attempts made by the government over the past eight years to set the indexation rate, to put a ceiling on it, to make it above all flexible and geared to the ability of the fund to pay the indexation of pensions. We have seen Bill C-12 being violently opposed by certain groups from the private sector, I am referring here to the Coalition for Citizens' movement which lobbied to prevent the indexation of public service pensions under the pretence that they were getting very good salaries and were collecting highly generous pensions.

While in fact, Mr. Speaker, the truth could not be further removed from what certain groups opposed to indexation

portray it to be. It has often been repeated in the course of this debate that on the average public servants get an annual pension of $7,000 or less, which is certainly not a high income. Indexation of this pension would only allow them to survive a little above the poverty line. After all, public servants cannot be blamed for all the economic ills the country is going through today and all the economic hardships we are faced with.

On a final note, Mr. Speaker, I would simply like to remind the President of the Treasury Board that it is imperative that we deal with some of the problems concerning indexation. At present, for example, public servants are allowed to retire at the end of the year, just before December 31, so as to benefit from indexation for the last year and again, on January 1, to be eligible for indexing for the coming year. I think the question could be solved by an amendment to the superannuation legislation, an order in council, a regulation or otherwise. I think the President of the Treasury Board is in a position to act. Three past presidents of the Treasury Board have told us: "We will look after it." I hope to see improvements in 1981 and I hope that the legislation will be amended so as to achieve some kind of equity, some kind of fairness in the area of pensions.

● (2205)

[*English*]

Mr. Roy MacLaren (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, on December 9 the President of the Treasury Board (Mr. Johnston), stated that he would soon be announcing the rate of increase applicable to public service pensions on January 1, 1981. The necessary calculations under the Supplementary Retirement Benefits Act have now been completed. The rate will be 9.7 per cent. This figure represents the average of the increases in the monthly Consumer Price Indices from October 1, 1979, to September 30, 1980. The 9.7 percentage increase will be applied to update pensions which were in pay during 1980; that is, the pensions of persons who retired or became disabled in 1980 or earlier and those of surviving spouses and children of pension plan members who died in 1980 or earlier with a pension entitlement.

The hon. member asked specifically whether those who retire before December 31 of this year will receive a full increase in their pensions on January 1, 1981. The answer is yes. The Supplementary Retirement Benefits Act provides for annual updating of pensions on January 1 for all pensions in pay in the previous year. This means that no matter how short a period of time the pensioner was drawing pension in a year—even a few days—he or she will receive a full year's cost-of-living increase on the next January 1. Until such time as legislative amendments are made to the Supplementary Retirement Benefits Act, this provision of the law must continue to be applied.

As the President of the Treasury Board advised the House, it is his intention to bring before Parliament proposed amendments to the Supplementary Retirement Benefits Act in respect of that specific feature. In Bill C-12, the public service pension amendment bill introduced in the Thirtieth Parliament, which lapsed when that Parliament dissolved, changes were proposed which would have prorated the amount of pension indexing to which a pensioner would be entitled in respect of his or her first year of retirement.

Under the proposals contained in Bill C-12, a person who had been retired only a few days prior to January 1 of any year, would have to wait a full year until the next January before receiving any pension adjustment. These proposals seem quite reasonable and fair to public service pensioners. I believe I am correct in stating that there was no opposition to this feature of Bill C-12, either from members of Parliament or from pension plan members.

● (2210)

NATIONAL ENERGY PROGRAM—ALSANDS PROJECT—REQUEST FOR ASSURANCE OF COMPLETION

Mr. Jack Shields (Athabasca): Mr. Speaker, I rise at this time as a result of a question I put to the Minister of Energy, Mines and Resources (Mr. Lalonde) on December 4. In my question I asked the minister whether any discussions had taken place to ensure the Alsands consortium—the project north of Fort McMurray—would proceed on time. If it did not, it would be a catastrophe for the nation. At a time when money is waiting from private sources to be invested in the heavy oil industry or tar sands and is sitting idle when we are at such a crucial stage in our development waiting for oil to come on-stream down the road.

The minister replied by saying:

> I can tell him that if he looks at the record, particularly with regard to tar sands plants, he will find the federal government has always been very forthcoming and ready to make sure those projects will take place.

I have had a chance to look at the record. I ask hon. members, what is that record? In a press release two weeks ago Imperial Oil announced that at $38 a barrel with future increases tied to the consumer price index, the plant at Cold Lake is not economically viable. The Alsands consortium has announced that the same pricing agreement, $38 a barrel, with future increases tied to the consumer price index, does not make it viable to proceed with their plans.

I went home this weekend and I found that the Syncrude expansion is stalled. This expansion was to bring a second train on to the plant to increase production from 140,000 barrels a day to 200,000 barrels a day. The syncrude press release reads in part:

> The point we're trying to get across is that it is not economically applicable under the current federal policies to go ahead with the expansion. It has reduced the attractiveness of expansion and increased the risk involved.

Of course, Syncrude was referring to this government's misguided energy policy. The spokesman for Syncrude went on to state:

> Imperial's message is that the opportunity from an economic standpoint is just not there.

That is the record. I know the Minister of Energy, Mines and Resources in all honesty is not trying to mislead the

Canadian people or this House in replying to the questions which I put to him the other night. But the situation becomes absolutely ludicrous and it can only be explained if one examines carefully what is really happening.

Alberta conventional crude oil reserves will be reduced by half in five years. Conventional crude oil reserves will be reduced by two-thirds, 66 per cent, in ten years. While the reserves decline, we are being told that this oil will be used.

The policy of the Department of Energy, Mines and Resources now appears to be to use the energy in Alberta first while seeking to bring in production from Crown land, the high Arctic and offshore.

● (2215)

I reiterate my feeling that the tar sands and heavy oil plants in northeastern Alberta are absolutely crucial to the economy of this country and to our security of supply. An injection of $9 billion to $10 billion for each plant, approximately $20 billion in total, into the economy of Canada would do nothing but increase employment. The policy of the department must be reconsidered and efforts made to get those two vital plants on stream.

Mr. Roy MacLaren (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, I am pleased to state the government's position relative to the concern expressed by the hon. member for Athabasca (Mr. Shields) regarding the importance of bringing the Alsands project into production as soon as possible.

When the minister responded to the hon. member's questions on December 4, he explained that the federal government is fully committed to this project, but that he alone could not give absolute assurance that satisfactory negotiations would be completed to ensure that the project would proceed, simply because he could not speak for the government of Alberta. However, he reminded the House that the record showed that the federal government has always been ready to join in making certain that oil sands and heavy oil projects will take place. In this context, hon. members will recall that the federal government took the initiative in February, 1975, to save the Syncrude project. At that time, the governments of Alberta and Ontario, and the three private participants responded, and the project went ahead on schedule.

The National Energy Program reflects the emphasis being placed on oil sands and heavy oil development through such measures as the maintenance of the depletion allowance, the provisions of special tax incentives for heavy oil upgrading plants, and the application of reference prices at or close to international prices to encourage the opening up of these resources. Indeed, under the National Energy Program, we are offering incentive prices well above the level which project sponsors could have foreseen when any of the projects now in a planning or implementation phase were initiated and we are continuing our discussions with them.

I should like to emphasize the position always taken by the federal government, that the opening up of all new potential energy sources is a matter of high priority. The oil sands certainly do not take second place to Arctic resources or offshore discoveries. Canada needs to have all these projects brought into production as soon as possible.

We are continuing to seek an agreement with the Alberta government on both the Alsands and Cold Lake projects either as part of a comprehensive pricing agreement or separately to establish a stable and attractive regime for high cost oil projects. The Alberta government has, however, chosen to withhold its approval of the new tar sands plants until a comprehensive petroleum agreement is reached. Canadians are relying on a fair and reasonable response on the part of the government of Alberta in support of this highly important resource development project.

ATOMIC ENERGY OF CANADA LIMITED—DISPOSAL OF NUCLEAR WASTE

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, a couple of weeks ago I asked the Minister of Energy, Mines and Resources (Mr. Lalonde) a question about whether he approved of a policy of Atomic Energy of Canada which I found in an internal document of AECL written by the Director of Public Affairs for Waste Management at the Whiteshell Nuclear Establishment. With regard to the approvals process for waste disposal sites, it was written, and I quote:

> —initiatives have been undertaken at both provincial and federal levels to have the approvals process changed in order that research areas may be obtained without forcing local councils (perhaps miles removed from a potential research area) to express their opinion by way of resolution.

The minister did not seem to know what I was talking about, particularly when I mentioned Lac du Bonnet, which I had to tell him was in Manitoba. This is forgivable, and I expect to hear tonight—although I do not really expect it because I know the parliamentary secretary will drone on as usual reading the statement prepared for him—whether the Minister of Energy, Mines and Resources approves of this policy of AECL whereby it is trying to circumvent the democratically expressed will of communities like Lac du Bonnet which in this case is to be the site of an experimental waste disposal vault.

When the minister replied to my question, he talked about federal and provincial processes of approval. He never said anything about the approvals process as it pertained to local councils. I ask whether this recommendation had anything to do with the fact that a candidate for reeve in the rural municipality of Lac du Bonnet, who was critical of AECL in the most recent election there, beat the incumbent who was not as critical, to put it mildly, of AECL. I think it does, and I think it underlines the extent to which the public affairs aspect of AECL's program is just public manipulation and intimidation and little else. A company which really respected the public's mind and was really into public affairs as such would re-think its project or would re-think itself rather than the approval process when faced with this kind of circumstance.

● (2220)

I want to make myself clear. I support research into how to dispose of nuclear waste which is already a fact. If Lac du Bonnet is suitable for such simulative research, tell us about it,

but do not sign hard-to-see contracts with provincial governments, do not only vaguely hint at more projects down the line for the same community and a demonstration vault which would actually contain nuclear waste. Do not just consult the public only as a last resort and do not patronize your opponents with the increasingly embarrassing, empty vanity of technocrats who operate under such a veil of secrecy that it is no wonder people are suspicious.

The Canadian people can handle the facts, they can handle the truth. That is why I ask the minister's parliamentary secretary, when we are going to get a full-fledged public and parliamentary debate on nuclear power in this country, and if we are not going to get it, why not? If AECL is really the servant of the people and not possessed by its own internal technological imperatives, then it should welcome such a debate. The people who work for AECL and its management should welcome, as well, their retraining for the solar technology, if that is what the public chooses.

The time has come to sort out the conflict of interest whereby AECL is not only responsible for protecting the public against the risks which are inherent in nuclear technology, but is also the major proponents of that technology in this country. I think it is high time the government recognized, first, that a debate is necessary; second, that the democratic process must be respected in every aspect of development of this technology; and third, that the time has come for some sorting out of the conflict of interest in which we continually find AECL whereby the public is put in the horrible position of having to take the word of the very people whose self-interest it is to instal the projects, the safety of which they are worried about.

Mr. Roy MacLaren (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, for a moment I shall try not to bore the hon. member opposite by reading something but, rather, I will draw to his attention that perhaps he is confusing, to some degree, the procedure in the province of Ontario with that in the province of Manitoba.

Recently there were press releases in Ontario concerning some preliminary research regarding, for example, groundwater and fly-overs in the Crown lands of Ontario where there are no incorporated townships. In those areas that type of preliminary research has been carried on with the agreement of the Ontario government and with full public notice.

With regard to Manitoba, the situation is somewhat different because there, of course, the plans are to build an underground research laboratory, at the Whiteshell Research Establishment.

● (2225)

That laboratory will conduct research—I hope the hon. member will excuse me for reading this passage—"in geology, mining techniques, hydro-geology, heat transfer through rock at depth and pressure, performance of potential repository backfill materials and other related work."

The plans to proceed with that research work which is being developed in consultation with the Manitoba government have been extensively described to the local community, and there has been a series of consultative procedures to ensure full public knowledge and the opportunity to participate in the detail of those plans.

With reference to the hon. member's final point, the final authority for nuclear safety matters in Canada resides with the Atomic Energy Control Board and not with Atomic Energy of Canada Limited. The board's procedures, which are well known, will be fully observed by the Canadian government when it proceeds, in consultation with the Ontario government in the case of Ontario and with the Manitoba government in the case of Manitoba, with the further development of research into the safe disposal of spent nuclear fuel.

The Acting Speaker (Mr. Blaker): Order, please. The motion to adjourn the House is now deemed to have been adopted. Accordingly, the House stands adjourned until two o'clock tomorrow afternoon.

At 10.27 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Tuesday, December 16, 1980

The House met at 2 p.m.

● (1405)

ROUTINE PROCEEDINGS

[*English*]

NORTHERN PIPELINES

Q AND M PIPE LINE CONSTRUCTION—MOTION UNDER S.O. 43

Mr. Gordon Taylor (Bow River): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. Whereas the construction of the Q and M Pipe Lines is essential in order to get gas to the people of the Atlantic provinces, and whereas Premier Lougheed, in Alberta's package on July 25, 1980 to the Prime Minister (Mr. Trudeau), offered on behalf of the government of Alberta to provide equity and debt financing so that the Q and M Pipe Lines could be constructed forthwith, but the Prime Minister rejected this offer, apparently preferring to borrow the money from abroad in the same way he is buying oil from foreigners at world prices, therefore I move, seconded by the hon. member for Annapolis Valley-Hants (Mr. Nowlan):

That this House require the Prime Minister to appear before the Standing Committee on Justice and Legal Affairs to explain why he rejected this offer that would create employment, keep our natural gas in Canada and provide tremendous benefits to our maritime people.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

FISHERIES

EXPERIMENTAL SQUID STUDIES BY JAPANESE VESSELS—MOTION UNDER S.O. 43

Mr. Thomas Siddon (Richmond-South Delta): Madam Speaker, in view of the fact that the Department of Fisheries and Oceans has recently allowed two Japanese fishing vessels, the *Tenyu Maru* and the *Tomi Maru,* to enter Canadian waters to explore the possibility of establishing a commercial squid fishery, and in turn each vessel has received an allocation of 100 metric tons of black cod after the black cod fishery had been closed—I repeat, after the black cod fishery had been closed—to Canadian fishermen, I move under the provisions of Standing Order 43, seconded by the hon. member for Esquimalt-Saanich (Mr. Munro):

That the Minister of Fisheries and Oceans be required to reverse his deplorable decision which allows Japanese fishing companies to conduct experimental squid studies in Canadian waters, when such studies should have used the services of the Canadian owned *Callistratus,* or any number of other Canadian vessels which are capable of test-jigging for squid and, further, that the minister be required to explain why he has chosen to reward the Japanese by giving away 200 metric tons of black cod which Canadian fishermen were not allowed to catch.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

HOUSING

MORTGAGE RENEWALS—REQUEST FOR EMERGENCY INTERIM FINANCING—MOTION UNDER S.O. 43

Mr. Nelson A. Riis (Kamloops-Shuswap): Madam Speaker, I rise on a matter of urgent and pressing necessity. In light of the fact that mortgage rates for people purchasing new homes or renegotiating their mortgages are beginning to approach the 20 percentile range and the fact that all of us as parliamentarians are receiving letters outlining the problems people are facing as they must renegotiate their mortgages, I move, seconded by the hon. member for Beaches (Mr. Young):

That this House express its will and the will of the Canadian people in requesting the major lending institutions of Canada to provide emergency interim financing to those Canadians faced with mortgage renewals to help them get through this period of devastatingly high interest rates.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

NATIONAL DEFENCE

F-18A FIGHTER AIRCRAFT—ECONOMIC BENEFIT TO CANADA—MOTION UNDER S.O. 43

Mr. Marcel Dionne (Chicoutimi): Madam Speaker, I rise under the provisions of Standing Order 43 to ask for the

S.O. 43

unanimous consent of the House to move a motion concerning an important matter.

In view of the fact that the American government will purchase 168 F-18A fighters, or 24 more than the number suggested by the Secretary of Defence of the United States for the year 1980-81, and in view of the fact that this authorization confirms that the F-18A is the best fighter in its category and that the Canadian government made the best possible choice, I move, seconded by the hon. member for Bonaventure-Îles-de-la-Madeleine (Mr. Bujold):

That it be reasserted that these latest developments will have beneficial effects in terms of industrial fall-out throughout the Canadian economy as a whole.

Madam Speaker: Under the provisions of Standing Order 43, presentation of such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*English*]

THE MINISTRY

CALL FOR RESIGNATION OF MINISTER OF ENERGY, MINES AND RESOURCES—MOTION UNDER S.O. 43

Mr. Doug Lewis (Simcoe North): Madam Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43. In view of the lack of confidence of the members on this side of the House in the Minister of Energy, Mines and Resources (Mr. Lalonde) because of his unreasonable bargaining approach with the oil producing provinces, and in view of the fact that all provinces, those that manufacture petrochemical equipment as well as those that have the oil, are facing huge job losses as the result of the minister's untenable position, I move, seconded by the hon. member for Burlington (Mr. Kempling):

That the Minister of Energy, Mines and Resources resign immediately so that the economy of Canada will go forward.

Madam Speaker: Does the hon. member have the unanimous consent of the House for the presentation of this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1410)

PENSIONS

CALL FOR LEGISLATION TO PROVIDE PENSIONS TO HOMEMAKER SPOUSES—MOTION UNDER S.O. 43

Hon. Stanley Knowles (Winnipeg North Centre): Madam Speaker, under the provisions of Standing Order 43, and seconded by the hon. member for Vancouver East (Mrs. Mitchell), I move:

That this House urges the government, in view of its often-stated recognition of the role of spouses working in their homes, to bring before the House legislation to provide pensions for all homemaker spouses,—

The emphasis is on the word "all".

—not just for the minority at the top who could afford to pay a double premium to the Canada Pension Plan, it being the view of this House that all homemaker spouses are entitled to pensions equivalent to those earned by contributors to the Canada Pension Plan, it being clear also that only such a universal plan will fully recognize the contribution to our society made by those who work in the home.

Madam Speaker: Presentation of such a motion for debate requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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EXTERNAL AID

SCHOLARSHIPS—CALL FOR WITHDRAWAL OF ASSISTANCE TO FORMER PRIME MINISTER OF JAMAICA—MOTION UNDER S.O. 43

Mr. Doug Neil (Moose Jaw): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. In view of recent news report indicating that Michael Manley, the recently defeated prime minister of Jamaica and long-time friend of Canada's Prime Minister (Mr. Trudeau), has been invited to apply for a Canadian foreign aid scholarship worth up to $60,000, and that there are many worthy Canadian and foreign students whose philosophy and ideals are closer to those of the majority of Canadians than the radical ideals espoused by Mr. Manley, I move, seconded by the hon. member for Assiniboia (Mr. Gustafson):

That the government instruct Ivan Head, president of the International Development Research Centre, to withdraw the offer to Mr. Manley and to search out and fund students whose philosophy and goals are in line with Canadian and western thinking.

Madam Speaker: Does the hon. member have the unanimous consent of the House to introduce this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

BANKRUPTCIES

ASTRA TRUST—CALL FOR JUDICIAL INQUIRY INTO AFFAIRS—MOTION UNDER S.O. 43

Mr. Bill Kempling (Burlington): Madam Speaker, I rise under the provisions of Standing Order 43. The bankruptcy of Astra Trust has caused massive losses to depositors and share-

holders alike. Re-Mor, the mortgage arm of Astra Trust, has bilked millions of dollars from the public through business practices which can be classed as misrepresentation, fraud, deception, bait and switch, and other thoroughly dishonest practices planned and carried out by the management and directors of Astra Trust, Re-Mor and C & M Financial Consultants. Therefore I move, seconded by the hon. member for St. Catharines (Mr. Reid):

That the Minister of Finance initiate a judicial inquiry into the Astra Trust affair and include in the inquiry the affairs of Re-Mor and C & M Financial Consultants and require that in particular the inquiry dwell in some detail on the fact that the trust licence for Astra Trust was turned down three times by the Department of Insurance, as well as the province of Ontario, before it was finally issued on November 17, 1977.

Madam Speaker: Does the hon. member have the unanimous consent of the House to introduce the said motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

LABOUR CONDITIONS

CALL FOR ASSISTANCE TO ATLANTIC PROVINCES—MOTION UNDER S.O. 43

Mr. Bob Corbett (Fundy-Royal): Madam Speaker, another blow to Atlantic Canada as a result of the maritime minister's financial fiasco of October 28, and subsequent indifference to the miseries which are accruing in a compound fashion, has been struck. The Canadian Gypsum Co. Ltd. will close its operations in Hillsborough, New Brunswick, as of December 31 due to a lack of markets, throwing approximately 60 people out of work. The government railway, the CNR, has made application to abandon its line from Salisbury to Hillsborough. Therefore I move, seconded by the hon. member for Prince George-Bulkley Valley (Mr. McCuish):

That this government either move immediately to alleviate the desperate straits of Atlantic Canadians typified by communities such as Hillsborough, or level with the people and tell them they do not give a damn about Atlantic Canada so that Atlantic Canadians will realize the hopelessness of their situation and make plans to starve to death.

Madam Speaker: Presentation of such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

• (1415)

ORAL QUESTION PERIOD

[*English*]

ECONOMIC COUNCIL OF CANADA

FORECAST RESPECTING WAGE LEVELS—PROGRAMS TO CREATE JOBS

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, my question is for the Minister of Finance who will know that the Economic Council of Canada is forecasting that real wages of Canadians will drop more than 4 per cent this year and next. Will the minister tell the House whether he intends to introduce any new policy to stop that dramatic cut in the ability of average Canadians to buy what they need?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, without commenting upon the validity of the forecast made by the Economic Council of Canada, it is not my intention to alter at the present time the budget policies which were introduced on October 28.

Some hon. Members: Shame!

Mr. Clark: Madam Speaker, the minister has indicated that he does not at the present time—whatever that means—intend to do anything about the fact that the real income of Canadians, their ability to earn enough money to buy the things they need, will be dramatically cut. He would know that his government's policies are also cutting out the ability of Canadians to find work. He would know that the number of people who are not even seeking work now, because they feel hopeless and desperate as there is no work for them to find, is up 25 per cent over a year ago. Does the minister intend to introduce any new measures to create the hope of jobs for Canadians who want to go to work?

Mr. MacEachen: Madam Speaker, I know that over the past year the number of jobs in Canada has increased significantly. The last statement from Statistics Canada shows that the seasonally adjusted unemployment rate in Canada over the month had decreased, and that it had decreased in every region of Canada but one. I know these facts as well, Madam Speaker, but despite these facts I did lay out in the budget a series of programs which, in my view, will contribute significantly to the quality of the recovery which Canada needs over the medium term.

Mr. Clark: Madam Speaker, the people of Canada are tiring of this bafflegab from the Minister of Finance. They know even if the Minister of Finance intends to ignore it that the number of unemployed in Canada is up and the number of people who are so hopeless about the prospect of getting a job is up dramatically over the last year.

The minister repeated again today that he had no plans "at the present time". Last Wednesday he had no plans at all. On Thursday he said that he had not yet decided to introduce any

new measures "at the present time." On Friday he was blaming Canada's economic problems on the U.S. federal reserve system. I am intrigued by the minister's indication that he has no plans "at the present time". What is he holding back from Parliament? Does the minister have any intention at all to bring in in the foreseeable future any new economic measures? If so, will he tell us when we might expect those measures and what specific problems they are designed to address?

Mr. MacEachen: Madam Speaker, if the answer would be more agreeable to the hon. member if I deleted the phrase "at the present time", I would do so. It is not my intention now, nor will I decide within a week, two weeks or three weeks, to bring forward a new economic strategy for the country, because in the budget on October 28 I formulated an economic strategy which, in my view, is suited to the current economic climate in the country. I do not propose to change that unless there are some factors down the road which would necessitate change. I do not want the Right Hon. Leader of the Opposition to draw any conclusions from the use of the expression "at the present time" or the word "yet".

Mr. Clark: Madam Speaker, if we have learned one thing about the Minister of Finance, apart from the fact that he has no economic policies, it is that he chooses his language deliberately. This is the third day in five in which he has quite carefully said "no policies yet; no changes at the present time". Now he says there will be no changes unless there is development of some factor down the line.

● (1420)

We want to know whether the government is going to take the budget as its last word. Is it going to ignore the increasing difficulties that his economic policies have caused for the ordinary citizens of this country, or is there going to be a change of heart? Is there going to be a rediscovery of the principles of Father Cody? Is there going to be some willingness on the part of the government to show some compassion for the people of Canada? Are there going to be some new economic measures brought forward by this government within the next three to four months?

Mr. MacEachen: Madam Speaker, the current difficulties, particularly those facing the Canadian exchange rate and interest rates in the country, have nothing to do with budgetary policies. They come from other sources. The right hon. gentleman ought to draw some distinction between the impact of policies which are included in the budget and other forces which affect Canada because we are part of the world. It is not my intention to have the country drop off the planet, even though that was his policy when he was prime minister.

FINANCE

POLICY RESPECTING MONETARY EXPANSION—EFFECT ON CANADA OF UNITED STATES POLICY

Hon. John C. Crosbie (St. John's West): Madam Speaker, the minister's slogan is "Stop the world, I want to get off". He has done nothing to help economic conditions in Canada today. On Friday the minister disclaimed all responsibility for interest rate policy. He blamed our troubles on the U.S. policy. He said that "it is not a proper application of monetary policy in the current circumstances."

Since the Bank of Canada and the U.S. Federal Reserve Board have both been restricting growth in the money supply and both use higher interest rates because of the inflation threat in order to do that, will the minister now tell us whether he is abandoning his statement in the budget that the Bank of Canada will have his continuing support in holding down the rate of monetary expansion? Has he given a written directive to Governor Bouey that interest rates are not to go up any further in Canada, and has he made any official protests to the United States about the fact that they are pursuing the same monetary policy as he has been pursuing here in Canada?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, the hon. member obviously has misunderstood the point of my comments on Friday. No one is complaining about the effort of the United States government to control inflation. No one is complaining about the effort of the United States to control the money supply. What I have complained about are the very wide swings in interest rates or the volatility in interest rates which have been part and parcel of the administration of the Federal Reserve Bank since last spring. That is the point to which I take exception and to which I believe other countries undoubtedly take exception as well. Since this fluctuation or volatility in short-term interest rates is having a very adverse effect on Canada in a number of ways, I believe it is appropriate for a country like Canada, when such a development is evident, to make its views known.

The hon. member asked me whether I have made an official protest; maybe that is not the expression he used. I regard the word "protest" as too strong, but I have under consideration making my views on this matter known directly to the relevant officials in the United States.

Mr. Crosbie: Madam Speaker, under this finance minister Canada has the worst of all possible worlds. We have sky-high interest rates, a rapidly foundering Canadian dollar and a floundering government. I have not seen reported any statement by any other finance minister complaining about the U.S. policy with reference to the Federal Reserve Bank.

Some hon. Members: Oh, oh!

Mr. Crosbie: The political nyphomaniacs on my left want to be in bed with the government. They cannot stop themselves. They try to interrupt my questions.

Mr. Nielsen: They do not want to do it legally.

Mr. Crosbie: That's right. They want to go all the way. My question for the Minister of Finance is this. What advice does the Minister of Finance have for the incoming Reagan administration? What economic and monetary policy does he advise them to take? Does he want them to let monetary expansion grow apace? What does he want to do with interest rates and the money supply? Does he want them to increase their deficit? What advice is he prepared to give the U.S. to direct them as to action they should take? When he tells us that, will he also tell the House, if he is not prepared to take responsibility for some policies himself, whether he and his government will resign and make way for those who will take responsibility?

● (1425)

Mr. MacEachen: Madam Speaker, the only value I see in answering the hon. gentleman is perhaps to put before him one or two facts which may influence his thinking. He constantly accuses the government of being responsible for the current situation.

An hon. Member: It is.

Mr. MacEachen: I would draw to his attention that today in the United States prime commercial rates have been raised to 21 per cent; the equivalent rate in Canada is 17 per cent.

An hon. Member: That is until Thursday.

Mr. MacEachen: The hon. member knows there is a very close link between capital markets in Canada and in the United States, and that discrepancy, that gap, that differential in interest rates between the two countries, is bound to have an effect on interest rates in Canada and on the exchange value of Canadian currency.

If the hon. member does not accept my analysis, all he has to do is refer to the statement issued last week by the Governor of the Bank of Canada, in whom he had considerable confidence and whose reappointment he recommended, and in that regard I supported him, as did members of our party. In the statement made last week by the Governor of the Bank of Canada, the governor stated that this very problem about which the hon. member is talking and with which the Bank of Canada has been trying to deal in recent weeks does not originate in Canada. I would at least ask the hon. member to try not to confuse the Canadian public by questions which are falsely based and which add nothing to public understanding of what is a very difficult situation that both the governor and the Government of Canada are facing at the present time.

Some hon. Members: Hear, hear!

POLICY RESPECTING INTEREST RATES

Mr. Bob Rae (Broadview-Greenwood): Madam Speaker, my question is also for the Deputy Prime Minister and Minister of Finance. I should like to ask him to reflect for a moment on the difference between the statements he has made, and again repeated today, in respect of Canada's interest rate policy and statements which have been made by the Prime Minister as recently as December 5. On December 5 the Prime Minister was taking pride in the fact that the Canadian government was following what he described as "an independent interest rate policy", yet both last week in the House of Commons and again today the Minister of Finance has ascribed all of our interest rate woes and policies to those being currently followed in the United States. I should like to ask the minister to come clean on this and simply tell us, is the interest rate policy, currently being followed by the government and by the Bank of Canada, which he supports, an independent interest rate policy which reflects conditions in Canada, or is it a policy which is simply following that of the Federal Reserve Board of the United States?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, the hon. member obviously knows the answer to that question which in the main is rhetorical. He knows you cannot have a differential of four points in interest rates in Canada and in the United States, when the two capital markets are interlinked, without that influence spreading into Canada. There is no way to avoid that.

● (1430)

To say that, however, is not to say that the Governor of the Bank of Canada and the Government of Canada are not following an independent monetary policy, just as we follow an independent foreign policy, an independent trade policy—you name it. However, all these policies are influenced by forces activated in every other country in the world. I hope I do not have to explain that elementary fact to the hon. member who has just asked the question.

Mr. Rae: Madam Speaker, my supplementary question is equally simple and equally non-rhetorical. I would like to remind the minister that on May 27 last the minister said, and I quote:

> —when this government took office, the bank rate was 14 per cent; today it is 11.83 per cent . . . That is quite a result.

On June 19 his colleague, the Minister of Industry, Trade and Commerce, said that due to the floating rate policy of the Bank of Canada the rate was coming down. Why is it that when the rates are coming down it is somehow the miraculous result of the policies of the Liberal government, whereas when the rates go up it is because of what is going on in the United States?

Mr. MacEachen: Madam Speaker, I suppose one could ask hon. gentlemen opposite why it is that when interest rates go down they disappear from the question period and why they return when they are going up. That would be the question to ask.

Mr. Rae: Madam Speaker, the definition of a Liberal is clearly someone who does not even know how to blush because

he has lost the capacity to be embarrassed. That answer was unbelievable.

I would like to ask the minister a final supplementary question. Precisely what protests has Governor Bouey made to the United States? When and where did they occur, and precisely what was the response of the American government and the American Federal Reserve Board chairman as a result of the protest made by the Governor of the Bank of Canada?

Mr. MacEachen: Madam Speaker, I will try to give the hon. member as much information as I have at my disposal. The Governor of the Bank of Canada attended a meeting of central bank governors of several countries last week, and at that meeting he expressed the concerns which he later made public in Canada about the volatility and wide fluctuations in the short-term interest rates in the United States. That is the information I have and which I am very happy to convey, in an unblushing manner, to the hon. member.

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ATOMIC ENERGY CONTROL BOARD

AMENDMENTS TO STRENGTHEN HEALTH AND SAFETY REGULATIONS

Mr. Maurice Foster (Algoma): Madam Speaker, my question is directed to the Minister of State for Mines. In view of the recommendations contained in the report of the Ontario legislature's select committee on hydro affairs concerning the Atomic Energy Control Board and the meeting which was held on December 4 here in Ottawa with representatives of the board and the United Steelworkers of America from Elliot Lake—

An hon. Member: Caucus.

Mr. Foster: —can the minister assure the House that amendments to the Atomic Energy Control Board regulations will be made to strengthen the health and safety sections of those regulations?

Hon. Judy Erola (Minister of State, Mines): Madam Speaker, I thank the hon. member for Algoma for his question, although I had great difficulty hearing it.

Some hon. Members: Oh, oh!

Mrs. Erola: However, I do believe I got the gist of it. Yes, I too share the hon. member's concern about the health and safety of workers in Elliot Lake. I would like to enlarge upon the question, if I may. As the hon. member knows, the select committee also made some recommendations, and I concur with many of them.

Mr. Clark: Order, Madam Speaker.

Mrs. Erola: I should like to add that I too feel that the AECB regulations do lack teeth. I will suggest to the Minister of Energy, Mines and Resources that we give the AECB the proper measures to put teeth into its regulations.

Madam Speaker: Order, please. The mere fact that the hon. member is sitting next to the minister is no reason—

Some hon. Members: Oh, oh!

Madam Speaker: —for me to deny the question. The hon. member is entitled to a public answer to his question.

Some hon. Members: Hear, hear!

* * *

HOUSING

ASSISTANCE TO FIRST-TIME BUYERS—STIMULATION OF CONSTRUCTION INDUSTRY

Mr. Doug Lewis (Simcoe North): Madam Speaker, since interchanges between seatmates are in vogue, I would like to pose my question to the Minister of Finance. He has suggested that interest rates are tied to problems in the United States and to international money markets, but on December 5 his seatmate said, and I quote:

> Madam Speaker, the formula introduced by the Minister of Finance is precisely that, an independent interest rate policy. It is set by the free market in Canada. It is not tied to an automatic index of United States interest rates.

During the election campaign we were accused of levying an 18-cent tax to pay for a mortgage interest and property tax credit, but since—

Some hon. Members: Question.

Mr. Lewis: It is coming; hon. members opposite just do not like the preamble. The minister has increased the price of gasoline. He has levied his own excise tax on gasoline. He has levied an additional tax on home heating fuel. What has the minister done for home owners?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, it is not what I have done for home owners; it is what the House of Commons did for home owners last December when it stopped the former government from implementing that inequitable tax deductibility plan.

Mr. Lewis: Madam Speaker, if we can swing to another topic which is related, I suggest to the minister that there is one method he could use to free up the tight vacancy rate situation, and that would be to give first-time home owners an incentive which would stimulate the construction industry. What is the minister's policy to help first-time home owners in Canada?

Mr. MacEachen: Madam Speaker, that is a question of such dimensions that it could not be answered on the orders of the day.

Mr. Paproski: Why not?

Mr. Nielsen: So much for home owners.

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NATIONAL ENERGY PROGRAM

INQUIRY RESPECTING AMENDMENT OF PRICING PROVISIONS—ACTION TO STIMULATE DEVELOPMENT AND CREATE JOBS

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, I would like to direct the attention of the House to a policy which is completely within the control of the government, and that is energy policy. At the weekend the chairman of the Economic Council of Canada said that Canada will not reach the goal of self-sufficiency in oil and gas by 1990 without a bigger effort in cutting down oil demand or expanding supply. He also pointed out that we would be in a better position to achieve that goal if Alberta and the producers received a little more revenue than provided in the National Energy Program.

My question is directed to the Minister of Energy, Mines and Resources. In view of the increase in the price of oil imposed by Saudi Arabia this morning of some $2 per barrel, and in view of the proposal by the Economic Council of Canada of providing 50 cents to $1.50 more per barrel in price—that little bit more the chairman talked about—is the minister considering amending the price provisions of the National Energy Program in order to break the deadlock between Alberta and Ottawa and to help get the economy on the rails again?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, we have indicated our willingness to undertake negotiations with the government of Alberta. These negotiations have started at the officials level. We have indicated that we are willing and ready to meet with the government of Alberta at any time and anywhere.

With respect to the proposal made by the hon. member, if he can give me some indication that the government of Alberta is ready to consider an increase of 50 cents to $1.50 per barrel and would be satisfied with it, obviously this is a matter we will have to discuss. However, as far as we are concerned we are available for negotiations.

Mr. Wilson: Madam Speaker, I had understood that the Minister of Energy, Mines and Resources was the one responsible for negotiations with Alberta. I would be very happy to take over his responsibilities if he wishes to give them to me.

Some hon. Members: Hear, hear!

● (1440)

Mr. Wilson: Last Thursday the Minister of Finance stated that the National Energy Program did provide a comprehensive framework to get the major energy projects in Canada under way. At the same time, however, the chairman of the Economic Council said that the National Energy Program is a severe inhibition to our economic performance, particularly in the area of energy development. In view of that and in view of the action which has been announced by the industry of cutting back their exploration budgets by some 50 per cent, the cancellation of major projects such as Cold Lake, Alsands and Judy Creek, plus the Calgary *Herald's* estimate that some 350 oil rigs will be moving to the United States next year, does the Minister of Energy, Mines and Resources feel that the statement made by the Minister of Finance indicates a woeful misunderstanding of the chaos which has been caused by the National Energy Program? If so, what action is the minister proposing to take to get energy development going again and to create jobs, not just in Alberta but in Welland, Ontario, Hamilton, Stratford, Orillia, Mississauga, Ste. Thérèse, and in many parts of eastern Canada?

An hon. Member: Nothing.

Mr. Lalonde: Madam Speaker, I welcome the indication from the hon. member that he is ready to cross the floor, and I understand him.

An hon. Member: Answer the question.

Mr. Lalonde: I am sure that if he wants to make special representations to the Prime Minister, the Prime Minister will listen to him attentively.

An hon. Member: You are unbelievable.

An hon. Member: He is Wilson, not Horner.

An hon. Member: We are all crossing together.

Mr. Lalonde: I understand that some others would like to apply also, but they will have to come after the hon. member.

Mr. Crosbie: You are a bunch of shipwrecks.

Madam Speaker: Order, please. I am glad that the Christmas spirit has invaded the House and this is very good for us, but we must have a question period.

Mr. Lalonde: I would invite the hon. member to quote the president of the Economic Council of Canada accurately. The president of the Economic Council has indicated that the lack of an agreement was creating serious difficulty. We share that view and we said that we would prefer to have an agreement with the government of Alberta. We have indicated our willingness to negotiate. I deplore the fact that we have been able to have only one meeting to date with the government of Alberta in spite of our indication that we are available to discuss the agreement. We are still available and I hope that we will be able to reach an agreement which will be satisfactory to all parties concerned.

Oral Questions

AIR CANADA

FLIGHT ATTENDANTS' DISPUTE—REQUEST FOR IMPROVED OFFER

Mr. Les Benjamin (Regina West): Madam Speaker, I should like to address a question to the Minister of Labour. It has to do with the dispute between Air Canada and the airline flight attendants. In view of the fact that representatives of the union have requested a meeting and Air Canada has agreed to meet with them on Thursday morning and again on Friday morning, the union hoping that Air Canada will come forward with an improved offer over what the conciliator recommended, but the only thing on the agenda on Thursday morning is a discussion on shutdown procedures and on Friday morning the union is to advise Air Canada about the results of the strike vote, would the minister request the president of Air Canada to be in attendance at those two meetings and to agree to an improvement of the conciliator's offer so that flight attendants receive parity with those of other airlines with regard to wages, vacations and guaranteed days off, with a view to reaching an agreement on Thursday or Friday morning?

Hon. Gerald Regan (Minister of Labour): Madam Speaker, the hon. member, of course, asks a question about a matter which is of grave concern to a large number of Canadians, and that is the possibility of a strike by airline stewardesses of Air Canada during the Christmas season.

Some hon. Members: Flight attendants.

An hon. Member: Sexist.

An hon. Member: Another Harry Hays!

Mr. Regan: Flight attendants.

Some hon. Members: Hear, hear!

Mr. Regan: I might say that the present situation is that the commissioner, Stanley Hartt, has reported and the recommendation in the conciliation report has been accepted by Air Canada. The flight attendants' union is voting on the recommendation at this time. The result of their vote will be known late Thursday night or early Friday morning.

Some hon. Members: Hear, hear!

Mr. Regan: I am certain that hon. members are, despite their sense of levity in the Christmas season, concerned about the fact that strike action should be avoided if at all possible in this serious situation. However, the hon. member will recognize that the necessity for any further negotiation between the parties is not evident until the outcome of the vote, which is at present being taken, is determined. I think it would be highly inappropriate to prophesy just how that vote will go. It certainly is the hope of the Department of Labour, and I believe of most Canadians, that an agreement will be achieved without a work stoppage.

Mr. Benjamin: Madam Speaker, the minister has about 72 hours, regardless of what the results of the strike ballot are, to act, but he must assume that the ballot will be in favour of a strike.

In view of the fact that one of the problems is the length of the contract, and in view of the fact that that problem could be solved if parity between Air Canada air flight attendants and those of other airlines were achieved, which would result in a settlement, will the minister persuade the Minister of Transport to instruct or strongly advise the president of Air Canada to be present, and will the minister himself make himself available at the Thursday and Friday morning meetings to obtain a parity settlement, preferably with a 24-month contract or even with a 29-month contract?

Mr. Regan: Madam Speaker, I must say to the hon. member that the one thing I will not do is to try to carry on conciliation efforts here on the floor of the House. I do not suggest that that is in the best interests of collective bargaining, as the hon. member is well aware. I want to say to him that if he wants to conciliate, I think he should study the facts a little more in relation to what constitutes parity and whether he would also be seeking parity in relation to the hours of work, because that might cast another light on the situation. However, it is the role of the Department of Labour not to take sides but rather to provide assistance to the parties, as we have done throughout this struggle, in an effort to help them achieve an agreement. I think it is wrong for the hon. member to assume that there will be an adverse vote on Thursday night when the report on the vote of the flight attendants is made.

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THE BUDGET

EFFECT OF MEASURES ON SASKATCHEWAN OIL PRODUCERS

Mr. Len Gustafson (Assiniboia): Madam Speaker, I have a question for the Minister of Finance. Given the very serious situation which exists in western Canada in the oil industry, particularly in Saskatchewan where his budget is having such a devastating effect that companies are telling us now that the production of every barrel of oil in Saskatchewan is costing them from 25 cents to 70 cents more, to the point that they are considering shutting down production at a time when we should have a booming oil economy in western Canada, will the minister look into the situation, given the fact that the Minister of Energy, Mines and Resources seems to sidestep the issue, is unable to reach a pricing agreement and is not serious about the problem which exists in western Canada, and in Saskatchewan in particular?

● (1450)

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, the Minister of Energy, Mines and Resources has stated on a number of occasions that we are prepared as a government to negotiate and have discussions with the province of Alberta, and with other western provinces, in an effort to reach a solution or agreement that would remove any concerns which may exist.

That offer still stands. It seems to me the best way to achieve the good results the hon. member has in mind is to create an atmosphere which will make it possible to begin these discussions and to reach a conclusion satisfactory to both sides. Until that happens it does not seem to me that the hon. member can have his concerns entirely removed.

Mr. Gustafson: Madam Speaker, again my question is for the Minister of Finance. The situation in Saskatchewan is so serious that rigs are leaving, service rigs are facing problems and there are no new contracts for the new year. We must have some immediate action in Saskatchewan and in western Canada. Will the minister reconsider his position? Will he bring in a new budget or a mini-budget? Will he jolt his colleague into action?

Mr. MacEachen: Madam Speaker, the hon. member is speaking about the province of Saskatchewan and tomorrow I shall have an opportunity, at a meeting of finance ministers, to discuss the situation in Saskatchewan with the minister for that province, as well as with ministers from other provinces. I will check with him my own impressions that the prospects for economic growth in Saskatchewan are very strong. The growth in that province has been strong in the past year, and from what I know the growth in 1981 in the province of Saskatchewan will be among the best of any province in the whole country.

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FINANCE

MEASURES TO ASSIST ATLANTIC PROVINCES

Mr. Bob Corbett (Fundy-Royal): Madam Speaker, my question is for the member of Parliament from Atlantic Canada who is responsible for the portfolio of finance. As the minister is aware, the Economic Council of Canada, since the budget, has revised its forecast of inflation from 10 per cent to 11.4 per cent. Since the minister's party has taken office the value of the dollar has declined by at least 5 per cent. The minister knows that every drop in the dollar adds four-tenths of 1 per cent to the cost of living, which is about an increase of 2 per cent altogether since they have taken office. Interest rates continue to soar. It is said that a 1.5 per cent increase in bank interest rates adds 4½ cents to the cost of a pound of pork and 1½ cents to the price per pound of beef—

Madam Speaker: Order, please. The preamble to the hon. member's question is rather long and it has been made by several other members. It is all right to hear it once, but after that hon. members should restrain themselves. Could the hon. member come to his question, please?

Mr. Corbett: Madam Speaker, you can rest assured that Canadians are interested in what beef, pork and eggs will cost them.

The hon. member from Atlantic Canada should know that Atlantic Canadians have the lowest per capita income in the nation. My question is: In view of the fact that Atlantic Canadians like to eat, what will the Minister of Finance do to ease the crushing burden which Atlantic Canadians are facing today and to get them back into the work place?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I refer the hon. member to the budget—

Some hon. Members: Oh!

Mr. MacEachen: —which was put before the House on October 28 and which, in my judgment, was probably the most favourable budget to the Atlantic provinces ever introduced. If the hon. member could possibly remove those partisan blinkers, he would recognize the value of that budget to the Atlantic provinces.

Mr. Corbett: Madam Speaker, I point out to the minister that Atlantic Canadians have the highest unemployment as a result of that budget. These are his own people and we are talking about a meat-and-potatoes issue in Atlantic Canada. What meat-and-potatoes action does the minister plan to take to help Atlantic Canadians face a very bleak winter?

* * *

CANADA LABOUR CODE

VALIDITY OF REFERENCING OF ONTARIO LEGISLATION— PROTECTION OF URANIUM MINERS

Mr. Derek Blackburn (Brant): Madam Speaker, my question is for the Minister of Labour. It is not the question of which I gave him notice earlier today; I thought he would like to know the difference between the two.

Given the fact that the Ontario select committee on hydro affairs has suggested that the referencing of Bill 70, the Ontario health and safety act, to part IV of the Canada Labour code has no legal validity and that the report recommends this practice be tested in the courts within three months, can the minister tell this House if the opinion expressed by the counsel for the Ontario select committee is shared by his advisers? If this is indeed the case, does the minister agree that Ontario's uranium miners have only the goodwill of the company to protect them and no legal recourse to enforce health and safety regulations?

Hon. Gerald Regan (Minister of Labour): Madam Speaker, the hon. member will, of course, recognize that the question of the validity of the referencing or of any other legal action by the government is a matter which does not fall under my jurisdiction but that of the Minister of Justice.

Mr. Blackburn: Madam Speaker, my supplementary question is for the same minister. Is the minister intending to follow one of the recommendations of the Ontario committee on hydro affairs which would give the AECB the power to impose penalties and bring prosecutions, thus ensuring that all uranium miners in Canada have occupational health and

safety protection backed by the law? Just a few minutes ago the minister responsible for mines said she would agree with this. I would also ask the Minister of Labour, if he agrees, when we can expect that legislation.

[*Translation*]

Hon. Jean Chrétien (Minister of Justice and Minister of State for Social Development): Madam Speaker, we have received the report at the Department of Justice and we will review it immediately. As soon as we are ready to propose changes, I shall be happy to announce them in the House.

* * *

[*English*]

TOURISM

RELAXATION OF UNITED STATES TAX PROVISIONS RESPECTING ATTENDANCE AT FOREIGN CONVENTIONS

Mr. David Smith (Don Valley East): Madam Speaker, my question is addressed to the Minister of State for Small Businesses, who is responsible for tourism. In view of the passage of a bill by the U.S. Congress which relaxes the tax provision for U.S. citizens attending foreign conventions, can the minister advise the House of the impact these changes will have on large metropolitan areas in Canada, particularly metro Toronto?

[*Translation*]

Hon. Charles Lapointe (Minister of State, Small Businesses): Madam Speaker, I believe that is extremely—if the crows of the New Democratic Party would keep quiet, I might be able to answer.

Madam Speaker, we are very happy to note that, following representations by this government, the American government has decided to amend its taxation policy governing American conventions held abroad, and I believe this is the best news we could give the hotel industry ot Toronto, Montreal and every other city in Canada before the holiday season.

* * *

[*English*]

AIR CANADA

FLIGHT ATTENDANTS DISPUTE—PLANS TO AVERT POSSIBLE STRIKE

Mr. J. R. Ellis (Prince Edward-Hastings): Madam Speaker, since I do not want to go the negative route which the hon. member to my left took, I would like to ask the Minister of Transport if he has any plans to ensure that Canadians wishing to fly on Air Canada during the holiday season will not be faced with the threat of a strike and all the problems which that entails.

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, as my colleague the Minister of Labour said, there are good hopes that the strike will be avoided. Everybody who has read the press reports in recent days knows that Air Canada is taking action in order to cope with a strike situation if need be. That action entails giving priority to long-haul trips over shorter ones, since it is easier for people to make shorter trips than long ones by other modes. The action also entails the training of some people to replace flight attendants if need be.

Mr. Ellis: Madam Speaker, since this government is obviously run by polls, and since current polls indicate the public is unwilling to accept strikes in this sector, why will the minister not accept his responsibility and ensure that all Canadians who wish to travel have a reasonable holiday?

Mr. Pepin: The flight attendants are in a better position to do that than I am. What I want to tell the House is that Air Canada is taking all necessary steps to do their very best to accommodate the employees in this matter. The Minister of Labour has already referred to what had been done. Let us all hope together that the story will end well.

* * *

● (1500)

BANKRUPTCIES

ASTRA TRUST—REQUEST FOR JUDICIAL INQUIRY

Mr. Bill Kempling (Burlington): Madam Speaker, my question is for the Minister of Finance. It is obvious from a recent article in *The Globe and Mail* that a number of Liberal party workers made a bundle out of the Astra Trust shares and benefited from inside information. They are being protected and shielded while hundreds of innocent people have lost their life savings. Will the minister initiate a judicial inquiry into the Astra Trust mess, particularly into allegations by the investigators that a highly placed person in the Liberal party put pressure on the Department of Insurance to issue a trust company licence to Astra Trust after it had been rejected by the province of Ontario, and had been rejected three times by the Department of Insurance following investigations by departmental officials and the RCMP?

[*Translation*]

Hon. Pierre Bussières (Minister of State, Finance): Madam Speaker, I had several opportunities to answer questions about this case and the affiliated companies which come under provincial jurisdiction. I have already indicated that the Ontario Provincial Police economic crimes division has made a serious investigation into the shareholders' activities of Astra and Re-Mor companies. The Department of Insurance is co-operating with the investigators and so is the government. We would all like to see the courts condemn individuals guilty of discreditable deals in Astra Trust or Re-Mor.

[*English*]

Mr. Kempling: Madam Speaker, I address my supplementary to the same minister. Why did the Department of Insurance request the Ontario Securities Commission not to issue a

stop-trading order on Astra Trust when the department was trying to get on top of violations of regulations by Astra Trust? Surely, a stop-trading order would have saved the loss by innocent people of millions of dollars?

[*Translation*]

Mr. Bussières: Madam Speaker, I would like to get some information from the Superintendent in connection with the specific question put by the member to give him an adequate reply.

* * *

[*English*]

PRIVILEGE

MR. COSSITT—ALLEGATION OF EXISTENCE OF GOVERNMENT GUIDELINES RESPECTING ANSWERS TO WRITTEN QUESTIONS

Madam Speaker: The hon. member for Leeds-Grenville (Mr. Cossitt) has produced a two-page document entitled "Sensitive Topics—2nd Session, 30th Parliament" which includes as item (z), "Any question in the name of the honourable member for Leeds". The hon. member alleges that the document "is a copy of a document originating in the Privy Council office" and that the same instructions have been issued for this present Parliament.

However, there is no evidence on the face of the document which could lead to the conclusion, let alone indicate, that it is an emanation of the Government of Canada, although it contains the following words at the top right-hand corner; "Secret—Not to be photocopied or reproduced". The hon. member's question of privilege is to the effect that such alleged instructions interfere with his ability to perform his parliamentary work and other official work.

On the other hand, the President of the Privy Council (Mr. Pinard), speaking for the government, advises the House that "no instruction has been given not to reply to the questions asked", but that "on the contrary, instructions are to try to provide to the hon. member the most complete answers possible to as many questions as we can."

At the outset, let me assure hon. members that a contempt against one Parliament may be raised and is punishable in another Parliament. While it is correct to say that the government is not required by our rules to answer written or oral questions, it would be bold to suggest that no circumstances could ever exist for a prima facie question of privilege to be made where there was a deliberate attempt to deny answers to an hon. member, if it could be shown that such action amounted to improper interference with the hon. member's parliamentary work. In any event, I am not now called upon to determine this. In fact, it is far from clear that the document has any official aspect to it, let alone that it amounts to improper interference.

Under the circumstances, I am compelled to find that there is no prima facie case of privilege. Of course this is without prejudice to the matter being raised in some other way or in the light of further and additional facts being raised again under the heading of privilege.

MR. FRIESEN—RESERVATION OF RIGHT TO RAISE POSSIBLE QUESTION OF PRIVILEGE

Mr. Benno Friesen (Surrey-White Rock-North Delta): Madam Speaker, on just returning to the House after speaking on the adjournment debate of Thursday evening, I have looked at *Hansard*. After studying the answer given to me by the Parliamentary Secretary to the Secretary of State for External Affairs (Mr. Duclos), I would like to reserve my right, while I determine whether or not I have a question of privilege, to raise a question of privilege.

Madam Speaker: Since the hon. member was not in the House over the past few days, I would remind him that he must give me proper notice and a written statement on the object of his question of privilege.

ROUTINE PROCEEDINGS

[*English*]

ORGANIZATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT

TWENTIETH ANNIVERSARY

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, on the occasion of the twentieth anniversary of the OECD, I would like to table, in both official languages, a copy of a letter from the Prime Minister (Mr. Trudeau) to the Secretary General of that organization.

* * *

[*Translation*]

BUSINESS OF THE HOUSE

PROCEEDINGS ON PROPOSED BILL C-51

Mr. Pinard: Madam Speaker, following consultations with my counterparts in the opposition parties, I rise on a point of order to call your attention to a bill to amend the Clean Air Act, of which notice was given and which appears in today's order paper. We have agreed that we would see the bill through the three stages today when government orders are called, that one representative for each party would deal with it on second reading, following which the bill would be referred to Committee of the Whole, and then returned to the House for adoption on third reading. All of which, Madam Speaker, should require little time. With the consent of my colleagues, therefore, this bill should be the first item to be considered when government orders are called later on today.

[*English*]

Mr. Baker (Nepean-Carleton): Madam Speaker there have been discussions and that is the agreement which has been made. The speaker for Her Majesty's Loyal Opposition will be the hon. member for Hillsborough (Mr. McMillan).

Mr. Knowles: Yes, Madam Speaker, the agreement has been correctly stated. The speaker for our party will be the hon. member for Skeena (Mr. Fulton).

Madam Speaker: The House has heard the proposal of the hon. President of the Privy Council (Mr. Pinard). It requires unanimous consent, and I understand that the House will give unanimous consent.

Some hon. Members: Agreed.

* * *

CLEAN AIR ACT

MEASURE TO AMEND

Hon. John Roberts (Minister of State for Science and Technology and Minister of the Environment) moved for leave to introduce Bill C-51, to amend the Clean Air Act.

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

Madam Speaker: When shall the bill be read a second time? By unanimous consent later this day?

Some hon. Members: Agreed.

* * *

[*Translation*]

CORPORATIONS AND LABOUR UNIONS RETURNS ACT

MEASURE TO AMEND

Hon. Yvon Pinard (for the Minister of Supply and Services) moved that Bill S-10, to amend the Corporations and Labour Unions Return Act, be read the first time.

Motion agreed to and bill read the first time.

* * *

● (1510)

BUSINESS OF THE HOUSE

CHRISTMAS RECESS

Mr. Pinard: Madam Speaker, I am pleased to move the following motion, and after consultation with my colleagues on the other side, it would appear that there is consent to having the motion put immediately and carried without debate. This of course is the motion which is in my name on page 4 of the order paper, and I quote:

That, when the House adjourns on Friday, December 19, 1980, it shall stand adjourned until Monday, January 12, 1981, provided that at any time prior to that date, if it appears to the satisfaction of Madam Speaker after consultation with the government, that the public interest requires that the House should meet at an earlier time, Madam Speaker may give notice that she is so satisfied, and thereupon the House shall meet at the time stated in such notice, and shall transact its business as if it had been duly adjourned to that time; and

That, in the event of Madam Speaker's being unable to act owing to illness or other cause, the Deputy Speaker, the Deputy Chairman of Committees or the Assistant Deputy Chairman of Committees shall act in her stead for all the purposes of this order.

Madam Speaker: Is it the pleasure of the House to adopt the motion?

Some hon. Members: Agreed.

Motion agreed to.

* * *

[*English*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 745, 1,616 and 1,721.

[*Text*]

JUSTICE—ADMINISTRATIVE AND POLICY CONSULTANTS

Question No. 745—**Mr. Shields:**

Since August 1, 1978, how many (a) administrative (b) policy consultants were under contract to the Department of Justice and/or any boards, commissions or corporations reporting to the department and, in each case, what amount was paid to them?

Hon. Jean Chrétien (Minister of Justice and Minister of State for Social Development): The Department of Justice: Seven.

Name	Date			Cost
Bureau of Management Consultants	Jan.	6/79 — Sept.	7/79	$ 9,055.00
E.A.C. Amy & Sons	Oct.	23/79 — Feb.	29/80	9,100.00
J. E. Rowe	Jan.	1/80 — Mar.	31/80	3,657.50
A. J. Dean	Feb.	4/80 — Mar.	31/80	2,248.25
Dianne Winter	Jan.	21/80 — Feb.	29/80	1,728.00
Ed Meyers	Feb.	3/80 — Mar.	28/80	800.00
J. E. Johnson	Sept.	13/78 — Nov.	10/78	6,000.00
			Total	$32,588.75

Canadian Unity Information Office: None.

Tax Review Board: None.

Law Reform Commission of Canada: None.

Canadian Human Rights Commission: Two.

Name	Date			Cost
Bureau of Management Consultants	June	15/79 — July	6/79	$ 2,357.00
Bureau of Management Consultants	Sept.	17/79 — Oct.	22/79	5,000.00
			Total	$ 7,357.00

ELECTRIC VEHICLES

Question No. 1,616—**Mr. Robinson (Etobicoke-Lakeshore):**

1. Is the government concerned, because of the U.S. Electric and Hybrid Vehicle Research Development and Demonstration Act, which provided $160 million for the development of an electric vehicle that such an industry in North America will replace a part of the existing motor vehicle industry the result being of little benefit to Canada?

2. Do the government energy and transportation authorities support the aims and objectives of the Electric Vehicle Association of Canada, to reduce transportation total dependence on oil by substituting electric vehicles in those segments of the market which they can satisfy?

3. What is the government's policy with respect to electric and hybrid road vehicles and which department is tasked with preparing and implementing such a policy?

4. Will General Motors' commitment to bring out electric vehicles in the 1984 model year provide any industrial benefits in Canada and, if so, what will be such benefits?

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): 1. The degree to which U.S. electric and hybrid vehicle technology will benefit Canada or replace the existing Canadian motor vehicle industry is unknown at present. U.S. initiatives are being closely monitored by the federal government.

2. Yes.

3. The government does not have an explicit specific policy with respect to electric and hybrid road vehicles. The scope and size of federal initiatives with respect to electric and hybrid vehicle technology cuts across the policies and mandates of three major departments: Transport; Energy, Mines and Resources; and Industry, Trade and Commerce. Transport Canada through the Interdepartmental Panel on Transport Research and Development co-ordinates the work of various government departments in this area.

4. The federal government is not aware of the precise details of General Motors' commitment to bring out electric vehicles in 1984. The issue of industrial benefits will be pursued in ongoing discussions and negotiations between the U.S. and Canada on the Auto Pact, and, of course, with Canadian industry.

TRUST FUNDS

Question No. 1,721—**Mr. Stewart:**

1. Are funds comprised of contributions from Canadians held on deposit in general revenue by the government and, if so, what are the names of the trust funds?

2. What, if any, rate of interest is paid by the government to each fund?

3. What, if any, amount is saved by the government, because it is required to borrow less, by using the trust funds?

4. What interest earnings have been denied, where interest is not paid, to contributors using current commercial interest rates and what are the names of the trust funds?

Hon. J.-J. Blais (Minister of Supply and Services): 1. The following trust funds comprised of contributions by Canadians are administered by the government:

—Strathcona Trust Fund

—Mackenzie King Trust Account.

2. The interest rates on each fund in 1979-80 were:

—Strathcona Trust Fund: 11.31per cent (average)

—Mackenzie King Trust Account: 9.28 per cent.

3. Nil.

4. None.

* * *

[*English*]

QUESTIONS PASSED AS ORDERS FOR RETURNS

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, if questions Nos. 15, 407, and 536 could be made orders for returns, those returns would be tabled immediately.

I should like to draw the attention of the House, in particular of the hon. member for Leeds-Grenville (Mr. Cossitt), to question No. 15 which has been on the order paper for a number of years and is now being answered.

Some hon. Members: Hear, hear!

Mr. Cossitt: Madam Speaker, I rise on a point of order. In making my point of order may I congratulate the parliamentary secretary and the government on the fact that, after almost four years, they have managed to answer a question, namely, the one concerning Martin Goldfarb and Goldfarb Consultants Limited. Not having seen the answer I cannot really say whether they answered it, but something is coming forth.

I should like to raise a point of order in regard to three other questions which have been on the order paper for quite some time. One concerns a very simple matter: How many members and who on the Canadian Transport Commission—this is a rough paraphrase of the question—have passes on Air Canada? That question has been on the order paper for approximately two years or more, and still no answer. Perhaps it is because it falls within guideline (q) of the document which I mentioned last week as the guidelines the cabinet uses for answering questions. In any event, I do not know why it should take two years to find out who with the Canadian Transport Commission holds Air Canada passes.

Question No. 121 is a very simple one: How many former Liberal candidates, defeated Liberal members or retired Liberal members, have received various appointments since the last election? It is pretty straightforward. Every day we see one or two more in the newpapers. There must be a total list somewhere, but for some reason for eight months they cannot

answer the question. Perhaps there is such a backlog of appointments to come that they would rather wait until we could get the whole list. Seriously, I think we should know that answer.

There are other questions, but I should like to mention only one more. Question No. 29 concerns Michael Pitfield, who seems to be the untouchable. It is in regard to the Taschereau papers and certain details concerning why he sent them back, and on whose authority, to the Privy Council office. That has been outstanding for quite some time, and it falls within guideline (f) of questions to be treated sensitively. I should like to know when the government will do something about this question.

If I may be permitted, in closing I should like to indicate that I accept the ruling of the Chair today on the question of privilege which I raised. I fully realize that, unless I name my sources and provide more information, it would be very difficult for Madam Speaker to go further with the matter. I hope the House will understand that I cannot name the sources because, with a government such as the one in power today, they would be hanging from the Peace Tower about ten minutes from now.

Mr. Collenette: Madam Speaker, just briefly on the serious aspects of the hon. member's comments, I should like to assure him that I will do my best to answer those questions. I am sorry, with the Christmas spirit to which you referred earlier in the question period, that the member is not satisfied with the present I just gave him.

Mr. Towers: Madam Speaker, I put a question on the order paper on May 8 which concerns metric conversion. In that there have been rumours that the government may be making a metric announcement during the Christmas recess, I was wondering whether the parliamentary secretary would see fit to answer this question prior to the recess.

Mr. Collenette: Madam Speaker, I cannot guarantee to answer any particular question on any given day, but I will look into it.

Madam Speaker: Is it agreed that the questions enumerated by the parliamentary secretary shall be made orders for returns?

Some hon. Members: Agreed.

[*Text*]

MR. MARTIN GOLDFARB

Question No. 15—**Mr. Cossitt:**

Since April 20, 1968, what is a list and the nature of each item of business received from the government by Mr. Martin Goldfarb, or any companies with which he is associated, including Goldfarb Consultants Limited and, in each case, what was the amount of money paid and, what was the over-all total amount paid for the full period involved?

Return tabled.

FORMER DEPUTY MINISTERS OR ASSISTANT DEPUTY MINISTERS—CONTRACTS

Question No. 407—**Mr. Orlikow:**

In the past three years, how many former Deputy Ministers or Assistant Deputy Ministers had contracts with a government department, agency or Crown corporation and, in each case (a) what are their names (b) for which department, agency or Crown corporation were such contracts undertaken (c) what compensation did they receive?

Return tabled.

CONSUMER AND CORPORATE AFFAIRS—CONTRACT FOR PROFESSIONAL SERVICES

Question No. 536—**Mr. Orlikow:**

1. For the fiscal year 1978-79, what contracts for professional services were let for studies, surveys and analyses into (a) present or future policies, programs or information analysis and their efficiency and effectiveness (b) the examination of the administration or internal operation of the Department of Consumer and Corporate Affairs?

2. How much was committed on each contract and to whom?

Return tabled.

[*English*]

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

Madam Speaker: The questions enumerated by the parliamentary secretary have been answered. Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

CLEAN AIR ACT

MEASURE TO AMEND

Hon. John Roberts (Minister of State for Science and Technology and Minister of the Environment) moved that Bill C-51, to amend the Clean Air Act, be read the second time and by unanimous consent be referred to Committee of the Whole.

He said: Madam Speaker, the purpose of the amendments to the Clean Air Act now before the House is to provide the United States with essentially the same legislative protection as that offered Canada under section 115 of the United States clean air act. Such reciprocal protection is needed under the terms of section 115 to enable United States federal authorities to initiate a process to require state governments to reduce emissions adversely affecting Canada. This is of particular importance to us in relation to acid rain, but also it could be applied to more localized concerns.

The proposed amendments contain four basic elements. First, they provide the governor in council, on the advice of the

Minister of the Environment, with discretionary authority to regulate individual emission sources or classes of sources which cause or contribute to air pollution, which, in his opinion, is endangering or may be anticipated to endanger the health, safety or welfare of persons in another country.

Second, they require the Minister of the Environment, before providing advice to the governor in council, to receive through appropriate channels and to take account of related representations from the foreign country adversely affected or likely to be adversely affected by pollutants from Canadian sources.

Third, they require the Minister of the Environment, before providing advice to the governor in council, to consult with the province or provinces concerned and to seek the application of provincial law to control the source or sources to a level judged adequate by the minister.

Fourth, they specify that the authority provided in these amendments would be exercised only on behalf of a country which, in the opinion of the governor in council, provides Canada with comparable legislative protection.

It is my view that an objective analysis of Canada's response over the years to incidents of transboundary pollution originating in Canada would show clearly that, working with and through the provinces involved, we have acted in the spirit which is represented by these proposed amendments. To put it another way, we have traditionally taken full account of United States' concerns, and the provinces have generally been willing to modify their pollution control requirements where good evidence of actual or likely damage to the United States has been forthcoming. I have no reason to believe that this responsible attitude on the part of the provinces will change in the future. Indeed, it is my hope that the pollution control authority provided to the federal government under these amendments will never need to be used. That is the message which I instructed my officials to convey in their conversations with provincial officials about these amendments, and which I subsequently underlined personally in letters to each of my provincial counterparts.

Having said that, I am aware that historic good practice does not, in a strictly legal sense, provide the reciprocity called for in section 115 of the United States clean air act, nor does it address a serious perceptual problem which we have encountered among United States political figures and officials. Bluntly stated, that problem is that the apparent imbalance in legal protection afforded by one country to the other reflects in the minds of a number of influential Americans a difference in our commitment to provide the consequent physical protection. However unfair that perception—and I think it is unfair—it is one which must be overcome. I believe that these amendments, if accepted by the House today, will greatly assist us in that effort.

There is another important benefit to be obtained from these amendments. The speed and unanimity with which this House is prepared to pass them reflect very clearly our collective view, representing the people of Canada, that the need to control acid rain requires extraordinary and rapid measures. That is a message which we in this House are sending to the administration, Congress, and people of the United States.

Hon. members will recall that the Canadian ambassador to Washington and I signed, last August, in company with the United States Secretary of State and the Administrator of the United States Environmental Protection Agency, a memorandum of intent which, in addition to calling for the negotiation of an air quality agreement, specifically called upon each country to use its existing legislation to abate international air pollution. The passage of these amendments to our Clean Air Act will now enable the United States administration to use section 115 to honour this pledge.

• (1520)

In closing, I want to pay tribute to several members of the House. Bringing forth this legislative proposal today has been an exercise in consultation and co-operation by parties on all sides of the House. It recognizes the importance which all parties attach to dealing with these matters as effectively as we can. Often we are divided by partisan differences, but frequently as well we find ourselves united in dealing with a problem which faces our country.

I want to pay tribute particularly to the hon. member for Hillsborough (Mr. McMillan) and to the hon. member for Skeena (Mr. Fulton) who, as the critics for their respective parties in the area for which I am responsible, have shown friendly and forthcoming co-operation so as to accomplish something in a short period of time. I would also like to thank all three House leaders for their efforts in ensuring expeditious and prompt action on this proposal before the House.

Mr. Paproski: And all other members.

Mr. Tom McMillan (Hillsborough): Mr. Speaker, I am happy to participate in this short debate on a bill to amend the Clean Air Act. Both on my own behalf, as environment critic for the Progressive Conservative Party, and on behalf of my party, I welcome the initiative which the Minister of the Environment (Mr. Roberts) has taken to have Canada's Clean Air Act amended.

On the surface, the proposed amendment appears minor but, in fact, it would greatly strengthen our country's ability to co-operate with our United States neighbours in attacking the long-range transport of air pollutants, of which the most serious for both countries is acid rain.

As the minister has just pointed out, the United States clean air act allows the relevant authorities in the United States to take certain actions against polluters in that country who are damaging the health or welfare of another country. Such action, however, can be taken by the United States government only if the other country offers reciprocal protection to the United States. At present, because Canada's Clean Air Act does not offer that reciprocal protection, the American government cannot act as expeditiously as it otherwise could against interests in the United States who are polluting the Canadian environment. This bill we are debating, and which I

hope we will pass this afternoon, is designed to establish the required reciprocity.

In my view the action we are taking in Parliament today is important on at least two counts. First, it demonstrates, as the minister has pointed out, both to the Canadian public and perhaps more important to the American public, that all political parties in the Canadian Parliament are united in a resolve to deal with the growing problem of acid rain as it affects Canada and the United States. So concerned are we, that Liberals, New Democrats and Progressive Conservatives alike are willing to set aside our legitimate partisanship to make possible the speedy passage of this bill. If all goes well, the House will proceed through all three stages of the bill in this afternoon's sitting, although the normal course might have taken weeks, if not months.

Second, apart from the symbolic importance of the passage of the bill, our quick action today will increase pressure on the United States federal and state governments to abate acid rain-causing emissions in the United States that harm not only their country but our country as well.

As the minister and hon. members of the House know, other members and I are members of a special subcommittee on acid rain established a few months ago by the Standing Committee on Fisheries and Forestry. The subcommittee has been conducting public hearings across Canada, as well as meeting with legislators and experts in Canada and in other countries.

In the fall we visited Washington, D.C., where we met with Republican and Democratic senators, and members of the House of Representatives, perhaps a couple of dozen in all, who were concerned about acid rain. The clear message that we got from our American colleagues—and I echo the sentiment expressed by the minister—was that the United States public is largely unaware of the acid rain problem either in the United States or in Canada, and that most politicians in the United States have yet to treat the issue with any real degree of seriousness. Yet, in Canada, acid rain has been described variously as the "killer pollutant", the "rain of death", an "environmental time bomb", the "worst environmental hazard Canada has ever faced", and an "international emergency". I am sure the minister will agree with me that there is no reason to believe the problem is any more severe here than it is in the United States.

In the two countries some areas now receive precipitation five to 40 times more acidic than natural rain. Some readings have been shown to contain 400 times the normal amount of acid. In Canada and in the United States that lethal pollutant is killing lakes, rivers and streams. It is devastating forests and crop lands. It is even harming human health.

In northern New York state, for example, all of the fish are gone from more than 100 Adirondack lakes. The air pollution on White Mountain, which is 5,000 feet high, is commonly worse than that of mid-town New York City. By the same token, in Ontario some 2,000 to 4,000 lakes have been declared biologically dead, that is, unable to sustain fish or plant life. Some 48,000 more lakes are said to be threatened.

A recent Canada-United States scientific survey, in which the minister can take pride, has documented that the problem of acid rain is more geographically widespread and more severe than even the worst assessments had previously indicated. The study has determined that all of North America, east of a line between Hudson Bay and New Orleans, is suffering from acid rain, and that trouble spots have been identified in the west.

In my region of the Atlantic provinces, acid rain has wiped out salmon fishing in some 12 rivers, and in my own province of Prince Edward Island, which had hitherto been considered relatively invulnerable to the effects of acid rain, concern about the problem is fast approaching one of alarm. Not only is acid rain a serious problem in both Canada and the United States, each country is responsible for a substantial part of the acid rain that falls on the other. Acid rain often drops miles, even countries, away from its original source. We know that every year about four million metric tons of acid rain-causing sulphur dioxide cross from the United State into Canada. For its part, Canada emits about five million tonnes, of which one million tonnes cross into the United States.

I do not intend to speak at any length this afternoon, Mr. Speaker, but in my concluding remarks I want to stress that neither country can afford to be complacent if the other fails to act against the acid rain-causing emissions within its borders.

When members of the subcommittee to which I referred were in Washington, D.C., United States Senators and Congressmen urged our committee on acid rain to consider seriously ways in which our parliamentarians at all levels might make direct representations to the United States federal and state legislatures to heighten their awareness of the acid rain problem. Although such an approach might not conform to diplomatic niceties or protocol, in my view and in the view of my party it is one which the minister might want to consider and is a worthy one. It cannot be denied that dramatic, perhaps unprecedented action is required to promote public awareness of the problem among the United States public and U.S. government officials. It is to be hoped that passage of Bill C-51 is a step in the same direction. I urge upon hon. members that no amount of preaching by Canadians will do any good if we in this country do not take strong measures to deal with the problem within our own borders.

● (1530)

I commend the Minister of the Environment for his vigorous opposition to the United States' multibillion dollar plan to convert power plants from oil to coal, which is a major source of sulphur dioxide that contributes to the acid rain problem. The head of the United States environmental protection agency, Mr. Douglas Costle, has estimated that acid rainfall may well increase by 16 per cent to 20 per cent in the northeastern tier states within the next decade if the plan for coal conversion proceeds. He has conceded that the spillover into Canada will be serious. This has been documented by Canadian scientists.

How can we Canadians be effective in opposing that kind of development in the United States if we ourselves are embarking on identical measures in Canada? The finance minister's budget provides for the establishment of a $175 million fund to finance, on a grant basis, up to 75 per cent of the cost of conversions of oil-fired electricity plants to high sulphur content coal in the Atlantic provinces, my region of the country. To be fair, there is a proviso in the program and in the budget that those conversions must be accomplished in an "environmentally acceptable" way. The minister confirmed that in this House and in other forums. However, neither the federal government nor the relevant provinces have made known how the conversions will be proceeded with in an environmentally acceptable fashion. No specific strategy has been enunciated, articulated, or made known to this House as to how those technologies will be required, or at least encouraged.

Meanwhile, a spokesman for the Nova Scotia Power Corporation was quoted last week in the Halifax *Chronicle-Herald* as saying that, in the coming year, Nova Scotia will generate more power from coal than from imported oil for the first time in many decades.

Coal conversions in the Atlantic region and in other parts of Canada is a welcome prospect in terms of energy self-sufficiency, but an alarming one from an environmental point of view. Our failure to instal proper environmental technologies in new and converted coal-fire plants is an open invitation to our American neighbours to be similarly negligent themselves.

My party believes that federal and provincial governments should exercise caution in their efforts to revive the coal industry in Canada and to encourage the substitution of high sulphur coal for oil. Certainly the wider use of coal is one way we can lessen our dependence on foreign energy sources, so we support those conversions. Nonetheless, without appropriate safeguards, the costs of that option, especially the damage to our natural environment, could well outweigh the benefits.

As for the provincial governments, my party, and I in particular, believe they should vigorously enforce their control orders on acid rain-causing emissions. Equally important, the provinces should, at regular intervals, reassess whether those control orders are tough enough in light of advances in pollution control technologies.

Together, the federal and provincial governments should put as much pressure as possible on the United States to curb their sulphur dioxide and nitrogen emissions, especially from coal-burning thermal power plants. A bilateral agreement on the abatement of acid rain on both sides of the border must remain the principal target for Canada and the United States. Negotiations toward that end, however, must not be used by either country as an excuse for inaction in the meantime. Many interim measures, including a virile enforcement of existing regulations, can and should be taken.

Funding for acid rain research must remain a priority for Canadians. I welcome the recent announcement by the Minister of the Environment of greatly increased funding for such research. Four million dollars was originally earmarked for 1980-81, and now the amount will be $7.5 million. By 1984 the amount will be up to $29.5 million. Nevertheless, let us not overestimate the scope of the planned research effort. The total amount of money the federal government will be devoting to acid rain research scarcely exceeds its advertising budget for telling Canadians about the splendors of its constitutional package. Far too little is known, for example, about the effects of acid rain on forest growth, on agricultural crops, and on human health. Nor has enough scientific research been focused on the mitigation of the adverse effects of acid rain.

Only by devising and implementing a total strategy against acid rain can we in Canada demonstrate to our American friends that we are serious in our efforts to deal with the problem. I am proud to be associated with Bill C-51 as an essential component of that strategy. I congratulate the minister for the initiative he has taken today and urge him to continue to follow through with the other elements of the required program.

Mr. Jim Fulton (Skeena): Mr. Speaker, I rise in support of the amendment which is intended to give Canada reciprocal legislation to that provided by section 115 of the United States clean air act. I agree with the previous speakers that the unanimous parliamentary support given to this bill today should indicate to our neighbours how seriously Canadians view the issue of trans-boundary air pollution.

This reciprocal legislation is required so that the Canadian and American federal authorities can start to move to control acid airborne pollutants produced in one country which affect the other.

The United States legislation limits the formal review process for modifying state control of offending pollutants to those countries which offer reciprocal protection to the United States. Canada does not at present offer such equal legislation, and we must have appropriate legislation protection for the United States from air pollutants emitted in Canada. In fact, Canada does not at present have an international agreement with the United States, as required under section 7(1)(b) of the Canadian Clean Air Act. One is under discussion, but unfortunately progress is slow.

Provincial requirements and restrictions regarding long-range transportation of air pollutants vary across Canada. Pollution sources in Canada which affect the United States can be subjected to emission standards under this legislation. It is certainly the hope of the New Democratic Party and, I am sure, of all members of this House, that the speedy passage and importance attached to this amending bill will be viewed with due recognition by the United States. Comparable action is available under section 115 of the U.S. clean air act.

Of course our long-term goals must be to reduce acid emissions and precipitation to benign environmental levels. Hopefully the U.S. Congress will consider amending the American legislation in the very near future, to deal with long-range transportation of air pollutants.

I note, particularly, that provinces must first be consulted where the source or sources of pollutants are located. This, I am sure, in most cases will cause the diminution of pollutants

to acceptable, benign, environmental levels, thus providing for better relations with our neighbours to the south. I am confident that neither the provincial nor federal legislatures wish to have incidents such as the Trail smelter case of 1930 recur. I quote briefly from the most recent issue of the *Environmental Law Reporter:*

● (1540)

The first formal recognition of the atmosphere as a resource requiring international protection was the 1962 Treaty Banning Nuclear Weapons Tests, which prohibited nuclear testing "if such explosion causes radioactive debris to be present outside the territorial limits" of the state conducting the explosion. Since then a broad range of programs involving research, monitoring, and the tentative development of international air pollution guidelines have been undertaken to promote international protection of the atmosphere. In particular, the European Economic Community, the United Nations, and the Organization for Economic Co-operation and Development have been active in this regard.

I go on and quote again:

Several international organizations have attempted to formulate general principles concerning the responsibility of states for the extraterritorial damages caused by pollution. Probably the most influential of international statements on this subject is the 1972 Declaration of the United Nations Conference on the Human Environment in Stockholm, which provides that:

Principle 21

States have, in accordance with the Charter of the United Nations and the principles of international law, the sovereign right to exploit their own resources pursuant to their own environmental policies, and the responsibility to ensure that activities within their jurisdiction or control do not cause damage to the environment of other states or of areas beyond the limits of national jurisdiction.

Principle 22

States shall co-operate to develop further the international law regarding liability and compensation for the victims of pollution and other environmental damage caused by activities within the jurisdiction or control of such States to areas beyond their jurisdiction.

I believe the amendment to the Canadian Clean Air Act today goes some distance in moving toward those two principles. Let me quote again:

Also pertinent is an earlier application of this doctrine in the course of resolving a United States-Canada air pollution dispute during the 1920s and 1930s. Fumes from a smelter at Trail, British Columbia were causing damage in adjacent areas of the State of Washington. As part of an extended United States-Canada dialogue on the dispute, a tribunal was created to rule on several of the key issues. In a widely quoted dictum the tribunal stated that:

"No state has a right to use or permit the use of its territory in such a manner as to cause injury by fumes in or to the territory of another or the persons or property therein, when the case is of serious consequence and the injury is established by clear and convincing evidence."

Significantly, the tribunal required both payment of damages and the establishment of a regime to abate and monitor pollution from the smelter.

Certainly I hope that is the direction we are going to move following the speedy passage of this bill.

Let me now deal briefly with just how serious the acid transport and precipitation problem is to both Canada and our neighbour, the United States.

Many areas of Canada and the United States now experience precipitation, as pointed out by my colleague, the hon. member for Hillsborough (Mr. McMillan), from 25 to, at times, 400 times more acidic than natural rainfall.

The minister is on record as estimating required abatement costs of at least $400 million per year over the next few years. Experts appearing earlier this year before a committee of this House estimated costs in Europe to range between 2 per cent and 3 per cent of their gross national product just in terms of damage to crops, natural resources, buildings, cars and so on.

The difficulties of low-level acid pollution are exacerbated by many factors; for example, various acid compounds can be deposited over the years and accumulate, causing serious environmental and often irresolvable damage, as we see in respect of many of our lakes in Canada.

A case in point is acid precipitation in Canada during the winter months. The acid is released cumulatively from the snow into creeks where sudden high acidic levels damage fish eggs, smolts and aquatic organisms, and now we find as well, bird and mammalian life.

In Canada sulphur dioxide is largely produced by the smelting of sulphite ores, whereas in the United States it is produced by the burning of fossil fuels in electrical generating plants. In both countries nitrogen oxides are produced by the combustion of fossil fuels, primarily in the transportation sector. In Canada sulphur dioxide is produced at a rate of about five million tons per year, whereas in the United States it is about 25 million tons per year. In Canada nitrous oxide is now being produced at the rate of about two million tons per year, whereas in the United States it is now about 22 million tons per year.

The Canada-U.S. research consultation group, which recently released its report, estimates that both SO_2 and NO_2 emissions will increase dramatically in the future if we do not soon do something about it. With thousands of lakes now dead in Canada, and that is throughout Canada—for example, even in my riding of Skeena there is a serious acid rain problem in the Terrace area from smelters in that area, so it is a broad geographic problem in Canada and is very graphically becoming a global one—and with tens of thousands of lakes dying, and we are now just starting to get an accurate record in respect of trees, crops, buildings and health—this is again a relatively unknown hazard to us at this point—it is surely time to move on this legislation and also on strong financial budgetary moves to keep our environment healthy and industrial development benign.

In my view, I do not think it is good enough for us to know how much it costs to make the effects of acid rain and nitrous oxide benign in our environment. I think it is incumbent upon legislatures and on the Parliament of this country to deal effectively with it, either by introducing legislation such as "user-pay" so that the producer has to absorb the majority of those costs or, if necessary, to do a complete economic evaluation and move forward in the budget to provide the funds necessary to scrub those very dangerous and harmful oxides from the stacks prior to their being emitted into the atmosphere.

Dr. Leonard Hamilton, head of environmental assessment at the Brookhaven National Laboratory in New York, suggests now that acid rain may be killing 5,000 Canadians per year.

This legislation before us will make source control possible, so let us look at a few costs. The United States Environmental Protection Agency estimates the cost of a limestone scrubbing system for a new 500 megawatt power plant, which would remove 90 per cent of the sulphur from 3.5 per cent sulphur content coal, at only $135 per kilowatt, or $67.5 million for the entire plant. That is not exorbitantly high for the sort of protection at which we are looking.

The Canadian Environmental Law Association recently estimated that a retrofit for a similar plant would cost about 30 per cent more.

In concluding, three scenarios have been proposed by consultants to Environment Canada for existing plants, and taking this up to 1990. The "lax" scenario which would see 45 per cent reduction of sulphur dioxide would cost $1.3 billion; the "moderate" one which would see 55 per cent reduction in sulphur dioxide would cost $1.5 billion; and the "strict", which would reduce SO_2 emissions by 87 per cent, would cost some $2 billion. In looking at it, as my hon. colleague, the member for Hillsborough has pointed out, the United States is dumping approximately five times as much long-range transported air pollution on us as we do on them, in terms of it being between four and five million tons per year coming north from the United States and about one million tons of pollutants going from Canada south. In eastern Canada about one half of the SO_2 deposited there is coming from the United States.

However, in giving final support and speedy approval to this bill, let us consider that it is the first step in moving toward a healthy global policy, and that the next step is that we hear from the minister an allocation of funds to clean up our "collective polluting act" in Canada. We have long awaited a response from our neighbours to the south but hope they will soon do the same.

Motion agreed to, bill read the second time, considered in committee, reported, read the third time and passed.

* * *

● (1550)

CANADA OIL AND GAS ACT

MEASURE RESPECTING OIL AND GAS INTERESTS

The House resumed, from Thursday, December 11, consideration of the motion of Mr. Lalonde that Bill C-48, to regulate oil and gas interests in Canada lands and to amend the Oil and Gas Production and Conservation Act, be read the second time and referred to the Standing Committee on National Resources and Public Works.

The Acting Speaker (Mr. Blaker): When debate was interrupted, the hon. member for Western Arctic (Mr. Nickerson) had the floor. Is he prepared to continue?

Mr. Dave Nickerson (Western Arctic): Yes, Mr. Speaker. I understand that I have a little less than ten minutes.

When I was speaking earlier on this matter I was engaged in what might be described as a general castigation of the rather inane policies of the government contained in the legislation before us, but for a few minutes I would like to zero in on an area which has not really been addressed by other speakers on this bill. That area covers certain legal concerns I have about the bill.

The first is that if any prosecution is to take place under this legislation, and if any appeal from an administrative decision by the minister or one of the people he might appoint to a position of authority is taken, that appeal goes to the Federal Court of Canada. In fact, with respect to all matters under this legislation, the Federal Court of Canada is the court of competent jurisdiction. I would like to know the reason for the change because, prior to this legislation, oil and gas rights in the territories have been deeded pursuant to regulation made under the Territorial Lands Act. In that respect I believe the court of competent jurisdiction is the Supreme Court of the Northwest Territories and, were an offence to be committed in Yukon, the case would be heard before the Supreme Court of the Yukon Territory. I am rather suspicious of the motives behind this change in the bill.

Why would the government want to transfer that jurisdiction from the territorial courts to the Federal Court of Canada? Why does the government want people to come down to argue cases in Toronto, when those cases should be heard in Frobisher Bay, Inuvik or Whitehorse?

An hon. Member: Good point.

Mr. Nickerson: I am glad somebody agrees with me.

I think the people of the territories should be in a position to see justice being done in these matters, and I hope that concern can be reviewed.

With respect to my second legal point, I refer to clause 57 and the ensuing clauses concerning various punishments. This is the offences and prosecutions section of the bill. If Your Honour will permit me, I would like to read clause 57(1) because this is the most important of those clauses. Clause 57(1) states the following:

> Every person who contravenes or fails to comply with any provision of this act or the regulations or any final decision, declaration, determination, direction—

Whatever that means, and whoever it is who will give that direction.

> —or order that applies to him under this act is guilty of an offence and is liable
>
> (a) on summary conviction, to a fine not exceeding one hundred thousand dollars or to imprisonment for a term not exceeding one year, or to both; or
>
> (b) on conviction on indictment, to a fine not exceeding one million dollars or to imprisonment for a term not exceeding five years—

Of course, again the option is for the court to impose both sanctions.

Where an offence is continued for more than one day, those fines apply with respect to every day, so in effect we are talking about a $1 million per day fine.

It appears to me that there are two things wrong with this. First, the Crown has the option with respect to any offence under this legislation, regardless of how minor it might be, to proceed by way of summary conviction or by way of indictment. Not too long ago in this chamber my colleague, the hon. member for Edmonton West (Mr. Lambert), gave a very good dissertation on this same subject with respect to the Income Tax Act.

Second, it appears to me that the penalties contained in this clause might be described as vicious. They might come under the definition of cruel and unusual punishment, when we consider the offences to which they apply. Without looking into this legislation one might think that the offences involved would be such things as deliberately endangering the lives of people working on an offshore drilling rig, but that is not included in this legislation. That would be dealt with under the criminal negligence provisions of the Criminal Code, or under the Canada Shipping Act.

The offence of deliberately and negligently allowing major oil spills to occur, or this type of offence, would not be prosecuted under this legislation. It would be dealt with under the Arctic Waters Pollution Prevention Act, so what we are really talking about here is the payment of royalties and taxes to the federal government and the provision of certain types of information.

I think we should review the penalty provisions because they seem to me to be very harsh, especially when we look at clause 58 which, contrary to the usually accepted Canadian legal way of doing things, says that one is guilty unless one can prove one's innocence. It is sufficient for the Crown to prove that an offence has been committed, and then the accused has to prove that the offence was committed without his knowledge or consent. Otherwise the opposite is presumed. This applies, under clause 59, to officers, directors or agents of the companies involved. This clause is extremely punitive, and when we get to committee I certainly hope we will be able to make some improvements to the offences and prosecutions section of this legislation.

I wonder if Your Honour could advise me of how many minutes I have left.

The Acting Speaker (Mr. Blaker): Four.

Mr. Nickerson: So much for that subject.

In my remaining few minutes I will give the House my concept of the vision of hon. members opposite with respect to the oil and gas industry in the north and offshore areas in the years to come. We see embodied in this bill the Liberal philosophies of centralization, socialization, and rigid central control. I think I have mentioned this before. With respect to bureaucratic control, I can see that this legislation was drafted largely within government departments. I do not know how much actual influence the minister has had on the drafting.

I wonder why there is a split in jurisdiction contemplated under this legislation. I wonder why, for certain areas within the so-called Canada lands, a term to which I take great exception, the Minister of Energy, Mines and Resources (Mr. Lalonde) has jurisdiction, and in the other parts the Minister of Indian Affairs and Northern Development (Mr. Munro) has jurisdiction. It is the recommendation of the special representative on constitutional development in the territories of the Prime Minister (Mr. Trudeau) that the Department of Indian Affairs and Northern Development get out of that particular area of administration, and what is more natural and what makes more sense than to have the Department of Energy, Mines and Resources look after energy, mines and resources?

● (1600)

In this bill it seems that everything has to be run from Ottawa. What I would like to see established is administrative offices in the Northwest Territories similar to the ones that the government of Alberta has in Calgary, and similar to the ones that the government of Saskatchewan has in Regina. If everyone has to come to Ottawa to get exploration agreements and leases, we in the territories will never develop proper oil centres on the scale of the one in Calgary. It would make sense to me if we were to make Inuvik, which is in the centre of the rich delta area, into an oil centre. Some day I would like to see a second Calgary established in the Mackenzie Delta.

Some hon. Members: Hear, hear!

An hon. Member: That is vision, although they do not have any over there.

Mr. Nickerson: That is for sure. You can see that when you read through the act.

Finally, I should like to register my objection to what I see as the future of the oil and gas industry in the north, as it is controlled by Petro-Canada on the one hand and by large companies on the other. There does not seem to be any room in this bill for the little guys, for the people who reside in the Northwest Territories. It seems that the northerners will be sitting on the sidelines while Petro-Canada and its associates do the work and take the credit for it, make all the money out of it, and leave us with very little to get out of it. At present I do not know of one lease or permit held by a resident northerner, and if this bill is to pass I do not think there is a likelihood of that occurring in the future.

In conclusion I should like to repeat that I am pleased that this legislation was brought before us so that, after ten years, we can look at it and we can recommend changes. In its present form it does not seem to do very much for Canada, either in the long or in the short term. Certainly it does not seem to do very much for the north. I hope that when it goes to committee we will have the opportunity to make our objections known, and we hope that the government will listen carefully to them so that a legislative and a tax environment can be created which will make it attractive for people to invest in the north and in our offshore areas. We hope that in the near future production will be started in those areas which will do much to help Canada's oil and gas self-sufficiency.

Mr. Gilbert Parent (Welland): Mr. Speaker, I welcome this opportunity to engage in the debate on Bill C-48 because I believe that this bill, as much as any other we have seen since this Thirty-first Parliament opened, will affect all the people of Canada. Many issues are at present of concern to Canadians, not the least of which are the economy, inflation, and unemployment, and I recognize that each and everyone of us here is in some way affected.

In discussing the energy bill before us I have chosen to try to point out some of the underlying causes of the misunderstanding or the insensitivity of one region of this country with regard to another. I do not propose to use many figures and percentages, because I believe we have been almost figured to death by people like ourselves going out west and trying to show conclusively that our proposals are best for the whole of Canada, as well as by people coming from Alberta and telling us in their great ad campaigns that indeed their figures are the right ones. One fellow even made the ungracious comment that the guys in Ottawa are "nuts".

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Parent: I think that throwing such barbs back and forth is uncalled for, and I think it is time that we reasoned out the whole problem together. It is my feeling that the deliberations which have taken place between the Prime Minister (Mr. Trudeau) and the Minister of Energy, Mines and Resources (Mr. Lalonde) and their provincial counterparts, while receiving widespread coverage in the media, seem to be viewed by many Canadians as if they were some kind of a game of tug and pull. Pretty soon we will start engaging in political fisticuffs, if we have not reached that point yet. It appears that these fisticuffs will be observed by a captive audience which will be called immobile, freezing in the dark, or bankrupt, depending on the part of the nation from which they come.

As I mentioned before, it is my intention to bring a voice of understanding and calm into the loud rhetoric flying back and forth across our airwaves and, indeed, in this House. I propose in some small way to try to articulate my point of view of what the government is trying to do here for Canada as a whole, not only for people in the east, west or north of Canada, but on a global scale, and to try to achieve communality among Canadians.

Someone said that the needs of man to survive are probably fourfold. Food is one, shelter is another, warmth is the third, and love is the fourth. Ottawa has been involved in the first two for some time, that is, food and shelter. We have marketing boards to take care of our food, and we have the minister of housing taking care of our shelters. I see the minister in the House with us right now and I compliment him for the policies he has brought forth, because I think they are great policies.

I hope that the subject of love is not one which will provoke a debate as to whether it is the federal or provincial responsibility, because God help us if it is ever left for us only to decide.

Warmth is fast becoming part of the federal-provincial volleys because of the energy crisis which began in the 1970s. Ironically enough, this crisis started out in countries which, in the worst of times, have never had to worry about warmth. I refer here specifically to countries in the Middle East. In my opinion we do not have an energy crisis per se, similar to the crises being experienced, for example, in Japan, Turkey, Germany, or even by our neighbours to the immediate south. We have been assured and reassured that this nation holds within its boundaries sufficient natural resources to satisfy all our domestic needs, not necessarily in conventional oil but in natural coal, uranium, heavy oil, the tar sands, and our ever-growing tough technological capacity to find new energy producing and saving resources.

It was out in Alberta for some three weeks in the summer of 1979 because I wanted to see for myself just what we had in the area of natural resources, and I wanted to speak to the people involved in the production of oil in western Canada. I wanted to hear what they had to say, and I did. I went there not necessarily to preach the gospel, in the sense of the good news from the people of Ottawa and what we are doing, but I wanted to hear what they had to say. I wanted to see for myself what they were doing for their fellow citizens in Alberta, in the west, and their fellow citizens right across Canada.

• (1610)

Mr. Speaker, I was happy to note that these are hard-working people in the west. They ask no great favours of us. They asked for the chance to work and grow in this country. This is basically what all Canadians are asking for, a chance to work, to grow, and a chance to be a part of Canada. The more we become wrapped up in 10 per cent of this and 3 per cent of that, the more we lose sight of the fact that we are a nation joined together by common ideals and common goals. Those goals, I believe, are for the betterment of every man, woman and child in Canada. Our crisis, therefore, is not one of energy or of potential energy. Our crisis is one of the conflict, of disagreement and, in a good many cases, mea culpa for all of us. It is a case of insensitivity and misunderstanding.

The crux of the matter, of course, is the stand of the three major producing provinces and the federal government. These three provinces are considered to be what I will call "western Canada". They are in conflict with the stand of the federal government, which appears to me to be sometimes considered like a mythical fiefdom whose importance, authority, judgment, capabilities, ebb and flow, are based sometimes on how they are perceived by the provinces and their wishes and, yes, many times by their whims. To ensure fair, equitable, and reasonable access to the rest of the provinces which make up central Canada, the maritimes along with the territories, I believe we must develop a policy which is fair and equitable to the people of the producing provinces as well as to the people of the industrial heartland of Canada and, indeed, to all the consumers in all of the provinces. I include here the maritimes and the territories.

Because current world prices have escalated to such dizzying heights, Mr. Speaker, and in such a relatively short period of time, the federal government is once again trying to apply what I call "some special treatment to exceptional circumstances". That is what we have now, exceptional circumstances, to which we are trying to apply some special treatment.

Canada was built because people were willing to share with one another. Once again we are trying to establish domestic prices, this time domestic prices for our energy resources. These are prices which will be different from world prices, not in order to benefit Ottawa but in order to benefit all Canadians. This is not a new procedure, it has been done before. Based on other exceptional circumstances the federal government established pricing structures which were lower or higher than the world price to protect the needs of Canadians, not western Canadians necessarily, and not eastern Canadians, but all of us.

Remember that international copper prices rose sharply in 1969. But we kept the Canadian prices low and we restrained exports to ensure that Canadians were supplied first, and adequately. To me this was a sensible policy in order to take care of our own citizens. The year 1969 was a bumper year for these types of problems. When the international price of wheat plummeted, we legislated a minimum price per bushel of domestically consumed grain to protect the Canadian supplier. This was wheat which was produced primarily in the west. At that time it was a reasonable policy.

I note here that the 1969 experience with copper involved mainly copper from Ontario. So once again it was one part of the country having to carry the burden for another.

The energy issue has raised many questions in Canada about the rights and privileges of being a Canadian, about the responsibilities of governments at every level, and the wisdom of federal policies related to energy. I add here that this Canadianism, as I understand it, is one where we say we are willing, at some time in our development, to share those things which we have with our fellow citizens. Where is the conflict with respect to that? Is it because we want to be at each other's throats? Is it because we want to say that what is mine is mine and what is yours is mine? No, not that at all. What we are trying to say and what we are trying to do is to build this nation.

We have lived through 113 years with conflicts. We have just come through one of the most heart-wrenching periods in the history of Canada, and I refer to the Quebec referendum. Many of my colleagues on this side of the House were there for that fight, and were there for many heart-wrenching experiences where families were split. We went through it together. We, the members of Parliament who are here, and those people in Quebec who had to be part of this, came through it. As a result, I believe we came out of it a little stronger.

I pray that this growing phenomenon, this growing sickness which we have now of separatism, whenever we disagree with the government, will come to an end. Surely we cannot expect everyone to agree with everything all the time. That does not make sense. This is a democracy, and strong men and women will have different opinions and different ideas about different subjects at any given time in our development. So now, when we have a bit of disagreement why is it right away we say, "Separate. Let us get out of here"? Where will these people go? Where do they want to go? Do they want to set up their own little kingdom? Do they think they can live alone better than they can with a commonality, with a family which is Canada made up of Canadians?

When we were in conflict during the Second World War I never heard of anyone saying that they were fighting for Ontario alone, or fighting for Alberta alone. When they went over there they wore the uniform of Canada and, yes, when they made their sacrifices they made them for the whole country, not for just one little part. It is now left to us, in our heritage, to come face to face with the problems we have and to look at them squarely in the eye. For God's sake, it is not for us to say, "Separate, because we do not agree with you." This does not make sense. It is not reasonable. Surely we have come far enough together that we can reason together.

[*Translation*]

Mr. Speaker, if we cannot understand one another or share what we have now, what chances have we got in the years ahead? What can we tell our children and our grandchildren? That we could not talk to each other? That we could not reach agreement? That we were more interested in owning things than in having a country of our own? Mr. Speaker, one must always ask oneself what is most important. What is more important today: to have a few dollars, to own more cars, more television sets and so on, or to have a country we can call our own, a country for us and our children? I say, Mr. Speaker, the time has come to talk to each other and to say: Now, listen: that's enough whining, enough shouting; time has come to listen and, as my hon. colleague said, to take positive steps for our country.

• (1620)

[*English*]

There is no argument that each province regulates natural resource activities within its borders. This has never been under dispute. The BNA Act delineates this fact very clearly. However, oil and gas are vital commodities. The well-being of the Canadian way of life is very dependent on both, and every consumer and every activity depend upon them. Because of this dependency, the federal government believes that all Canadians are now faced with exceptional circumstances which call for special treatment.

The special treatment really involves the federal government asking the people of the energy rich provinces to share their good fortune to ensure that adequate supplies of energy are available to all Canadians at reasonable prices and with reasonable surety. It seems to me that we should consider this kind of sharing as a privilege which is attendant on being a Canadian.

If this means we have to wave the flag, then I will wave the flag, because both in this House and outside this House and from the roof tops, I am not ashamed to shout that I am a Canadian nationalist. Many people are asked whether they are French, English, Ukrainian or whatever. I speak French, but I am not French; and I speak English, but I am not English either. Basically, I claim to be a Canadian, and I claim the right to go anywhere in this country. I claim the right to speak in the language of my choice wherever I am, and I claim the right to share in the good fortune of my fellow Canadians. In return, my fellow Canadians have the right to demand that I share what I have.

Mr. Thacker: Reduce the tariff.

Mr. Parent: Immediately we hear people shouting "reduce the tariff", or reduce this or that. Rather than getting involved in reducing this or that, I would prefer to get involved in sharing more of what we have here in the east, the industrial heartland. This industrial heartland could easily shift to the west, and why should it not shift to the west?

Mr. Crosbie: Why are you stopping it?

Mr. Parent: Many hon. members from the other side right away jump in with their cries of suppression and their cries that the government does not understand this or that. If these hon. members wish to join in the debate, then they are more than welcome. Let them bring their vindictiveness, their hatred, and their divisiveness, but I do not wish to get involved in that kind of mud. I do not want to have to climb to the top of this—

[*Translation*]

—"manure", one might say, and join them in saying, "We must shout, we must fight." Why fight all the time? Why should we always be at one another's throats? That is not what Canada is all about. Mr. Speaker, we must take time to listen to one another, and increasingly so.

[*English*]

What are some of the responsibilities of the government in times of exceptional circumstances such as we now face? Should the federal government be involved in more than trying to ensure self-sufficiency and leave oil companies and the west to do the job? We are already self-sufficient in total energy. We export more gas, coal, heavy oil, uranium and electricity than we import oil. But our reliance on the oil we do import leaves our national economy vulnerable and that is why initiatives are being planned which will help to increase the Canadian production of oil. This will occur in the west, offshore Newfoundland, Baffin Island and in other areas. All this collectively is ours. That is why we want to make better use of the oil which we produce, and why we want to convert some oil users to other more plentiful resources which will do the job just as well as the oil which we import.

We do not think that all oil used in future should be measured by the cost of current production. Oil that was found years ago is cheap to produce and should be cheaper to buy. Oil which was found later is more expensive to produce and should be higher priced.

There is no question that we will continue to pay world prices for imported oil, at least until the day Canada becomes self-sufficient which, I hope, with all members in this House, comes before the end of this decade. At that time we will no longer require the oil produced in other nations. That is what we are talking about in this so-called blended price—cheaper prices for the old oil and higher prices for the new oil.

We have said to our colleagues in the west that we will pay $38 per barrel for the development of the oil sands, a price which is above the world price. In addition, every time the cost of living rises, the increase will be added to the price. Surely that is reasonable, and should be considered by our colleagues. As I see it, the government is intent on accomplishing three things in the field of energy—ensuring that all Canadians have fair and reasonable access to energy, ensuring that the producers of energy receive fair and reasonable payment for their goods produced, and ensuring that Canada starts toward self-sufficiency in energy through a number of initiatives funded through the federal government.

Many times I have heard hon. members say that we are trying to stick it to the west again, that we are trying to take too much from the oil companies and from the provinces. If the people of Canada, through their federal government, have paid for 50 per cent, 50 cents out of every dollar that has ever gone to exploration for oil in Canada, is it too much to ask that those people receive 24 per cent off? I do not know where the logic is. It is interesting to note that the federal government has paid in excess of 95 per cent of the exploration costs of Dome Petroleum.

Mr. Siddon: They have not.

Mr. Parent: Yes, they have, my friend. If the hon. member will check the figures he will see that I am right.

Mr. Siddon: You are talking about tax policy.

Mr. Parent: All we are asking for is 25 per cent which would go to the people of Canada who have paid the whole shot. Is that too much? I do not think that it is.

Mr. Waddell: Why don't you take the other 5 per cent and take control?

Mr. Parent: We have hon. members on the far right saying that we should take it all. They happen to believe in nationalization.

Mr. Waddell: You have already paid out for 95 per cent.

Mr. Parent: Those in the official opposition believe that the Canadian people should get nothing. I believe that there is a middle ground where, while we will not be able to get all the people to agree, surely the mass of Canadians will be able to see that by understanding, sharing, and perhaps by giving a little on either end, we should be able to arrive at an answer which will be good for all Canadians.

Mr. Blaikie: Not by listening to you.

Mr. Parent: Now we have the man who, it was said the other day, has trouble with his sphincter muscle. He looks like that.

Mr. Blaikie: I am responding to the anal quality of your remarks.

Mr. Parent: I am sorry, Mr. Speaker, that I have been drawn down to the hon. member's level. I had every good intention when I started my speech. The eventual resolution of the domestic conflict on oil, plus the establishment of new and expanding industries in western Canada, will serve to create a continuum that will cycle and recycle benefits to all Canadians, be they easterners, westerners, northerners, southerners, or centralists.

• (1630)

The heritage of Canadian oil and gas in the west will aid competitiveness in the total industrial and manufacturing base by providing energy at less than world prices, a position and advantage which no doubt are strongly envied by other industrialized nations. Not only will our citizens in the west gain prosperity—and I really believe they will—from their own resources, but their growing manufacturing base will enjoy the same competitive edge.

The heritage of Canadian oil and gas in western Canada will also provide all Canadians with help and assistance to make the transition to a more secure energy future. This is the responsibility of those who possess the tools with which to accomplish the transition nationally, thereby creating our secure energy future. I have no doubt that when history is written we will find that Canadians responded to that responsibility with understanding, logic, and common sense.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Kilgour: I rise on a point of order. Will the hon. member for Welland (Mr. Parent) allow me a question?

Mr. Parent: Certainly.

[*English*]

Mr. Kilgour: The hon. member for Welland indicated, if I heard him correctly, that we need a hydrocarbon policy which is both open, "fair, and acceptable". Would the hon. member tell us if he has a scintilla of evidence to indicate that the policy proposed in the budget is acceptable to any of the four western provinces?

Mr. Parent: In response to that question, when the hon. member says "a scintilla of evidence", on what would he rely for evidence? Would he say, if we spoke to enough people and they seemed to be in favour of those policies, that this would be evidence? Would he say, if the leaders of the provinces come to an agreement and say "yes, what you are doing is reasonable", that this would be evidence?

Mr. Siddon: The majority of the people.

Mr. Parent: The problems in what the member referred to as the west, the four provinces, are different. There are many people in the four western provinces who are more than receptive to our policies.

Having said that, also I know there are many people there who believe that the policies should be more generous. In trying to please everyone, we do the best we can with what we have, always keeping in mind that what we are trying to do is the best thing for the country as a whole.

In direct response to the member's question, my evidence is my own empirical evidence from the people with whom I have spoken, the things I have read, and my own convictions. If I may share with the hon. member, Canadians generally in the western provinces and in all the provinces are willing to share what they have so that we can build a better nation.

Mr. Peter Ittinuar (Nunatsiaq): Mr. Speaker, I congratulate the hon. member for Welland (Mr. Parent) for his wise, fine, and eloquent criticism of Bill C-48. Also I congratulate for once the hon. member for the Western Arctic (Mr. Nickerson) for his astute observations on this bill and what it does not mean for the people of the north. Some day—perhaps during this term—I should like to address the House on what would be a comprehensive energy policy for the north. Certainly I do not think Bill C-48 is such a policy.

Briefly I should like to address what is only vaguely referred to in the bill, the environment and the people. The government's budget, the National Energy Program, and the recent report of the Economic Council of Canada indicate the extent to which economists are relying on energy investment to stimulate growth in the Canadian economy. It is commonly agreed that the slowdown in economic growth in the United States and OECD countries makes the search for solutions to Canada's economic problems even more urgent. However, the government's commitment to huge energy projects as the salvation of our economy is more than a little disturbing to northerners.

The government appears to think that in an atmosphere of economic crisis it can push through legislation to accelerate exploration and development on "Canada lands" and abdicate its responsibility to northerners. I say that the government has not practised its responsibility as well as it should have.

The federal government is supposed to act as the trustee of territorial lands. It now appears that it regards that role lightly, in the face of possible short-term economic benefits. The bill does not address several very important issues related to pushing ahead with exploration and development in the north.

As the hon. member for Vancouver-Kingsway (Mr. Waddell) said on Friday, Canadians should benefit from a bigger share of resource profits as compared to the exorbitant profits taken by multinationals operating in the country. However, steps must be taken to ensure that obvious problems of conflict of interest are avoided. It seems potentially dangerous that the

25 per cent shareholder of resources is also charged with granting licences and leases, while at the same time purporting to protect the interests of the environment and northern residents. The potential for a conflict of interest cannot be overlooked. It is a problem which must be faced as the state becomes more and more involved in the resource sector.

Legislation such as Bill C-48 should contain specific provisions which reflect the government's commitment to the interests of its northern residents and the environment. Even when the federal government had no direct stake in northern resources, its record has been poor, to say the least, when it came to protecting the environment and northern residents against the negative impacts of development, and there are negative impacts. Northerners cannot be blamed if they are skeptical of the government's latest scheme, when it stands to profit directly from accelerated exploration and production of non-renewable resources in the territories.

One way the government could demonstrate its good faith would be to provide us with a comprehensive plan for development of both renewable and non-renewable resources. Such a plan is absolutely essential if we are to avoid a continuation of ad hoc exploitation of northern resources, and create an atmosphere of security and confidence in the future. Rapid development of non-renewable resources in the north poses a serious threat to the traditional land and sea-based economy which is in existence today. I cannot think of anywhere else in Canada where people are asked to sacrifice their present economic base for short-term benefit of the residents in other parts of the country. Northerners are being asked to do that, trusting in blind faith that somehow the future will be assured.

A comprehensive plan for northern development should not be an afterthought; it should be the foundation on which to build legislation. Environmental protection should have a high priority in northern development plans. The need for more environmental studies has been repeated time and again. On last Friday the hon. member for Hillsborough (Mr. McMillan) proved that point very succinctly and clearly. The recent EARP report on the Arctic pilot project is one example among many I could mention. The Environment Assessment Review Panel report stated in its over-all conclusion that:

> Without further research on marine mammals guided by the advice of Inuit and of government scientists . . . the panel is unable to recommend that the project is environmentally acceptable.

However, it is still unclear when such studies will be completed, and by whom.

Although the need for studies is recognized by government, the provision for an environmental studies revolving fund in clause 49—a misguided clause, I might add—does not go far enough in solving the problem of producing environmental research, and its proposed operation is unsatisfactorily vague. The environmental studies revolving fund is to be administered by the Department of Energy, Mines and Resources and the Department of Indian Affairs and Northern Development, the two departments with direct interest in development. Clause 49(6) gives the two ministers of those departments total discretion as to what kinds of studies are to be done, and by whom.

● (1640)

As far as government research is concerned, the Department of the Environment, whose mandate is environmental protection, and the Department of Oceans and Fisheries, seem like more logical choices to perform the role of environmental watchdog but I do not believe they are very interested in this case. Furthermore, there is no indication in this section that native groups and independent public-interest research groups will have any opportunity to have a voice in environmental decisions, or a hand in those funds.

In any case it seems rather pointless to keep gathering environmental data on individual projects outside the context of a rational and comprehensive long-term plan for northern development. There is another oversight in this section which is rather disturbing to me. The north holds more than energy resources. There are people living in the north. Studies of the socioeconomic impact of development are just as important as environmental impact studies, since the two are inextricably linked.

In view of the magnitude and critical importance of environmental and socioeconomic studies, the $15 million ceiling set in proposed section 49(10) seems rather arbitrary, since the document does not state whether the total is $15 million, or $15 million for each separate fund, so one is tempted to think numbers were picked out of the air. This entire clause requires closer scrutiny in committee. I believe this point has been mentioned by other speakers from both sides of the House.

Another objection to this bill is to be found in the government's failure to acknowledge the issue of native claims as they relate to non-renewable resource development. The document does not say whether the federal government would be prepared to remove from disposition those areas where native people have unextinguished aboriginal title. Neither does it say whether the government is willing to negotiate certain minimum economic rights, such as equity and employment, through a land claims negotiation about which the Department of Indian Affairs and Northern Development is now negotiating with the northern people.

The document does not say whether native people, having unextinguished claim to the land, will be eligible to collect a share of royalties earned from development, although, this was done last Friday through equities and an equity formula for a mine in the Keewatin region.

Similarly, this document fails to acknowledge the provincial aspirations of the territories. In the interim period prior to obtaining provincial status, will the territories have an opportunity to share in revenue accruing from non-renewable resource development? How can the territories be expected to evolve to a position of relative economic self-sufficiency without any substantial revenue base?

The 25 per cent interest in resources which this bill proposes provides a pretty strong incentive for the federal government not to relinquish control over any land in the north. The

territorial government and native groups are united in opposing large-scale energy projects at this time. They do not want exploration and development to press ahead until there are some guarantees that they will not have to pay the socioeconomic costs and reap none of the benefits.

On June 20 of this year the Northwest Territories legislative assembly passed a motion on deferral of the Norman Wells pipeline. The motion stated:

There is a growing consciousness and concern amongst all people in the Northwest Territories about the merits of large development projects which take resources from the north without proper benefit and compensation to residents of the Northwest Territories.

"The National Energy Program" document characterized northern aspirations as legitimate and rightful, and stated "the need for frontier resources is not so great that it must override our social goals and obligations". These principles must be applauded, but I do not believe the Minister of Energy, Mines and Resources (Mr. Lalonde) has ever read them. However, phrases take you only so far. What is required now is some evidence that the government abides by the principles it espouses.

Bill C-48 does not provide evidence northerners require to feel secure in their future. What we would like to see are some provisions that guarantee northerners a share of the resource riches in their lands, and also guarantee some control over development. The federal government movement to strengthen its control over Canada lands jeopardizes the potential for increased northern control. It is ironic the residents of Canada's "energy storehouse" pay the highest energy prices in Canada. This document offers no guarantee that, with the depletion of northern energy resources, energy supplies will be available to northerners at cheaper or southern prices.

It should not be the case that northern interests are sacrified for the interests of "Canadians". We are Canadians, and as such our interests should be considered as part of the whole. The government can demonstrate its respect and consideration for northern Canadians by including our interests and our proposals when it proposes major policy initiatives such as the National Energy Program and Bill C-48.

Mr. Peter Lang (Kitchener): Mr. Speaker, I am glad to participate in the continuation of the debate on the National Energy Program, in particular Bill C-48, an act to regulate oil and gas interests in Canada lands and to amend the Oil and Gas Production and Conservation Act.

In view of the continuing claim of both Newfoundland and Nova Scotia to jurisdiction over lands off the east coast, it is important to refer the matter of ownership quickly to the Supreme Court for resolution. Uncertainty over the legal control over such areas is not conducive to the early development of resource potential. Discussions with the Atlantic provinces in the past have reviewed revenue-sharing arrangements and the according to the provinces of a substantial voice in matters of direct concern to them including, in particular, the need to minimize social, environmental, and economic disruption in the region. It is imperative that we take these needs into account in the management of offshore resources.

In spite of earnest discussions, most recently in the context of the constitutional talks, this issue has not been resolved. In the north it is necessary to provide strong incentives for exploration, in keeping with our need to know the location, extent of resources and development proposals. It is especially so for those which involve export of resources, that might otherwise offer a safety net for Canada's energy future. These will be critically examined in view of their anticipated social, environmental and economic effects.

The purposes of this new legislation are to establish a modernized, regulatory regime for the management of the Canada lands; to ensure active development of oil and gas rights; to increase Canadian ownership; to ensure that a high level of Canadian goods and services is employed in oil and gas activities carried out on the Canada lands, and to ensure that Canada receives a fair share of the economic rent.

Mr. Mayer: You don't know the definition of economic rent.

Mr. Lang: The main elements of this legislation are stiffer work requirements, involving vigorous and sustained exploration efforts to be negotiated through exploration agreements. A minimum of 50 per cent Canadian ownership will be required for any production from the Canada lands. Applicants for exploration and production rights will have to show how their operations will bring industrial and employment benefits for Canadians. In addition to a basic royalty of 10 per cent, a progressive incremental royalty will be established, based upon the profitability of each producing field.

The Oil and Gas Production and Conservation Act will be amended to impose more vigorous requirements for environmental protection, to confirm the responsibility of operators for the costs of evaluating production systems, and to reserve for Petro-Canada, or some other designated Crown corporation, a 25 per cent carried interest, which will be convertible to a working interest at any time prior to authorization or production. Although this 25 per cent interest has received considerable criticism, this quarter interest is not unreasonable if one considers similar arrangements elsewhere in the world which regulate development on the one hand and foreign ownership on the other.

• (1650)

Four oil producing western bloc nations, Great Britain, Norway, Mexico, and Australia all have more stringent development and foreign ownership regulations than we do in Canada. Great Britain, for instance, has first claim on a 51 per cent share of oil production, subject to negotiation of purchase at market prices. It also takes part in joint ventures with foreign-owned oil companies. But again it retains control of all projects.

Norway is another case in point. Its public company, Statoil, is authorized to take up to a 50 per cent interest in any block of land it does not already hold. It does this after an oil or gas find has been located, and makes no payment for past exploration expenditures. It can also increase its option to 70 per cent at its own discretion.

Therefore, Mr. Speaker, as the Minister of Energy, Mines and Resources (Mr. Lalonde) has already pointed out, this 25 per cent provision is simply one way of getting back for the Canadian taxpayer a fair share of what he or she has contributed over the years for exploration in these areas of Canada. In many cases this has amounted to 93 per cent, 95 per cent and sometimes 103 per cent of the cost of that exploration.

The National Energy Program is designed to free us from dependence on OPEC, leading ultimately to independence in terms of imported oil, and hence energy self-sufficiency. Second, the National Energy Program offers Canadians the opportunity to participate in the energy industry in general, expanding the role of public sector companies and encouraging the growth of Canadian companies to allow all of us to share in the benefits of energy industry expansion.

The National Energy Program also establishes a petroleum and revenue sharing system that stresses the need for fairness to all Canadians no matter where they live in Canada. The government has moved very decisively toward implementing the National Energy Program. Its aim is to encourage the discovery and production of Canadian oil and gas, and to protect the consumer and the economy by having a gradual increase in prices that is less than the Conservative proposals, and that does not exacerbate inflation as would the Crosbie budget's rapid progression toward world prices. The pricing structure, along with the numerous incentives, also provides the economic climate necessary for the development of our resources of natural gas, oil, and alternate energy resources.

In many ways this debate has followed a predictable course. On one side the NDP is saying to the government, "You are not doing enough, we need more government intervention, nationalize the industry." The position the NDP has taken on this question and on many others would leave our economy and deficit in such bad shape there is no way we would be able to support the social programs for which the NDP is so fond of trying to take credit. As you know, Mr. Speaker, the vast majority of our social programs have been put through by Liberal governments.

This brings me to another point, the posturing of the Conservative party with regard to their rhetoric of concern for the little guy. If they were so concerned about the little guy, then why did the Conservative party, exactly one year ago last Thursday, introduce a budget that would have cost consumers $40 billion more than the Liberal budget and energy policy? They talk about their energy tax credit, but the Liberal energy program saves the consumers 12 times more than the amount provided by their energy tax credit.

In light of that budget of one year ago, which most of the Conservative members here voted for, how can these same individuals, and particularly the hon. member for Rosedale (Mr. Crombie), now be talking in a self-righteous manner about protecting the little guy? Furthermore, when one looks at the facts, it has been Liberal governments which have acted for the little guy. It has been Liberal governments that have introduced old age security, the guaranteed income supplement, the Canada Pension Plan, family allowances, medicare, and many other programs.

The Conservatives do a lot of talking, but where was there any social concern in their budget of last year for the little guy, and where is their track record of social legislation? Where was there a GIS in the Crosbie budget? It is a very sad track record indeed. I would suggest to the hon. member for Rosedale that he is living in a glass house and throwing stones made up of inaccurate information. This government, the Liberal government, fulfils its social responsibilities in balance with an economically realistic budget and National Energy Program.

Much of what has been said by the Tories concerning the industries' reaction to the Canada lands initiatives and many other aspects of the National Energy Program is, to say the least, exaggerated. They have, for instance, chosen to highlight instances of drilling rigs leaving the country, and have said that this has resulted in a slowdown in the industry. The facts are quite the contrary.

Before the National Energy Program was announced, the president of the Canadian Association of Oilwell Drilling Contractors, Mr. Selby Porter, was quoted in the *Globe and Mail* as saying that the use of drilling rigs in Canada was expected to drop to 59 per cent of available capacity over the next 15 months. The reason he gave was that the equipment market was oversupplied. The reason they are oversupplied is because we have a surplus of gas, with capped wells, and no immediate incentives for drilling. This was before the budget. With the National Energy Program and the budget, we have a gas bank and this problem has been taken care of. With 572 rigs in western Canada, and 475 operative, our rig deployment rate is 83 per cent. Five years ago the deployment rate was 48 per cent. Interestingly, Mr. Porter also added that the long-term outlook for the industry was optimistic, and that the demand for services would continue to grow. So, as you can see, there is very little actual substance to the Tory arguments.

Generally speaking, when the government brought down the National Energy Program we did not expect industry to be overjoyed, since we have increased the national government's share of revenue largely at their expense. What we did expect from the industry was a realistic appraisal of the situation, and this is what is currently transpiring. It does not take a financial wizard to understand that there is money to be made in oil and gas in this country, and slowly but surely the industry is coming to realize that the federal government has a national responsibility for our energy and economic future, and that this responsibility requires a greater slice of the revenue pie.

An hon. Member: Want to bet?

Mr. Lang: Somebody says, "Want to bet?" The hon. member for Etobicoke Centre (Mr. Wilson), the Conservative energy critic, was expounding in the House the other day on how this government is the national government and has the national responsibility for energy development. I suggest members opposite get their lines of communication straightened out so we know where they stand on the energy issue.

The government is flexible on oil pricing, is aware of the concerns of the west, and is open to negotiation. It is extremely important that both sides co-operate in these negotiations for the energy and economic security of all Canadians. I was in the west four times last summer. I spoke with Bill Richards, the president of Dome, Bob Blair of Nova, Jim Grey of Canadian Hunter, and Bob Pierce of Nova. I am well aware of the entrepreneurial spirit and the spirit of productivity that exist in Alberta and throughout the west. It is the purpose of the National Energy Program to foster a climate so that this can continue for the benefit of energy exploration and development for all Canadians.

I see my time is running out. I have further points to make, which I will do at eight o'clock.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Blaker): Order, please. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Fundy-Royal (Mr. Corbett)—Research and Development—Job-creation programs—Policy of department; the hon. member for Calgary North (Mr. Wright)—Energy—Inquiry respecting contingency plans to assist unemployed oil well drillers; the hon. member for Regina East (Mr. de Jong)—Hazardous substances—Shipment of Vitavax pesticide to Nepal and India.

It being five o'clock the House will now proceed to the consideration of private members' business as listed on today's order paper, namely, public bills, private bills, and notices of motions.

• (1700)

PRIVATE MEMBERS' PUBLIC BILLS

[*English*]

Motions Nos. 17 and 18 allowed to stand by unanimous consent.

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CRIMINAL CODE

AMENDMENT RESPECTING PARENTAL ABDUCTION

Mr. Benno Friesen (Surrey-White Rock-North Delta) moved that Bill C-219, to amend the Criminal Code (parental abduction of children), be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

He said: Mr. Speaker, Bill C-219 is essentially the same bill I tabled first in the fall of 1976. One of the sad commentaries on our society is that there is an increasingly alarming trend to marriage break-ups. In far too many of these situations there is growing acrimony, and the victims of the acrimony are the helpless children of those marriages. It is becoming increasingly apparent also that it is the parent who does not have custody of the child who will frequently take issue with the other parent by snatching the child who has been assigned in custody. The hopeless victim is always the child.

It seemed to me when I first encountered this problem that we do not have protection for children by way of the Criminal Code under that section dealing with kidnapping. There is protection from this kind of violence for those children in what we might call a normal, wholesome marriage, home and family life, yet there is no protection under the law, at least no adequate protection, for those children who are the potential victims of a marriage break-up. For that reason I tabled what was then Bill C-221 in the fall of 1976. That bill was debated in March, 1977. At that time there was growing acceptance of the principle of the bill; that is, that kidnapping under the provisions of the bill should no longer be a matter dealt with under the civil code but should be dealt with under the Criminal Code. In this way there would be real substance to the protection that ought to exist for children.

At that time the subject matter of my bill was referred to the Standing Committee on Health, Welfare and Social Affairs for further study. The subject of the bill was supported by all parties, and I think the principle has unanimous support now in the House. I must say, to the credit of all hon. members, the subject matter has never been dealt with in a politically partisan way but has always been seen as a social issue which has to be dealt with outside party politics.

If there is an awareness in the House about this issue, there is also a growing awareness in the country. There are thousands of cases of the kind I have described occurring in Canada. I have had many representations received in my office regarding this type of case. These are cases involving virtually helpless parents who have had their children snatched from them by the other parent, usually, but not always, the father. The parent with custody granted by the court becomes a helpless victim while the child, on many occasions, becomes the subject of abuse at the hands of the parent who snatched the child. There seems to be no elementary or emotional security for these children in their formative years. They sometimes become scarred for life through such an experience.

Four years ago when we first debated this issue I mentioned the first case that had come to my attention involving the son of one of my constituents, a Mrs. Lois Preston. Her son was snatched away and carried about from pillar to post across Canada, mainly throughout Ontario and sometimes into the United States, for a period of about three years. During that three-year period he had something like 12 aliases. By the time he was found three years later the poor child hardly even knew

who he was. That boy has been scarred for life as a result of that experience. Cases of this kind have occurred over and over again across Canada and throughout the world. To this day my office is receiving notices of additional cases which have come to light.

There has been some progress made since the introduction of this bill four years ago. Across Canada, with the exception of two provinces, there is reciprocity regarding the matter of child custody. If a child is abducted in British Columbia and taken to Manitoba, the Manitoba courts will now recognize the custody order granted in British Columbia. The big problem is in finding the children. As the law stands now it is not strong enough to support custody orders.

Several organizations have come forward to give approval to the provisions of this bill, and I might mention the National Council of Women as well as a new organization called Abducted Children's Rights of Canada. Mrs. Lilia Karu of Ontario has formed this new organization to advocate this kind of protection. I believe one of the members on the government side who will speak in support of this bill is that lady's member of Parliament. The organization sponsored by Lois Preston, Parents of Kidnapped Children, has been advocating this principle for a number of years.

Just about a year and a half ago I attended the Interparliamentary Union Conference in Caracas, Venezuela. At that time I spoke to a motion asking that union to pass a motion urging governments to grant reciprocity of custody around the world. That motion was unanimously adopted by the interparliamentary union. Just a month or two ago Canada became a signatory to The Hague Convention by which western European and North American countries are to grant reciprocity of custody. So there has been some progress.

There has also been some stagnation. As I have pointed out several times, this matter is now four years old, and since I first introduced the subject matter in the form of a bill there have been countless more children kidnapped by parents, and their security has been jeopardized in those intervening four years because of our negligence in passing this kind of protective legislation.

I might add that most of the cases involving these abducted children on our flies four years ago have still not been resolved, specifically because of this lack of protection. Consequently the security needs of the most vulnerable children of our land are not being met. The irony is that at this time the constitutional committee is debating a charter of rights and freedoms for our people, yet the most vulnerable in our land really do not have security of person because of our failure to put teeth into the legislation.

It seems to me all we lack in this country is the political will to resolve this problem and end the inherent anguish in these human tragedies scattered across our land. There is great torment to those parents who wonder where their children are, and there is great anguish on the part of those children who wonder if they will ever see their other parents again and where their next home will be. It seems to me what we need is some political resolve to end the anguish these children are experiencing.

• (1710)

Mr. Ron Irwin (Parliamentary Secretary to Minister of Justice and Minister of State for Social Development): Mr. Speaker, I wish to address a few remarks to Bill C-219, a private member's bill sponsored by the hon. member for Surrey-White Rock-North Delta (Mr. Friesen). This is a very important bill which has been put forward in similar form in the past by the government but for one reason or another has never been passed. It was first introduced on May 1, 1978, as Bill C-51, but lapsed because of the adjournment of the House. It was reintroduced on November 21, 1978, as Bill C-21, but again was not dealt with because an election was called.

As I have indicated, both Bill C-51 and Bill C-21 were government bills. It is apparent that the government and the hon. member are of similar mind when it comes to the problem of child abuse. On two occasions this subject matter was sent to the Standing Committee on Health, Welfare and Social Affairs. These were in March of 1977 and February of 1978. In May and July of 1977 the committee heard several expert witnesses.

I have read carefully the wording of Bill C-21 and the hon. member's Bill C-219, and they appear to be identical, right down to the explanatory notes.

One of the most traumatic, if not the most traumatic experience is the breaking up of a family. Usually the most difficult part of separation is not the division of money, of the furniture of the house but, rather, the access to and custody of the children of the marriage. In most cases the desire of each parent to keep the child or, at the very least, to have regular access, is motivated by deep affection for the child. Notwithstanding the rancour and the time involved, the overwhelming majority of cases are solved either by mutual consent and a separation agreement, by a court order, or a combination of both. Notwithstanding the difficulty and tension involved in reaching a mutual understanding, which often continues even beyond the formalization of an agreement, very seldom is there child abduction.

Although we are dealing here today with situations which technically would include denial of access, or prolonged access where one parent denies access to the other parent or keeps the child too long, these matters can still be dealt with in the civil courts.

What the hon. member's bill would do would be to go a long way toward alleviating the tragic experience of having a child kidnapped by one of the parents, to the utter despair of the wronged parent. I hope once we pass a measure similar to what the hon. member is proposing—and I am sure we will—the deterrent alone, namely, making child abduction a criminal offence, will be sufficient to prevent most extreme cases.

What we have now, in both legal and technical terms, is a situation which is quite unsatisfactory. Without a civil court order there is nothing that can be done quickly, unless one has

a lot of money, to return a child who has been abducted, notwithstanding that it is in the best interests of the child. To act in a civil action is both expensive and lengthy and, if there is a question of jurisdiction, in many cases ineffective.

Moreover, the wronged parent does not have access to police investigation under what we have now, and the parent who has abducted the child can move very short distances, especially in large metropolitan centres, and virtually disappear. The parent cannot disappear forever, but in the interim period there can be serious effects on the child.

In the interim—and that is what we are talking about—there must be more protection than there is now. We must be concerned about the welfare of the child, and we must be much more concerned about the parent who loses that child. I doubt if what my hon. friend is putting forward will keep any more marriages together, but it will certainly ensure more fairness in those cases where abduction occurs.

Although it is difficult to estimate the number of abductions in Canada, there are some figures as to propensity, and there are figures which show potential abductions by reason of the increase in the number of family breakdowns. As I indicated, I do not have Canadian figures, but I suspect that per capita percentage increases are similar in Canada to those in our neighbour, the United States. The recent paper "Parental Child Stealing: Participants and the Victimization Process", presented August 20 to 24, 1980, by Michael W. Agopian, assistant professor in the administration of justice department of the California Lutheran College, points out, and I quote:

> Divorce is rapidly increasing in America. In 1978 Americans divorced 1,122,000 times.
>
> The rate of divorce has increased steadily, and from the 1960 rate of 2.2 divorces per 100,000 population, the divorce rate peaked at 5.1 per 100,000 in 1978.
>
> The number of children involved in divorce has nearly tripled between 1960 and 1976, increasing from 463,000 to 1,117,000 children.
>
> Today almost two million children live in one-parent families.
>
> And recently, more fathers have become desirous of custody of their children.
>
> Single fatherhood increased 32 per cent between 1970 and 1978 in America, with nearly one million children under the age of 18 living with their male parents.
>
> Such a rapid increase in the divorce rate signals the potential for an epidemic of parental child stealing.

These changing and fluid times make legislation such as the hon. member is proposing that much more imperative. In looking back over the years during which I practised law, it was more the problem of parental abduction within Canada, from province to province, than abduction from Canada to a foreign country, that concerned me. When this occurred within Canada, the repercussions of returning the child were staggering, even from province to province. Facing abduction from country to country was like facing a brick wall. Almost invariably the wronged parent would have to go to the other country and, in essence, kidnap the child back. One can well imagine the effect this tug of war between two persons the child loves would ultimately have on the child, and both parents would love the child because both would be trying to get custody.

To ensure some international order, I am pleased to say that Canada is at the forefront of countries pushing for international rules. At The Hague conference of 1980 and The Hague conference of 1979 Canada forcefully put forward suggestions for international rules. Twenty-three nations worked to prepare "The Hague Draft Convention on International Child Abduction", and from this draft a formal convention was approved. On October 25, 1980, Canada, France, Greece and Switzerland were the first countries to sign this international convention.

In conclusion, Mr. Speaker, may I say that I have been with parents who have experienced parental child abduction. I have witnessed the utter frustration and utter helplessness of these parents. I have seen how ineffective our courts have been in these cases, simply because we have not given them the tools, I have spoken to Crown attorneys and police officers who wanted to help but could not.

Having seen this and experienced this, I applaud the hon. member's efforts. I hope it will be the prod that prompts the government to move quickly.

Mr. Bob Ogle (Saskatoon East): Mr. Speaker, I would like to add my remarks to those which have been made by the hon. member for Surrey-White Rock-North Delta (Mr. Friesen) and the hon. member for Sault Ste. Marie (Mr. Irwin) on this modern social problem which has such devastating effects upon innocent children. I suspect that pretty well every hon. member in the House at some time has been approached by somebody in his or her constituency, or by some other party, with respect to this problem.

● (1720)

As a member of Parliament I have had the problem brought to my attention on numerous occasions, and speaking from my pastoral experience as a parish priest, I know how profoundly devastating is the situation in those cases which were brought to my attention. Our society has changed radically, as I think most people will agree.

As is indicated in the statistics given by the hon. member for Sault Ste. Marie, what has changed most profoundly in present-day society in Canada, and in north America as a whole, is the stability of marriage. It is marriage breakdown, and marriage instability which occurs so frequently nowadays, which bring this problem to our attention.

I can say that in my pastoral experience I have officiated in 1,000 marriage ceremonies, which is many people and many new marriages. Each time that I prepared myself for that very serious moment in people's lives I always stood back in my own mind and asked myself whether a really good thing was happening, whether the two people being married were really ready to be married. Of course, one could not answer that with absolute certainty.

I know from close personal experience that many young people today approaching marriage—I make a clear distinction between the word "marriage" and the word "wedding" because people prepare themselves for weddings but sometimes

they are not prepared for marriage—are not approaching this very serious moment in their lives with the full understanding that they are taking upon themselves a commitment, a contract, an agreement or a covenant for a mutual, exclusive, permanent union in which, with hope and love, they are preparing themselves to give to each other as responsible adult people ready to confront the difficulties which are part and parcel of every human marriage. As the statistics which were given in the House would indicate, many marriages today are not staying together.

Before I go on to speak about the act of kidnapping, let me question whether or not our society is helping to prepare young people for marriage. It is easier to get a marriage licence than it is to get a driver's licence, the reason being that before getting the latter licence you must take instructions and learn how to drive. However, all you need before getting a marriage licence is to be old enough, to have the $5 or whatever is required, and to have taken a blood test.

Becoming married could be the beginning of a journey into a lifetime of happiness, or it could be the beginning of a journey into a lifetime of hell. So I think that society should take a close look at the requirements before a marriage licence is given and perhaps require some counselling before a licence is granted. I have had a good bit of experience in marriage preparation courses, marriage counselling, and so on, which is sought by many young people. On the other hand there are many young people who do not seek to have answers before they start on the road of married life.

I should like to say that I have had the privilege, as have many others, of coming from a very happy home. I think that this has had a great deal to do with everything I have done in life. It was through no choice of my own that I came from a happy home, it was just my good fortune, a blessing, or whatever we want to call it. I can never remember my parents saying a word in anger to each other, and I can well remember the day my mother died when my father said, in his grief, "This is the only thing she ever did to hurt me." It is a privilege to have come from such a home, and I appreciate the fact that many, many people have not had that privilege.

Today, we as legislators have the serious responsibility of having to face the problem of marriage breakdown and of having to face the problem dealt with in the bill put forward by the hon. member for Surrey-White Rock-North Delta, namely, that after a breakdown has taken place and marriage has finally come to an end, if children are involved there will always be heartache, sorrow, pain, and distress. No matter how the family courts, the lawyers, the priests or the ministers, and the social workers involved, deal with this, pain and agony will be present. But we still have to do something to protect people against extra strain, extra sorrow, and extra pain.

Now I would like to read a section from some material which tells us how the law we now have, imperfect as it is, has improved since the time when English society decided to pass a law to protect children. It was written by E. G. Ewaschuk, director, criminal law amendments, Department of Justice. He wrote:

> Since the common law misdemeanours of kidnapping and forcible abduction required an element of force, which is usually not required to persuade a young child to go somewhere, the statutory offence of child-stealing was created in 1814 by the enactment of "An Act for the More Effectual Prevention of Child Stealing".

He went on to explain that even in those days it was not uncommon for children to be kidnapped.

In the section of the act of that time there was the following provision:

> —That nothing in the act shall extend, or be construed to extend, to any person who shall have claimed to be the father of an illegitimate child, or to have any right or title in law, to the possession of such child, on account of his getting possession of such child, or taking such child out of the possession of the mother thereof, or other person or persons having the lawful charge thereof.

● (1730)

The act simply said that the father, notwithstanding whoever happened to be taking responsibility for the child, was free to go and take the child at any time. Since then, as other speakers in this debate have indicated, there has been a growth in the notion that in the settlement which follows a breakdown of marriage, this may not be the best way to handle the matter. Now there are stipulations which permit the mother, at times, and the father at other times, to be responsible for the children of the marriage. In my experience, this act of stealing the child is almost invariably strongly linked with the abuse of alcohol, or alcoholism, which might have accounted for the breakdown of the marriage in the first place. In these cases either the mother or father has become addicted to alcohol. As a result they are no longer able to maintain a happy home, marriages break down, separation follows and divorce results. As might be expected, children are frequently given to the spouse who is not the alcoholic. However, in the strange love-hate relationship which follows, the person who has not been given custody, in a kind of revengeful mood, finds the child and somehow or other steals it away. Frequently, as has been indicated already, the one who steals the child runs away with it and disappears.

Many people are aware of how the movie industry in this past year attempted to bring this case home in a very real way, in the academy award winning movie called "Kramer v. Kramer". I think in that movie the stress and strain of the marriage, the change in the personalities of the people involved, the breakdown, the separation and the change in attitude toward the child from both parties was well demonstrated. I know of many cases which have the elements of the problems demonstrated in that movie.

One commendable feature of this bill is that it attempts to deal with the problem of jurisdiction. Now there is a sort of cure which is available in some instances, as the speaker from Surrey-White Rock-North Delta pointed out with respect to the issue of custody and jurisdiction. Karen Weiler of Osgoode Hall pointed out in an article:

> The issue of custody, difficult to determine at best, is rendered more complex when interjurisdictional problems arise. Basically, one parent will be seeking to regain custody of the child which has been "snatched", while the other will attempt to obtain judicial sanction for his or her actions. The extent to which a court will intervene in settling the dispute is often unpredictable by virtue of the fact that a court may assume jurisdiction on several different bases.

The author of the article goes on to explain the complicated reality of who is able to treat the matter when the child is in one place, one parent is in another and the other parent is somewhere else; when both of them have moved, or when a move to another country is involved or when two states in the United States are involved or different provinces in Canada. It is a very complicated situation.

In summing up, I support the general notion which has been proposed by the hon. member for Surrey-White Rock-North-Delta and supported by the hon. member from Sault Ste. Marie in this area of protecting children. They are the ones who really do suffer from the breakdown of marriages as we know them. It is essential we find a way to make it possible for these children to have freedom to develop with the least possible destruction to their personalities and their future.

Mr. Gordon Taylor (Bow River): Mr. Speaker, I would like to congratulate the hon. member for Surrey-White Rock-North Delta (Mr. Friesen) for the very excellent bill which he has presented to the House. Apparently, this bill has been receiving widespread publicity, as I have received letters from my constituents urging me to support it.

I support this bill and I congratulate the hon. member for putting it before the House. I urge hon. members on the government benches to not talk this bill out. This bill will not embarrass the government. It will help boys and girls. It will not cost any money. It will give boys and girls a chance to live a reasonably normal life—how many boys and girls I do not know. So I urge all hon. members not to talk this bill out but to give it their full support in order that it may become the law in this country.

Some 30 years ago I found that the same type of procedures were going on as those described today. In those years probably seven out of ten cases were caused by the use of liquor. Liquor has the property of breaking down principles and morals in a home. When liquor becomes so necessary in the life of a man or a woman, it gradually takes precedence over their own offspring and then, as one hon. member has already said, that love, which is so wonderful, turns to hate, which is so terrible. But the child is the one I really worry about.

I had a boy come to the boys' camp which I have operated for a number of years. When he arrived I was told he was a bad kid and that we should not really take him. I asked the chap who spoke to me, "Is the lad having another holiday?" He said: "No, he will never get a holiday. His dad is a drunkard and his mother is a drunkard. He will never get a holiday." I said, "We will take him into camp. That is what our camp is for." During the week he was there I found that the boy was a splendid lad. He was a lad who co-operated and enjoyed the sports. He would say thank you to the cooks after almost every meal he had. The day before he went home I called him over and said, "Bobby, tomorrow we all go home." He said, "I hate the thought of it." And that, Mr. Speaker, from a ten-year-old boy. I said, "Well, Bobby, the purpose of this camp is to make you appreciate your home, your mother and your dad. We have a good time out here but we cannot replace mother and dad." He said, "Well, I hardly ever see my mother and dad. They are always in the beer parlour."

A year later that boy was in the position mentioned by the hon. member who presented this bill. His parents separated, neither one of them wanted the boy. He was a splendid boy. He was hustled off to another relative. I do not have much sympathy for the parents. I can understand their dilemma when they are obsessed with liquor and when they lose all sense of decent living. But I can never forgive them for ruining the childhood of a boy who could have been a tremendous asset. I do not even know where that lad is now. I hope he has overcome the terrible handicap with which he was burdened.

• (1740)

During my first 20 years in public life, liquor seemed to be at the root of 80 per cent of such cases. During the last 20 years, while liquor is still a predominant factor, the use of drugs has come into the picture. These drugs are being used by both the parents and the children. I have no use whatever for any adult who tries to make his fortune by selling drugs to teenagers, in some cases to children who have not yet reached their teens.

While I was the minister of youth for Alberta, I received a call from a doctor at the University Hospital. He told me the story of how drug peddlers were trying to sell drugs to students at Victoria High School. Because the students had taken some courses on drugs and had learned what drugs could do to their minds, their reproductive organs and their lives, the drug peddlers found a wall of strong young teenagers who told them to clear off. The drug peddlers cleared off and went to an elementary school and talked youngsters around the ages of nine years, ten and 11 into taking that particular drug, which was a mixture of grass and a few other ingredients.

As a result of taking these drugs, three youths found themselves at the University Hospital. Two of them will never be the same again because the drugs completely ruined their minds. In my view the chap who sold the drugs is a murderer in the worst degree. Such people should be punished and removed from circulation when they try to ruin the lives of young people.

Making abduction an offence will be helpful. Approximately four years ago I spoke to some 40 or 50 teenagers at a correctional institution in Edmonton, at the invitation of the principal. These children were of Indian extraction, Metis and coloured extraction and most of them came from broken homes. The majority were slow learners and could not read. Many of their teachers and fellow students in public school, felt that they were dumb and made fun of them because they did not learn fast. As a result, these children stopped asking questions and trying to learn how to read. As they went from grade to grade, they found that they could not keep up because they could not read.

The correctional school was beginning with the fundamentals and teaching these boys and girls, some of whom as old as 17, how to read a primer and books of grades two, three and four levels. In order that the children would not be embar-

rassed they put a detective cover on the outside of the book, which was a grade one primer.

I asked one boy of Indian extraction why he had not learned how to read. He replied that his mother had taken him and run away from his father, that while he was at school everybody called him an Indian and thought he was dumb and that he could not learn how to read. He cited an incident in which a teacher was talking about the abacus and he could not understand any of what was being said. The word was unfamiliar to him and the whole thing sounded like a new language. Apparently the teacher was using the phonetic system. That system, if taught properly, is a good one, but it does not compare, in my view, with teaching children how to read by the sight method or by a combination of both methods. The child went on to say that because he could not read he ran away from school and his mother and got mixed up with a bad crowd.

If we look in our prisons today, we will probably find that 50 per cent of the so-called criminals therein are there because they were ostracized, were slow learners or had some other defect which kept them from moving ahead in school. They became self-conscious and embarrassed and finally left the school system altogether.

It is sad when one parent takes the child from the other parent. The child cannot help but be affected by the court case and the fight as to who will receive custody. An hon. member to my left said that he came from a happy home. I came from a happy home as well. There were ten of us and we were poor. It was difficult feeding ten mouths during the depression years, but there was love and understanding in my family, and I am thankful for that. We never had to face the agony of taking sides between our father and our mother.

Later, as a teacher, when I learned there was a custody fight over one of my students, a big lump would come to my throat because this student would need help. The best help that could be provided comes from the parents, if they would just stop and think about the fact they brought this child into the world. Surely parents should wait until the child is of mature age before they begin venting their spleen on one another.

I had dealings recently with a case in which a mother had abducted her children after the court had given custody to the father. The court heard testimony, although the mother claimed that it was false. I do not know whether it was false, but the court believed the testimony. The mother kept tabs on the children as to where they were being kept and so on. She found out that they were being mistreated, abused and were not being fed properly. Her sister told me one evening that her torment was so deep that she had decided she would steal those youngsters and take them away so that she could look after them properly.

Later the sister of the mother phoned me and I told her to have the mother bring the children back, that she could only get into deeper trouble for defying the law even though she had run away with them to B.C. She did not bring the children back. She was eventually caught, and as a result she is now facing trial. Her chances of getting the children through court have been dramatically reduced. Perhaps the court will find under section 250.2 that there is a maternal reason for her stealing these youngsters. I hope so for the sake of the children.

But if the parents of those children would forget their differences and realize that they both have a responsibility to them because they brought them into the world, then everybody would be in a better position.

I congratulate the hon. member who introduced the bill. I hope it will cause those who are considering breaking up their home and those who are stealing youngsters, for whatever the purpose, to stop and think. Many youngsters are being stolen in our larger cities as well as our smaller cities. When a person steals a boy or girl in order to make money from the flesh of that youngster, the punishment for the offence cannot be too great. Imprisonment for ten years, five years or two years is not enough.

I hope the bill will help to prevent such occurrences and that we in society will do our utmost to prevent such things from happening. We must realize that at the base of many such occurrences is the excessive use of alcohol and drugs.

Mr. Maurice Bossy (Kent): Mr. Speaker, I would like to speak for a moment on this most important matter, and, more specifically, on the area of international abduction. One such incident was brought to my personal attention by the Abducted Children's Rights of Canada representative in Chatham, in my riding. It has impressed upon me the futile complexity involved in securing the return of a child when removed not only from the home and the custodial parent but from within the confines of Canada.

● (1750)

In a situation where a child is abducted from his home and taken to another area of Canada the consequences are irrefutably traumatic. Consider, however, the implications of a totally different lifestyle forced upon the child and the hopelessness for the custodial parent in trying to ascertain its whereabouts, possibly in the context of a foreign culture and language.

Since the problem is one which has international dimensions, it is important to address the question of what measures can be taken not only within Canada but in the international area which will have the result of discouraging child abduction and effecting prompt return of a child who has been removed from his accustomed environment.

Ministers of justice have stated on a number of occasions that the abduction of children across jurisdictions must cease. As a result of these concerns the issue was included in discussions with the provincial attorneys general as early as October, 1975.

The then minister of justice asked provincial attorneys general for their suggestions as to how the situation might be improved by changes in federal law such as the Criminal Code. Because the matter of child welfare falls primarily within provincial jurisdiction, he also actively encouraged the provincial attorneys general to enact provincial legislation which would provide for mandatory recognition and enforcement of

extra-provincial custody orders by all Canadian provinces. To date, eight provinces have adopted the uniform extra-provincial custody orders enforcement act. The aim of this act is to prevent abduction across jurisdictional boundaries.

In August, 1977, the then minister of justice presented a paper on international abduction of children by parents at the commonwealth law ministers meeting, aimed at emphasizing the importance of the growing social and legal problem and developing co-operation amongst commonwealth countries in the enforcement of foreign custody orders and the return of abducted children.

The commonwealth law ministers agreed that concrete early action was required and that examination should be divided to greater co-operation in the enforcement of custody orders. The law ministers were also conscious of the potential for the commonwealth to use its collective influence in other bodies such as The Hague conference on private international law so as to take a lead in developing this law to the benefit of the world community.

As a result of Canadian representations, the matter of international abduction of children by a parent was placed on the agenda for consideration by The Hague conference on private international law which was held in October 1980. A special commission on kidnapping established by the conference, and in which the Department of Justice participated, met in March and November of 1979. A provisional draft convention on the civil aspects of international child abduction was prepared by the special commission and was discussed and adopted at the October meeting.

I am pleased to note that on October 25, 1980, Canada, France, Greece and Switzerland became signatories to the convention. The convention is designed to solve the problem of international abductions by the imposition of jurisdictional rules which require civil courts to decline to hear the merits of custody applications and to restore the children to the proper court. It covers the situation where no court order is in existence and the situation where the child is retained in breach of permitted access. We are hopeful that the provinces will move quickly to put legislation in place implementing the provisions of the convention so that Canada may become a party. Enforcement rules would then be effective for the return of children abducted across international borders.

The proposed amendment to the Criminal Code by specifically criminalizing parental child abduction will clearly announce to the international community Canada's appreciation of the significance of the problem and our resolve in meeting it.

As we become aware of an increase in these unfortunate happenings—as I have in my riding—and as the government works toward a resoslution of these problems as evidenced by what has been accomplished, the message is clear that we must strive to put an end to child abduction both interprovincially and internationally. We must also work toward the return of these children to their accustomed environment and established custodian so that they may look forward to a safe and secure future.

Some hon. Members: Hear, hear!

Mr. W. Kenneth Robinson (Etobicoke-Lakeshore): Mr. Speaker, indeed I am pleased at the opportunity to once again speak on this very important matter. At the outset I should like to congratulate the hon. member for Surrey-White Rock-North Delta (Mr. Friesen) for bringing this matter before the House once again. I recall that he did so through Bill C-221 in 1977, and so I remember speaking on the bill at that time. I know he feels somewhat frustrated in the bill not going before the standing committee for further consideration, but perhaps he will be happy in the thought that it will probably be considered carefully in the Criminal Code amendment which I hope will come before the House shortly.

I welcome the opportunity to address this important question. The abduction of children by a parent, often in defiance of the court order, is a growing social and legal problem in Canada. The abduction of a child by a parent can occur in several situations—removal of a child upon marriage breakdown or after, contrary to a court order, and so on. My colleagues have adequately addressed this question. I merely want to put a few more points on the record. The current law, section 250 of the Criminal Code states the following:

> Everyone who, with intent to deprive a parent or guardian or any other person who has lawful care of a child under the age of 14 years of the possession of that child, or with intent to steal anything on or about the person of such a child unlawfully, (a) takes or entices away or detains the child or (b) receives or harbours the child, is guilty of an indictable offence and is liable to imprisonment for ten years.

The section has caused major problems, for example, in the "good faith" defence. This defence has been used historically as a legal excuse for parents who abduct their children in the honest belief that they are entitled to custody whether or not they are legally so entitled.

I should like to address the specific question of how the government would deal with this problem. Government initiatives would propose to abolish the good faith defence. There would be a defence based upon the other parent's consent to the removal of the child or on the court's conclusion that the removal was essential for the child's welfare.

The court would not be entitled to find the removal was essential for the child's welfare simply because the abducting parent is subsequently successful in obtaining a custody order over the child in his favour.

Also, the government proposes to create two new separate indictable offences—one in section 250.1(a) for abducting a child in violation of the terms of the court order, and another in section 250.1(b) for abducting a child with the intent to deprive the other parent of the possession of the child where no court order exists. These would be punishable by up to five years and two years of imprisonment respectively. Section 250.1(b) is designed to meet the situation where the removal of the child takes place after marriage breakdown, contrary to a formal written agreement by removing the child from the established custodial parent and the removal of the child after marriage breakdown contrary to a formal written agreement

by keeping the child beyond the stated period in which visitation is permitted.

• (1800)

Section 250.1(a) is designated to meet the situation where the removal of the child occurs after marriage breakdown contrary to a formal order by removing the child from the established custodial parent or by keeping the child beyond the stated period in which visitation is permited. Thus, a detention of the child beyond the time permitted in the access provisions of a court custody order would be a specific offence. Likewise, detention of a child beyond the time permitted would be an offence without a court order where there is intent to deprive the other parent of possession of the child. Refusal to give the child up for access would also be an offence under section 250.1(a) or section 250.1(b) depending on whether the access is exercised pursuant to the terms of the court order or pursuant to a *de facto* arrangement.

Mr. Knowles: Question!

The Acting Speaker (Mr. Blaker): Order, please. It being six o'clock and the hour allotted for private members' business having expired, I do now leave the chair until 8 p.m.

At 6.03 p.m. the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

CANADA OIL AND GAS ACT

MEASURE RESPECTING OIL AND GAS INTERESTS

The House resumed consideration of the motion of Mr. Lalonde that Bill C-48, to regulate oil and gas interests in Canada lands and to amend the Oil and Gas Production and Conservation Act, be read the second time and referred to the Standing Committee on National Resources and Public Works.

Mr. Deputy Speaker: When the debate was interrupted at five o'clock the hon. member for Kitchener (Mr. Lang) had the floor.

Mr. Peter Lang (Kitchener): Mr. Speaker, when debate on this motion ended at five o'clock, I had given the majority of my speech and my thoughts on this topic. I had covered the purpose of the new legislation, Bill C-48, and had discussed some of its main elements. I would just like to round it out a little bit. I see there are seven members of the loyal opposition present, including—

Mr. Paproski: On a point of order, Mr. Speaker. I do not think it is wise for a member to start commenting on how many members there are in the House of Commons—

Mr. Knowles: Especially when there are only ten Liberals.

Mr. Paproski: Not only that. There are committees meeting and other places where members meet in the evening. That is something this young member should be aware of.

Mr. Deputy Speaker: With due respect, this appears to be a routine that the House might better avoid on future occasions.

• (2010)

Mr. Lang: Thank you, Mr. Speaker. I was about to say that I noticed the former minister of finance, the hon. member for St. John's West (Mr. Crosbie) was here. I am glad he is here to participate in this debate. The energy critic for the Conservative party is here and I am glad to see his attendance during this very important debate.

In many ways this debate has followed a predictable course. On the one side, members of the NDP have been saying to the government it is not doing enough; we need more government intervention so we should nationalize industry. The position the New Democratic Party has taken on this question, as on many others, would leave our economy and our deficit in such bad shape there would be no way we could support the social programs the New Democratic Party is so fond of trying to take credit for.

Mr. Knowles: You read that part before five o'clock.

Mr. Lang: Members of the New Democratic Party are very fond of trying to take credit for these social programs.

Mr. Knowles: You read that before five o'clock. We have already heard it.

Mr. Lang: In response to the hon. member let me say that I think it is worth while repeating. Members of the New Democratic Party have been trying to take credit for many of the programs previous Liberal governments have put forward. As you know, Mr. Speaker, the vast majority of our social programs have been put forward by Liberal governments. I think it is important, with all due respect to the hon. House leader of the New Democratic Party, that we discuss this and bring this fact to bear.

We have seen some facts brought forward by members of the Conservative party which suggest members of that party take the side of the little guy. The posturing of the Conservative party with regard to their rhetoric of concern for the little guy I find difficult to understand, particularly in view of the fact that one year ago last Thursday the same group of members put forward a budget which contained no social measures and no social concern at all. If they are so concerned about the little guy then why did that Conservative government introduce a budget that would have cost the consumer $40 billion more than will the Liberal budget and its energy policy?

Mr. Knowles: Haven't you got any new pages to that speech?

Mr. Lang: Hon. members opposite talk about their energy tax credit. The Liberal energy program will save the consumers 12 times more than the Conservative energy tax credit. In light of that budget of one year ago, for which most of the Conservative members here voted, I really find it hard to understand how these individuals, particularly the hon. member for Rosedale (Mr. Crombie), can now talk in such a self-righteous manner about protecting the little guy. When one looks at the facts—

Mr. Taylor: I rise on a point of order, Mr. Speaker. What has this to do with the bill we have under discussion? In addition, the hon. member has already said all that this afternoon.

Mr. Lang: That is obviously not a point of order, Mr. Speaker, but a point of debate or an attempt to interrupt. I would be glad to enlighten the hon. member as to my reason for mentioning this. The hon. member for Rosedale has been continually trying to posture and present the concern of your party for the little man when in actual fact in your budget there were no measures at all, none whatsoever—

Mr. Deputy Speaker: Order, please. I would invite the hon. member to address his remarks to the Chair.

Mr. Lang: Thank you, Mr. Speaker. I want to enlighten the hon. member about his concern as to why I was putting forward this discussion about social welfare. In light of the fact that when that hon. member's party presented a budget containing no measures whatsoever for the little guy. The hon. member for Rosedale—

An hon. Member: You have said that three times.

Mr. Lang: It is worth saying ten times, Mr. Speaker. That party is trying to present itself as a party with concern for the little man yet that is the party that presented a budget which socked it to the consumers and had no concern at all for the little guy.

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

Mr. Deputy Speaker: I recognize the hon. member for Saskatoon West (Mr. Hnatyshyn) on a point of order.

Some hon. Members: Oh, oh!

Mr. Deputy Speaker: May I have order, please?

Mr. Hnatyshyn: Mr. Speaker, I think the record should be made clear that while the hon. member for Rosedale (Mr. Crombie) may be small he is a lot larger than that speaker.

Some hon. Members: Oh, oh!

Mr. Deputy Speaker: With all due respect, that is not a point of order.

Mr. Lang: Mr. Speaker, I am glad you have seen that this is not a point of order. It seems that when the truth is spoken hon. members opposite get a little excited and try to interrupt debate with their frivolous points of order.

An hon. Member: You are the guy that is yelling.

Mr. Lang: I would like to make a point. Let us examine the track record. Let us see who put through social programs in this country.

Mr. Taylor: We are not talking about social programs. Get on the right bill.

Mr. Lang: This bill is concerned with the energy policy being put forward in Canada today. That has a lot to do with the social programs in place today, because this energy policy has much to do with our economy and much to do with the financial stability of the national government and its capability of financing social programs.

Mr. Deputy Speaker: There have been a number of so-called points of order which have not really been points of order. I recognize the hon. member for Surrey-White Rock-North Delta (Mr. Friesen).

Mr. Friesen: Have I ever raised a point of order that was not a real point of order, Mr. Speaker? I wonder whether the hon. member would permit a question?

Mr. Lang: Mr. Speaker, if hon. members opposite would stop their frivolous points of order I would attempt to speak on this policy so they might be enlightened. I will try to clear up their confusion. If the hon. member still has a question at the end of my discussion I will be happy to answer it.

We should look at the facts. The hon. member for Rosedale and a number of other members in the opposition have been trying to make the point that this government does not have a social conscience, as seen by its energy policy and its budget. For a new member of Parliament, a backbencher such as myself, it is very difficult to sit back and listen to this kind of posturing and rhetoric particularly when one knows the track record. Let us look at the track record. What social programs were contained in the budget presented one year ago last Thursday by the hon. member for St. John's West? I suggest that in fact there were none.

What social programs have the loyal opposition put forward? What social programs of significance has that party put forward? I suggest it has put forward none at all. What is the track record of this party in government? We have old age security, we have the guaranteed income supplement.

Some hon. Members: Oh, oh!

Mr. Deputy Speaker: Order, please. The Chair is reluctant to call on the rule of relevance, but the bill before us is Bill C-48 and I would like the hon. member to address his remarks to that bill.

Mr. Lang: Thank you, Mr. Speaker. I am aware that you did not have the opportunity of hearing the first 15 minutes of my speech during which time I tried to outline the purposes of the legislation and the main elements contained in it. I have

been trying to deal with criticisms put forward by the loyal opposition on the National Energy Program and on Bill C-48 during the question period and during the debate in the House. This is why I have been trying to express these social concerns that are relevant to the energy and economic policies of this government. I do think this is relevant although I am aware you were not here for the first part of my speech and would not have heard those remarks.

As I was saying, past Liberal governments have introduced old age security, the guaranteed income supplement, the Canada Pension Plan, family allowances and many other social programs.

An hon. Member: What about oil and gas?

Mr. Taylor: What bill are you talking about?

Mr. Munro (Esquimalt-Saanich): Give us the number of it.

Mr. Lang: Is the hon. member suggesting this is not a serious bill?

An hon. Member: What you are talking about is not serious.

• (2020)

Mr. Lang: If hon. members opposite had been here in the afternoon, they would have heard about it.

Mr. Paproski: We were here.

Mr. Lang: I will go on to the next topic. The oil and gas industry in Canada is in good financial shape. Between 1977 and 1979 the petroleum monitoring agency reported that the industry's cash flow increased by 67 per cent in two years. A further increase of one-third is projected for 1980. In 1981 it is estimated that including the incentive payments the industry's cash flow will rise over and above that of 1980 by 7 per cent. Even if one excludes those incentive payments, the industry's 1981 cash flow is expected to be 28 per cent higher than in 1979. The government's pricing and revenue-sharing arrangements are tied very closely to our thrust toward energy self-sufficiency and to the process of Canadianization.

In terms of security of supply we in Canada are in a fortunate position compared with those who rely heavily on imported oil. We produce more energy than we consume in terms of hydroelectric power, thermal energy and natural gas.

Our problem is one of substituting for the oil we currently use other energy sources that we have in relative abundance. One of the chief substitutes will be natural gas since we have a surplus supply, and to allow the vast majority of Canadians the opportunity to switch over from oil the government will be extending pipeline service to Vancouver Island, Quebec and the maritimes. Half a billion dollars has been earmarked for this purpose. To encourage the process, as we all know, the price of oil will be allowed to rise so that other fuels will be attractive on the basis of price alone. The objective is to reduce the use of oil in the residential, commercial and industrial sectors in every province to no more than 10 per cent of the energy total. To follow through on its drive to get us off oil, the National Energy Program's Canadian oil substitution program is proof of the government's commitment to energy self-sufficiency and security of supply. Increases in oil and gas prices are also important to generate the funds necessary to develop our more expensive heavy oil, oil sands, tertiary oil and tar sands.

Canadianization remains a vital element in the government's strategy. Oil and gas revenues from now until 1984 are expected to be in the range of $90 billion. To expect the federal government to take a back seat in sharing the revenues is clearly unrealistic based on our national responsibilities. Further, the vast majority of Canadians favour the government's commitment to at least 50 per cent Canadian ownership of oil and gas by 1990. This involves increased Canadian control of a significant number of oil and gas firms and a greater portion of the oil and gas sector being owned by the Government of Canada and the people of Canada. Fair prices, secure supply and increased Canadian participation in the oil and gas industry will cause benefits to rebound through our entire economic system. If we look at virtually any sector of the economy, we will find that the benefits are evident. A sensible price for oil and gas combined with the substitution program minimizes the effect that massive price increases would have on our economy. A one dollar per barrel oil increase adds an estimated half a percentage point to the inflationary rate. If we were to let prices rise indiscriminately toward the international price level, consumers would have to spend more on energy and would have less income to spend on goods and services. Thus, there would be less demand in our economy and, hence, lower economic growth and increased unemployment. This is what would have happened if this party had allowed the budget of one year ago last Thursday to go through.

An hon. Member: We did not do it. We stood firm.

Mr. Lang: The Liberal party did stand firm. We did not allow higher unemployment and higher inflation. We did not allow oil prices to go toward world prices, which would have been the result of the budget of December, 1979.

The National Energy Program creates a climate for less inflation, less unemployment and greater economic growth than the Tory budget and so-called energy policy would have allowed. It was a two-bit budget. A bit of it was devoted to an 18-cent increase, which would have socked it to the consumer. Another bit of it was devoted to an insignificant amount paid back in the form of an energy tax credit.

Mr. Siddon: This is Bill C-48.

Mr. Lang: Our National Energy Program is aimed at economic strength for all sectors in the economy. It is aimed at strength for the lumbermen of British Columbia, the ranchers and oilmen of Alberta—

Some hon. Members: Oh, oh!

Mr. Lang: —the prairie farmers of Saskatchewan and Manitoba, the resource and manufacturing industries of Ontario and Quebec and the farmers and fishermen and other industries of Atlantic Canada.

An hon. Member: Ours was a Canadian budget.

Mr. Lang: In conclusion, the National Energy Program is vital to our economic future. In an age of uncertainty it is a national game plan which provides for energy security and economic security through an off oil conservation process, development of our natural resources and alternate renewable energy resources through incentive programs.

Mr. Taylor: Louder. That is a pretty weak point. Pound your desk.

Mr. Lang: It shares the wealth for the total benefit of all Canadians. It allows the private sector and the provinces a fair share of the wealth and permits the west to develop its resources and to industrialize. It is a major program which will affect all Canadians. It is similar in many ways to other great Canadian endeavours of the past. I refer to the trans-continental railway, the St. Lawrence Seaway and the interprovincial pipeline.

Mr. Hnatyshyn: What about double tracking?

Mr. Lang: In addition, it highlights the same aspects of sharing and co-operation which we have come to know and expect in Canada such as the two-price system for wheat and, up until 1973, the two-price system for copper in Ontario. Every Canadian has a role to play in the National Energy Program and a benefit to be gained from it. Such a role might be switching off oil, improving one's home insulation, investing in a Canadian company or actively practising conservation.

Hon. members opposite have been raising many objections and criticisms, but when we look at the facts we find that there is not much substance to what they have said. I would very much like the hon. member for Etobicoke-Centre (Mr. Wilson) to clear up with his leader whether his leader agrees with him that the energy policy of this country is the responsibility of the national government or of the provinces. I would like him to clear this up because I have heard him say that it is the responsibility of the national government, but I do not hear the same thing from the Leader of the Opposition (Mr. Clark).

Mr. Siddon: That does not mean steal the resources from the provinces.

An hon. Member: You should worry about your leader!

Mr. Lang: We have natural resources in this country, we have technology and we have people. We have a grand future with respect to energy and with respect to our economy. I think a little optimism more directly based on facts would be appropriate in this House.

Mr. Friesen: Mr. Speaker, Sean O'Sullivan used to say, "It's a Lang, Lang way to trick the prairies." I think we have seen that again tonight. The hon. member said he would entertain a question at the end of his speech. Earlier in the evening the hon. member quoted statistics—

Some hon. Members: Question!

Mr. Friesen: I am coming to my question. The hon. member quoted statistics indicating that only 40 per cent of the drilling equipment was operating in 1975, five years ago, whereas some 80 per cent or 85 per cent is operating today. He made the point that that is a growth factor as a result of the government's policies. Is the hon. member aware that in 1974 this government brought down a budget which made rigs pull out in 1975? The government is doing the same thing now, and the hon. member is trying to make that look like a growth factor. Did he deliberately mislead the House, or was he just ignorant?

Mr. Lang: Mr. Speaker, I will treat that question in the best way I can. It is obviously not a question. It is an attempt to misrepresent the facts. I have never stated that it was a policy of the government which resulted in an increased percentage of rigs being employed in Alberta.

● (2030)

I think it was the policy of the government, plus the entrepreneurial spirit of the oil and gas industry in Alberta and in the rest of the west. It was the work of the individual people in the oil and gas industry, members of the labour unions. It was all those elements which resulted in success, as well as the fact that Canada has natural resources. The hon. member does not have a concern. He is trying to misrepresent facts. I have presented facts, which were presented—

An hon. Member: By research assistants.

Mr. Lang: No, Mr. Speaker, I presented facts which I gathered from my trips out west, from Bob Blair the president of Nova, from Bob Pierce, vice-president of Nova, from Bill Hopper of Petro-Canada and from Bill Richards, the president of Dome Petroleum. I obtained these figures from people who are involved in the oil and gas industry. These are facts, not just opinions and bellicose rhetoric. I hope I have enlightened the hon. member, Mr. Speaker.

Hon. John C. Crosbie (St. John's West): Mr. Speaker, I am hoping tonight to appeal to the intelligence of central Canada, but my task looks formidable after listening to the last speaker, the hon. member for Kitchener (Mr. Lang). If the heat is too great, he should get out of the kitchener.

Some hon. Members: Oh, oh!

Mr. Crosbie: Mr. Speaker, let me speak for a moment on the budget of December 11. We are not bringing it up, it is the hon. gentleman opposite who did so. It is irrelevant now who was defeated, and it was unfortunate for Canada that it was.

Some hon. Members: Oh, oh!

Mr. Crosbie: The hon. gentleman said that there was no social content in the budget of December 11. This is the budget which had the energy tax credit to help lower-income Canadians meet the inevitable higher costs of energy. The budget of October 28 does nothing for lower and middle-income Canadians. I do not have to give my own authority for the budget of December 11. In the Canadian Tax Journal—

Mr. Deputy Speaker: The hon. member for Kitchener (Mr. Lang) rises on a point of order.

Mr. Lang: Mr. Speaker, the hon. member for St. John's West (Mr. Crosbie) says that I am bringing up the previous budget. This is what has been coming from the opposition since this Parliament was presented with the last budget.

Some hon. Members: Sit down.

Mr. Deputy Speaker: Order, please. This is a point of debate, not a point or order.

Mr. Crosbie: Mr. Speaker, we only have to look at the Canadian Tax Journal, volume II, issue 2, put out by the Osgoode Hall Law School and the Canadian Council of Social Development to see their analysis of the budgets of the last ten years in the 1970s. I will send the hon. member a copy, although I do not know if he can read these kinds of articles. He will see the conclusion there that the Crosbie budget of December 11, 1979, was the most progressive in the last ten years, and it was the most progressive because, for one reason, of the energy tax credit. The article says that it changed the flow of income for the first time in ten years from upper and middle-income Canadians to lower-income Canadians. That is what the budget did and that is what hon. gentlemen opposite voted against, and that is what the hon. gentlemen to our left voted against, the political nymphomaniacs who cannot wait to rush into bed with the Liberals every chance they get. That is what they voted against, the most progressive budget of the 1970s.

I will not spend any more time on the hon. member for Kitchener. He said the Liberal party stood firm. The Liberal party has never stood firm in its life. It is the party of vaseline, it is the slipperiest party that Canada has ever seen, it is a party of flexibility. They are so flexible that their principles have flexibility. They are the original India-rubber men and women. They will double track the railway, we heard last January from the Prime Minister (Mr. Trudeau), and all they have done is to doublecross the country!

Some hon. Members: Hear, hear!

Mr. Crosbie: Now, Mr. Speaker, I want to appeal tonight to people of reason. There may be a few on the opposite side, but I am not worried about the opposite side. I am speaking to the people of Canada who watch this House on television.

Some hon. Members: Hear, hear!

Mr. Crosbie: We are opposing this bill, Mr. Speaker. Why? Because it is part of a process that threatens Canada as a viable, continuing democracy.

There are three things necessary for a viable, functioning democracy. The first is that we have an effective parliamentary system which keeps the government and the executive accountable. We no longer have that. We can see that in this House when we hear the jackasses braying whenever their masters on the government side tell them to bray. We have committees in this House that have no power, that have to haul the government by the sleeve to ask a question. This House no longer has any independent power. So long as there is a majority, the House will have no power, and so long as this majority is slavishly devoted to keeping their noses and their mouths in the trough of patronage, and keeping the government in power, there will never be any—

Mr. Deputy Speaker: Order, please. The Chair has been listening attentively and would again like to call attention to the fact that we are debating Bill C-48. I invite the hon. member to address his remarks to the bill.

Mr. Crosbie: Mr. Speaker, if you will be patient with me, I am just about to elaborate that point. We have before us Bill C-48 and we see in it why the House has no power. Just look at page 1 of Bill C-48 where you will see that:

"allowable expenditures" means expenditures made in relation to an interest that are approved by the minister;

The minister has total power under this bill, not the House. Then let us look at page 8, clause 20, where you will see why this House has no power, why this Parliament is as ineffective as a tame tabby, a toothless, tame tabby, a pussycat without any claws. That is what this House is. Let us look at page 8, clause 20, which reads:

The governor in council may make regulations for determining the level of Canadian ownership for the purposes of this act—

It is not this House. There is no one in the oil and gas industry today who knows what the governor in council will decide tomorrow, or next week on what will be the criterion for Canadian ownership. This House has no say because the government has a blind, tame majority, interested in nothing but keeping themselves in power.

Some hon. Members: Hear, hear!

Mr. Crosbie: Let us just go on to look at clause 22, which reads:

Where it appears to the minister that a matter relating to the Canadian ownership rate cannot reasonably by determined by applying the applicable regulations or rules in any case or class of cases, he may make the determination or authorize it to be made in accordance with such criteria as he considers appropriate.

Is this what will govern the oil and gas industry in Canada in the future, with all the power in the hands of the minister? Who is the "he" in the clause? It is the Minister of Energy, Mines and Resources (Mr. Lalonde). He is the one who will have the control in the future over the rules that decide whether or not you are Canadian-owned. Tomorrow he can say

it is 48 per cent, or 55 per cent, or 30 per cent, or 75 per cent. Can you wonder that the oil and gas companies are leaving this country in droves? The reason is that this Parliament is no longer effective because all the power has been given to the minister and to the government. I will not go on much longer reading clauses in this bill but there are 100 instances there. Just look at clause 45 to see if this carries on throughout the act. Clause 45 reads:

The minister, at any time after making a declaration of significant discovery, may order the drilling of a well—

The minister? What does the Minister of Energy, Mines and Resources know about the drilling of wells? He knows as much about that as he knows about drilling a tooth. He has the responsibility under this bill for ordering where a well is going to be drilled. On and on it goes through this act. You think that as members of Parliament you decide? You no more decide than Mickey Mouse decides what goes on in the government. Clause 46(1) reads:

Where the minister is satisfied that a commercial discovery has been made on Canada lands, he may, by order subject to section 56, make a declaration—

It goes on like that throughout this bill. So, Mr. Speaker, one of the three safeguards of democracy has gone. This Parliament is no longer a safeguard for democracy and the bill before us exemplifies that. What is the second safeguard needed for a democracy? It is a division of powers in a federal state between the federal government and the provinces. That will go if the government's constitutional proposals ever get through to the United Kingdom and get passed in the United Kingdom. No longer will we have a federal system in this country. Who do I quote for my authority? I quote Sir Wilfrid Laurier, back in the days when they had Liberals who had some principles and guts. They do not have them any longer. Sir Wilfrid Laurier was one of the few good Liberals. He said this:

The only means of maintaining confederation is to recognize that within a sphere assigned to it by the constitution, each province is as independent of control by the federal Parliament as the latter is from control by the provincial legislatures.

● (2040)

Well, that goes out the window if the constitutional proposals are passed. That goes out the window if these energy proposals ever effectively become law in this country, because they can only effectively become law by crushing the province of Alberta and the western provinces. That will terminate and end this country. So, Mr. Speaker, there is the second safeguard of democracy that the Trudeau administration is determined to block out with its constitutional proposals and its energy proposals.

The third safeguard of democracy is to have a viable, strong, operative private sector. That is what is necessary for a viable democracy. Where you do not have a private sector you have no democracy. You have no democracy in Russia. You have no democracy in China. You have bills of rights, charters of rights, the rights are coming out of your ears in those countries. But do you think anybody has a right to anything in those countries? Not at all. Why not? Because they have no economic base from which they can exercise rights. It exists not only in those countries but in Chile and in many other countries. What is happening in this proposal and in the others of the energy policy? A savage smash and grab raid on the private sector of this country starting with the oil and gas industry. It is a massive interference by the state, a massive interference by the bureaucracy into the most free enterprise, the most risk-taking of all the industries we have in Canada—the oil and gas industry. An industry where you have to go looking. You look at a hundred thousand square miles and you say: I am going to put a well down here. That is not the decision of some bureaucrat here in Ottawa. They do not know where the hell to put a well. No, that is the decision of the people who are putting up millions of dollars and hundreds of thousands of dollars. They have to use their brains and the instincts they have gained from 20, 30, 40 years of scrabbling in the wilderness—the geologists, it is they who decide where to put the well. Now, hereafter, they will be put under the jurisdiction of Mr. Lalonde and the bureaucrats as functionaires. They will tell him where he is going to put his well and what he will get if he puts his well there. They will say: If you put your well here we will give you a grant in the frontier or the Beaufort Sea, but if you put your well here we won't give you a grant. Before, with the system of depletion allowances everybody knew where he stood. "All right, you go and drill your well. You will get a certain amount of depletion and you will get certain benefits. You will receive help from the system." You made the decisions. But from now on, when this is passed, that will be no longer. No, some functionaire from the Department of Energy, Mines and Resources will tell you: "You put your well here, brother, where I tell you and then you might get a grant." That is, if he does not decide, when you come back looking for your grant later on, that you are not 50 per cent Canadian-owned, you are only 49.6 per cent or only 49.99 per cent or you are only 74.5 per cent Canadian-owned. That is all to be decided by the civil service and the bureaucracy of this country. Do you wonder that they are bailing out, Mr. Speaker, that they are leaving this country in droves? What else does the government have to offer them? They have got the Hon. Herbie Gray and FIRA to offer to them. We are told the Foreign Investment Review Agency will supervise what goes on here with the foreign-controlled companies in the future. They will bring legislation before the House so Herbie can come in once you get into Canada and you invest your money. All right. You are found to be of significant benefit to Canada. That is not enough. No, now, in a year's time or two years' time, the Hon. Herbie Gray will come to look over your shoulder and say: You jerk, you do not know what to do with your own money. You are not doing the right thing here. This is not of significant benefit. I, Herb Gray, the great free enterpriser, the great expert in everything, am going to tell you how your business is to go in the future. You have got to get out of this country. That is what they are being threatened with. Now do you wonder, Mr. Speaker, why the dollar is weak? The dollar is not weak because of interest rates being higher in the United States and lower here in Canada. It is weak because anybody with any brains in their head can see that their money is not welcome in Canada. We

are supplicants to the rest of the world as a result of 12 years of that government over there. We have had deficits in the balance of payments and current account for the last seven years. The minister estimates that this year it will be $6.2 billion—$6.2 billion we Canadians must get from outside Canada. We have to ask them to lend us the money. We have to ask them to invest the money in Canada. And this government here is flexing its muscles and saying: We do not want your money. That is what it is pretending to say: We do not want your money. If you put your money in here you will have to pass our tests and you will have to pass Herbie Gray. Is it any wonder the dollar is down? It is the lowest it has ever been in 47 years.

The hon. member for Kitchener had the gall, the audacity, the knee-jerkery to even mention my budget. When we look at what has happened since October 28, Mr. Speaker, what do we see? The Canadian dollar on October 28 was worth 85.22 cents. The Canadian dollar yesterday was worth 82.71 cents. I am not sure what it is today. That is a 47-year low. On the week ending March 5 you had to pay 114.25 cents to buy a U.S. dollar. Yesterday you would have had to pay 121.2 cents to buy a U.S. dollar. That is a difference of 7 cents Canadian. The Canadian dollar has lost 7 cents in value since the hon. gentleman opposite got into power last March. Do you know what that is costing us for oil today? Perhaps the public would be interested in knowing that it has cost us $109 million to date, because of the fall in the value of the dollar since the beginning of March, for the purchase of oil, for purchasing 425,000 barrels a day. And today, because of the drop in the dollar alone, it costs us a million a day more than it did last March through the mismanagement, through the mistaken policy, the blind inflexibility and the stupidity of hon. gentlemen opposite. And they do not even realize yet that $109 million to date is what it has cost us.

Look at interest rates, they were 11.6 per cent at the time of the budget. Now, the Bank of Canada has set the rate at 16.4 per cent to 17 per cent and it is going up again Thursday as surely as the hon. Mr. MacEachen gets up tomorrow to rub the sleep out of his eyes and wonder how he will survive another day with the responsibilities he has, which he does not want to accept. Just as surely as that will happen the interest rates will go up again next Thursday. Interest rates are 21 per cent in the U.S.; God knows what they will be here. The Economic Council of Canada, the government's own agency, says that because of the budget they have to put their inflation rate forecast for next year up from 10 per cent to 11.4 per cent. They have to put their unemployment forecast up from 8 per cent to 8.6 per cent. They have to reduce their real growth forecast from over 1 per cent real growth next year down to one half of 1 per cent. The government's own agency says this is the result of their study of the government's budget. Ye Gods, why is the minister not made to resign? Do hon. gentlemen opposite not read anything which is put out by the Economic Council of Canada? For example, "An Assessment of the Federal Budget on the Canadian Economy." Read it. What a document! And the hon. member dares to bring up my budget in this House. My God, he should never have done it. Just let him get this document and read it. Page four says that the federal budget impact reduces the growth rate in 1980 from—I am reading right from the government's document:

> minus 0.4 per cent to minus 0.6 per cent. Using the budget projections for energy investment further lowers the growth rate to minus 1.1 per cent.

That is what the budget did to their forecast. The differences in 1981 are also clear. The assessment goes on:

> Adding the alternative energy investment assumptions of the Department of Finance further reduces the growth rate to .5 per cent.

This is the body that reports to the Prime Minister. He is guilty of criminal negligence for not firing out MacEachen.

Some hon. Members: Hear, hear!

Mr. Crosbie: If the Prime Minister reads his own report to him from the Economic Council of Canada he would fire out the Minister of Finance (Mr. MacEachen) tomorrow. It is the most fantastic denunciation of the effects of the budget ever given by an independent government agency to a government.

Go on to page seven of the assessment. What does it say with respect to inflation? It says inflation is above 11 per cent because of the new projections. I read:

> This compares with the Department of Finance projection of 10.2 per cent.
>
> The general impact of the federal budget appears to be one which increases the rate of unemployment. The Prebudget Base Case suggests an unemployment rate of 8.0 per cent for 1981—

Remember the minister squirming here the other day in question period, trying to get around this. Their estimate was 8 per cent. I go on to read:

> —bur our budget alternatives show the unemployment rate lying between 8.2 per cent and 8.6 per cent.

This is as a result of the budget. And the document goes on and on to deal with the national expenditures, estimates and so on. It is a savage denunciation. Now get this, Mr. Speaker, at page 11. It says:

> —one of the hidden impacts of the federal budget is its compositional effect on savings. It will have a tendency to reduce the percentage of savings accruing to provincial governments, the corporate sector, and the personal sector, and at the same time to decrease the proportion of dis-savings or increase the proportion of savings accruing to the federal sector.

It will change the whole nature of Canada. It will take savings from the personal sector, the private sector, the provinces and transfer them to the federal government. It is a massive attempt at a power grab by the Canadian government. If the Minister of Finance had the courage and the conviction of a garrotted gerbil, he would resign tomorrow. He is worse than a castrated lemming today, he is a garrotted gerbil. Every possible avenue of escape for the minister has been eliminated. It is a most a savage experience, it is a—

● (2050)

Mr. Deputy Speaker: Order, please. The Chair is listening to the hon. member and having some difficulty relating his remarks to the bill which is before us.

Mr. Crosbie: What is the effect, Mr. Speaker, of this bill on the market economy in the private sector? I have been outlining how, under this bill and the other bills which will come with it, the government is attempting to amass and concentrate power from the provinces, the private sector to Ottawa and from the Canadian people. That is what this bill does. I have outlined three reasons why I and my party are against this bill and why we will fight it and every piece of legislation that accompanies it to the last dot and comma as it goes through this House.

Although nothing could be more convincing than those three reasons, there is still a fourth reason. On page one, clause two of the bill, it reads:

"Canada lands" means lands that belong to Her Majesty in right of Canada—

And what does that include? It goes on to say:

(b) those submarine areas adjacent to the coast of Canada and extending throughout the natural prolongation—

In other words, this bill assumes that all the offshore area off the east coast of Canada is Canada lands owned by the Government of Canada. I say that it is not owned by the Government of Canada.

Mr. Peterson: Why don't you take us to court.

Mr. Crosbie: If hon. members opposite think that there will be an Hibernia oil development, one whiff of gas from off Labrador or Newfoundland or one "tinch" of oil above a jar from that area while the Government of Canada pretends that it is Canada lands, they can think again because the people of Newfoundland and Labrador will not give up their only chance to be self-sufficient economically. Never.

The government of Newfoundland and Labrador will not bend or be flexible on this matter. It will be completely inflexible. We did not come into confederation in 1949 with a declaration in the terms of union that the resources were to stay with the province which would then hand them over to the federal government, no matter what the courts say. We do not care what the courts say. The Supreme Court of Canada can declare that under some technical, legal ground the ownership of that resource lies with the federal government, even though the ownership of resources under land lies with the provinces but offshore it lies, for some technical, legal, picayune reason, with the federal government. That will not solve the question at all. It is not a question of law, it is a question of justice, of what is right and fitting and the fact that Canada is a confederation.

If the provinces do not have resources, they have nothing. That is why we must oppose this bill—because it is an attempt to take away the resources owned by Alberta, the resources owned by Saskatchewan and the resources owned by British Columbia. I have a report from Ralph Hedlin Associates. It is a first class piece of work and I would like to quote from it.

He says that "The commercial centre has never wished to prejudice the west; it has just wished, in a too human way, to maximize the interests of the centre, but the west has suffered as a consequence". This bill is an attempt to take the resources back from Alberta and the west which they were given in 1930 after a tremendous struggle. What I do not understand is how hon. ladies and gentlemen opposite can be so blind. They were not blind when it came to Quebec. They seemed to get it through their skulls with respect to Quebec that the French Canadian minority there—

An hon. Member: A majority.

Mr. Crosbie: —a minority in Canada but a majority in Quebec. They felt that they would always be subject to the tyranny of an English-speaking majority in Canada and that their interests would not be recognized. This is what has been going on in Quebec for the past 40 years. Presumably the matter has been settled, largely in the past few years when this government finally understood that there was a problem. Now, I do not believe the French Canadian minority in Canada feels that it will be subject to the tyranny of the English-speaking majority.

The government fails to recognize that there is a minority in western Canada and a minority in eastern Canada which fear that they will always be subject to the tyranny to the central Canadian majority. The fear is no different from the fear of the French in Quebec. Just when the people in the west believe their day has come, they see central Canada, mobilized through the worst kind of political self-seeking by the experts in political self-seeking, the Liberal party of Canada elect, that Liberal party on a raw, crude basic appeal to central Canada to put them back in power so that they can keep the west from taking its rightful place in confederation and receiving rightful value for its resources.

Until the ladies and gentlemen opposite understand that the country is a "no show" and a "no go" with that kind of blind policy, we will be in desperate trouble. We will fight the government tooth and nail here in the House of Commons and on every stage in the country from St. John's to Vancouver. What did the Prime Minister say during the election campaign? He did not have to say much. He was lucky because he caught the swing of public opinion at a particular time. In another two or three months, the result would have been entirely different, but he was lucky in his timing.

Mr. Peterson: Don't condemn the electorate for your own failures.

Mr. Crosbie: The hon. member will not even have a look-in with the electorate next time because it is already sick of this government which fought and schemed to get into power, but has since done nothing to justify its winning the election. The Prime Minister said in Sudbury, Ontario on February 2, 1980, that "We, the Liberals, will not try to pit one province off against another. We will have responsible negotiations with the provinces and we will work out a price". That is the impression the Prime Minister tried to leave with the electorate. But ever since then, he has tried to pit one province against another. That has been his entire policy.

Our policy with respect to offshore mineral rights was contained in a letter of September 14, 1979, from the then

Prime Minister Clark to Premier Peckford of Newfoundland. That letter outlined four principles, two of which were that the province of Newfoundland should own the mineral resources of the continental margin in so far as Canada could own them, that ownership and legislative jurisdiction would be consistent with and subject to the division of legislative competence as between Parliament and the provincial legislatures under the Constitution of Canada. The other two principles are that the Government of Canada would continue to have legislative jurisdiction in certain areas such as the environment, shipping and so on and that those principles would be confirmed by the signing of an agreement between the two governments and by appropriate legislative action and constitutional change.

A similar letter was sent to every coastal province in Canada. That is the "Magna Charter" of Newfoundland. That is the "Clark Magna Charter" for Newfoundland, and Newfoundland will accept no less. Confederation without this agreement will be a very dubious proposition and the government might as well get that right through their heads. It is a very tenuous proposition until the government recognizes that this is how it must be. Considering that Newfoundland is the poorest province in Canada with only 53.6 per cent of the earned income of the average Canadian and with unemployment insurance representing one-twelfth of all the personal income in Newfoundland as compared to one-fortieth in the rest of Canada, there is no way Newfoundland and Labrador will give up this opportunity. That is the way it is going to be, or it ain't going to be. That is the fourth reason why we are opposing this bill.

What principles should govern energy policy? Any energy policy in this country must be governed by two overriding principles. One is that if a proposal does not lead to self-sufficiency in oil sooner, then it should not be implemented at all. The second principle should be that if it does not contribute to national unity it should be a no show. Those are the two overriding principles, but they are not the principles which are contained in this bill or in the energy policy because Canada will never reach self-sufficiency in oil under the policies which have been put before us by the government.

And why not? We see it around us every day—the Alsands tar sands plant being cancelled by next June if the government does not change its policy because they cannot make a go of it with the present pricing regime. This is an $8 billion project. It could be completed by 1987 if the project starts in June. It could produce 147,000 barrels of oil a day if the project went ahead in 1987. But these projects, the oil sands and the tar sands plants, will not go anywhere unless the policy is changed. Take the $9 billion Cold Lake heavy oil recovery project. Imperial has stopped that. It would provide 140,000 barrels a day if it were completed. The present government has had to pony up $20 million of $40 million just to keep the engineers and support staff together while another few months go by to see whether the project will go ahead or not. The Judy Creek oil field $400 million advance recovery project would give 15,000 to 20,000 barrels a day of advanced or tertiary production. That project is now stopped. On and on the story goes. Oil drilling rigs and machinery are leaving the country in droves, Mr. Speaker. If we look at an analysis of capital investment for next year, we see, according to the Conference Board of Canada, a distinct drop in planned investment since the budget. Over all, 45 per cent of the respondents said government policy had an adverse impact on their capital spending. Higher interest rates affected another 35.5 per cent. Over 45 per cent of the respondents are having their investment decisions adversely affected by the government's energy policy. On and on it goes because the private sector can see there is no room for them in this game unless it is willing to put itself under the thumb of increasing state bureaucracy and control. The private sector companies are not the type of companies who will buckle down to that. They will buckle out before they buckle down.

• (2100)

On November 28, I sent a letter to the provincial treasurer of Alberta. He replied to my letter on November 30. We had an agreement in principle about what was to happen on energy pricing in Canada. We were not agreed on the form of the energy tax we were to impose to take all of the revenue from the oil and gas industry in excess of the revenue they would get from increases of $2 a barrel a year. We were not agreed on what kind of tax there would be. There were some minor disagreements such as that. Our policy was outlined in the budget and it was agreed to by them. If they did not agree with the rest of it, we could have imposed a unilateral solution, but it would not have endangered Canada because we had a large measure of agreement by then on the essentials, that is, on the most important things. We did not cause a crisis on confederation because we knew the susceptibilities of the west. We knew the west had to have a decent deal. We had to bend over backwards, just as the government opposite has had to bend over backwards in the past to satisfy other areas in the country. But this government across the way did not want an agreement with Alberta. This government wants to crush Alberta. It wants to use its powers to take over the tar sands. The government wants to use its disallowance power. The government wants to use the powers it undoubtedly has to crush Alberta. Well, to crush Alberta is a pyrrhic victory. There will be no tar sands plants. There will be no heavy oil plants. There will be no Judy Creek. There will be no offshore oil and gas when the government starts trying to crush Alberta and trying to crush Newfoundland, because those provinces will not be crushed. We will crush back. There will be no development. There can be no development in the tar sands. There can be no development at Cold Lake if the province of Alberta will not put up the infrastructure. The federal government can exercise its rights and get title, but how will the government be able to develop all of this if it cannot find a town and if there are no sewers, no pipes, no roads and no people because Alberta will not provide the infrastructure? I say, drop this nonsense. I say just drop the central Canadian smugness that you are so guilty of here. You should start to realize there are other parts of Canada and you will get a lot further with a conciliatory, reasoned approach than you will

with the present overbearing approach that you are trying to take at the moment.

Mr. Paproski: Get rid of Marc Lalonde!

Mr. Deputy Speaker: Would the hon. member please address his remarks to the Chair.

Mr. Crosbie: Yes, Mr. Speaker. This whole policy directs itself toward state ownership. It does not even provide opportunities to private Canadians to own more, it is for the state to own more. I want to read into the record two quotations for the benefit of my friends on the left, that noisy class, the political nymphomaniacs who are so anxious to jump into bed with the government majority. Here is what one of their former leaders, Mr. Tommy Douglas said in 1960, 20 years before he became a director of Husky Oil. This is what he said then:

It's possible to plan an economy without owning it.

I wish the neophytes on my left would understand that. You can plan the economy, you do not need to own it. Why do we want to own all the oil and gas companies in Canada and use tens of billions of dollars to buy assets which are already here in Canada. The assets are already here. We do not need to buy them. We control them anyway. Imperial Oil had to say they have to bow to the government. No one is mightier than Imperial Oil, yet it has to bow to the government. We do not need to own its assets. What we want to do is spend tens of billions of dollars creating new assets in Canada in the frontier areas, in the Beaufort Sea and off Newfoundland. We need to develop the heavy oils and the tar sands. The amount needed is $1.4 trillion over the next 20 years, according to the Royal Bank, of which we have to get $300 billion from outside of Canada. This is about $16 billion a year. Do you think, Mr. Speaker, that this kind of policy is the way to get $16 billion a year from outside of Canada? I say, some hope! You can forget altogether what you are trying to get from within Canada.

To come back to Tommy Douglas, Tommy Douglas was good back in 1960. He was sensible. He was a rational socialist; a contradiction in terms. But in 1971 he was just as sensible. In a discussion on the transfer of power to the federal bureaucracy from the provinces, he said the following in 1971:

Canadians do not want to escape from the clutches of big business only to fall into the clutches of big government.

Could anything be more sensible? Both of those principles, gentlemen and ladies on my left, are being violated by this document which is before the House tonight, and the others that will come in. The leader of that party is out. He is spouting the most errant nonsense. Thank God he is not doing it in the House. We have enough to fear here without fearing his foolishness in the House about buying up the three largest oil and gas companies and not paying them what the value is, just pay them what we say they are worth, and so on. That is the end of Canada as a repository for any investment from outside of this country. I recommend Tommy Douglas to you. I say, forget Mr. Broadbent. He is passé. Go back to reading Tommy Douglas and perhaps get some sense. We hope that you might have some sense.

I will not give just myself as an authority for some of these statements. I have dozens of other authorities I can offer. On December 13, 1981, in *The Globe and Mail* we can see the effect of this policy by reading the following under the heading "Alberta fears revenue losses".

The Alberta government could lose more than $400 million in provincial revenue from the sale of oil and gas licences next year—

The "Sale of exploration rights drops by almost half in Saskatchewan". That is the socialist paradise. It has had the boots put to it by this policy. Mr. Broadbent crawls on his hands and knees to try to get a little concession from the Prime Minister when he should be fighting for the rights of Saskatchewan. We read in *The Globe and Mail* of December 13 the following:

New federal taxes are unbearable for operating companies in Saskatchewan, where oil well production rates are lower than in other provinces, he said.

Who said that? It was the mineral resources minister John Messer. Who is he, hon. members might ask. He is an NDP minister in Saskatchewan. That is what he said, and the gentlemen here are supporting that kind of action in Saskatchewan. On this same page of *The Globe and Mail* for December 13 under the heading "B.C. oil, gas leases cut", we read:

Profit from the B.C. government's next sale of oil and gas rights will be drastically reduced because of the federal government's threat to impose resource development taxes—

That is just one example of the tremendous damage.

In another magazine, the *Executive*, Peter Cook, an economist, has written an article. I am being kind to the Minister of Finance and his budget compared to this impartial article in *Executive* magazine for December, 1980. What does Mr. Cook say? In part, his article reads:

What the government has clearly done is to create greater uncertainty about where the economy is headed in the next 18 months, and not just for the oil and gas industry. MacEachen has also, through his energy measures and tax changes, managed to push back the recovery from recession and promote inflation in the period ahead.

That is no John Crosbie. Some people might say I am partisan. I am not, but someone might say it. This is the impartial writer of this article. We read on:

The toughness and universality of the MacEachen measures will act as a further restraint on the consumer sector.

Hon. members might ask why. It is because no tax credits were provided to cushion the impact of rising energy prices for low-income families such as I proposed. Where is the member for Kitchener when he can learn something? He has scuttled off to the scullery somewhere, but he will not learn much there. The article continues:

The effect of the MacEachen budget has been to knock 0.5 per cent off growth in the economy for the whole year, bringing it down to the finance minister's own forecast figure of just 1 per cent.

The shock effect of food and energy prices will push the Consumer Price Index ahead by 11 per cent in 1981 (without the MacEachen energy and tax changes, the rate would have been 10 per cent).

• (2110)

You should drum him out. Get him at that Christmas party tomorrow night and drum him out before he does any more damage.

Some hon. Members: Hear, hear!

Mr. Crosbie:

The government's concern with ownership and taxation in the energy industry (rather than with the real issue of energy supply) is causing major projects to be stalled . . . Outlays by oil and gas companies were projected to about one-third of total business investment in 1981.

That's knocked on the head.

One estimate by Data Resources of Canada is that business investment will show no growth at all in 1981; before the budget, the firm was forecasting a 1.4 per cent advance.

In the history of Canada there has never been such an abortion of a budget, never a budget that has done so much damage to the economy. You don't have to take my word. I am just passing on the opinions of other respected economists.

Obviously, an increase in energy prices had to come at some point (though the disappointment is that, under the Liberals, it carries with it no promise that energy supplies will be increased).

Am I getting near the end of my time? In that case, I cannot go on with the other quotations. The scenario is a grim one. I recommend that all hon. members read it in the December 1980 issue of *Executive*. I say to members opposite, go to the Christmas party tomorrow night. Put MacEachen out, fire Lalonde and perhaps in this country we will then have a chance to get a rational and sensible solution to these problems.

Some hon. Members: Hear, hear!

Mr. Crosbie: In conclusion, in introducing this bill, the minister said he was acting on principles of security, opportunity and fairness. There is no security in this bill for Canada, none at all. With this bill, there is no opportunity for anybody. There is no fairness. Gentlemen, for heaven's sake, go to your caucus and change this policy before it is too late.

Mr. Maurice Foster (Algoma): Mr. Speaker, I am glad to have this opportunity to say a few words on Bill C-48, the Canadian Oil and Gas Production and Conservation Act.

It was nice to see the hon. member for St. John's West (Mr. Crosbie) in full flight tonight, with his very conciliatory and non-partisan approach and the bombastic rhetoric in which he excels. I certainly hope whoever is negotiating on behalf of the federal government, whether it be the Minister of Energy, Mines and Resources (Mr. Lalonde) or the Prime Minister (Mr. Trudeau), with the Premier of Alberta or the energy minister of that province will be much more conciliatory than that in their presentation of the federal side. Otherwise, I am not sure we would ever reach an energy agreement.

If those discussions go forward in the next few months, I hope there will be agreement. I agree with most members of this House that an oil and gas pricing agreement is essential. Those of us who work on the Standing Committee on National Resources and Public Works are very aware of the urgency of getting on with the heavy oil and tar sands plants. We know that between $8 billion and $10 billion is involved in each of those projects along with seven or eight years lead time. From our discussions and presentations by Alsands and Esso Resources group last fall, we have learned this.

Many members on both sides of the House want to see those discussions get under way as soon as possible. They are not only in the interests of Alberta, but of all parts of this country. I am confident, with the conciliation and compromise, that we have seen over the past years in this country, it will be possible to reach an agreement.

In the 12 years I have been a member of this place, I have found that the higher up the level of government in terms of municipal, provincial or federal, the blame always ascends. Whether it is a small municipality not able to get a grant for a sewage treatment plant, or whether it is a problem with the provinces, the tendency is always to blame the higher level of government.

The federal government often gets lambasted for problems that may not be of its own making. It has to swallow its pride and get on with the job because it has a national responsibility. It cannot make the policy for only one part of the country. I believe the Prime Minister and the Minister of Energy, Mines and Resources wanted to reach an agreement last May, June and July when they met with representatives and the Premier of Alberta. There were a number of long negotiations and discussions. It may be argued that they were both coming at it from a different approach. Alberta certainly sees its resources as its own and believes it should have complete control right to the gas tank. The federal government is trying to balance the needs of the producing provinces, especially Alberta, Saskatchewan and British Columbia, against the needs of the consumers.

Every dollar added to the price of a barrel of oil represents a one half of one per cent increase in the consumer price index. We are facing the worst inflation since 1975, when wage and price controls were put on, with the 10 per cent rate this past summer.

Speaking on this bill a few days ago, the hon. member for Etobicoke Centre (Mr. Wilson) said we should be rapidly moving to 85 per cent of the world price. I do not know what he means by rapidly. When talking about a move to the world price, we are talking about at least a $20 increase which would represent an additional 10 per cent inflation over and above the 10 per cent we now have.

The federal government is mindful of that need to try to control inflation and think about the consumer as well as the producing areas. At the same time, we have high unemployment in this country. We are told by economists that every dollar added to the price of a barrel of oil represents a loss of 20,000 jobs. The oil producing areas will argue that if the price does not go up and the projects do not get rolling, we will lose jobs there. When we consider a dramatic $20 per barrel increase we are looking at between 300,000 and 400,000 jobs being lost because an oil price increase causes a drag on the

economy. The federal government is trying to match the needs of the producing areas with the needs of the consumers.

I hope that a spirit of good will prevails in the negotiations when they get under way. We face a very serious time in this country because we are witnessing a polarization of the political parties such as we have never seen before. The governing party has no representatives west of the city of Winnipeg and the Progressive Conservative Party has only one representative from the province of Quebec. It is a time for responsible representation by the members of this House. It is very easy for opposition members from the west to exploit the situation and say the feds are trying to grab their resources. At the same time, it is easy for a Liberal government member from Ontario, Quebec or any of the eastern provinces to say Alberta is demanding too much. In such a situation, we have the two arguments by members, each supposedly a hero in his back yard. The problem will not be resolved in that way. There needs to be conciliation, serious consultation and discussion on this.

● (2120)

The bill before us tonight, C-48, is a very important part of the national energy program announced recently by the government. Regardless of what opposition members say, it is designed to reach some of the objectives set forth in that policy.

The three main things are to ensure the supply of oil and gas and its efficient utilization, and that is a part that often gets overlooked. Some say we cannot reach the target figure for reduction in consumption of oil during the 1980s, some 300,000 barrels a day as outlined in the program. That may be true, but I think it is worth a try. The kind of initiative announced by the minister last May when he said we have a scheme to upgrade the residual oil which is now either being used wastefully in many parts of eastern Canada or being sent out of the country to the United States is worth while. If upgrading of the residual oil were put in place, along with the other aspects of conservation and improved utilization, I think we would save something like 150,000 barrels a day, and that is the equivalent in production of a tar sands plant which would cost at least $6 billion, although the price of that is escalating up to $8 billion or $10 billion.

The second measure is designed to strike a degree of equity in pricing between the producing and consuming parts of our country. I have already mentioned that aspect. The program is also designed to provide a maximum opportunity for Canadians to participate in the oil and gas industry of our country; this bill looks toward that objective because it sees a major role for Petro-Canada. I want to deal with that in a little more detail later in my speech.

This bill will replace the Territorial Lands Act and the Public Lands Grants Act in respect of oil and gas rights. It will put in place a new oil and gas exploration and development regime for federal lands in the area north of 60 and in the offshore areas. These are areas to which we are looking for the future. Development may not come soon but the potential is surely there whether we are looking at the Arctic Islands or Hibernia offshore on the east coast, or other areas in the far north. This involves a massive region, some four million square miles in total.

The really important thing from the producers' point of view is that this bill will end the uncertainty which has existed. The old oil and gas regulations were withdrawn many years ago. The industry has rightfully been very concerned and disappointed that definite legislation was not put into place. I think it is really urgent that this bill be passed.

When the bill goes to the Standing Committee on National Resources and Public Works it is important that it be studied in great detail. The argument made by opposition members that the minister has too much power is one which I believe members of the committee will want to re-examine. They will want to make an examination to see whether that fear is real. Whether we are talking about ministerial power as it relates to failure to cause production to take place, or drilling to take place by Petro-Canada. Members will wish to assess whether those powers given to the minister are necessary. Certainly we will be looking at that aspect with an open mind in order to arrive at the best possible legislation not only for Canada but in the over-all context of the industry, and to ensure that production takes place. Nobody likes to be doing business with a government when the rules can be changed at someone's whim. There should be a firm legislative base from which to work.

The bill does a number of other things toward reaching the objectives of a national energy program. It will give the Crown a 25 per cent interest in all Canadian lands where production has not taken place other than for testing purposes before January 1, 1976. The bill requires a minimum of 50 per cent Canadian ownership before actual new production of oil and gas can begin, with such production licences to be valid for a ten-year period from the start of production.

The bill provides a new royalty system consisting of a basic 10 per cent royalty and an additional royalty of 40 per cent of net profits from each oil or gas field after the 25 per cent rate of return has been realized by the producer. The bill allows the Crown to order the drilling of a well following a significant discovery, and it allows the government to require oil and gas to be produced on federal lands by order if needed for use in Canada. The bill requires that information be made public in two years on exploration wells following the completion of the well. The measure contemplates a number of other actions relating to oil and gas exploration and development in the frontier and offshore regions of our country. It will also make amendments to the Oil and Gas Production and Conservation Act which will make tougher safety and environmental management provisions for frontier oil and gas activities, including a provision for absolute liability on the part of operators for any possible pollution damage.

The legislation is designed to promote exploration for frontier oil and gas and to ensure that holders of oil and gas rights get on with the exploration of their holdings to create maximum new oil and gas reserves for Canada.

It is designed to promote frontier oil and gas exploration and will be supplemented by the new system of incentives called the Petroleum Incentives Program which will promote Canadian ownership and help smaller companies, especially those which do not have a big write-off base. They will have this incentive program and it will be especially helpful to Canadian companies.

With this bill geological and geophysical information will be made public earlier than in the past, thus promoting exploration by interested parties who would not otherwise have access to this knowledge.

The National Energy Program foresees a gradual rise in the price of oil during the next four to five years, with a more rapid rise during the last half of this decade. Thus it would provide a period for the country to adjust our lifestyles and our economy to the higher energy prices which will be coming our way during the last part of this decade. So, during the first four or five years of this decade we will see a doubling in the prices proposed. During the last half we will see a doubling again, so in effect we get a quadrupling of the price of oil, and that is likely a minimum. It provides during that gradual build-up period for a mechanism to reduce the use of oil. It allows the consumer to adjust by improving insulation in his home. CHIP program funding has been increased from $80 million per year to $260 million. It provides a system of incentives for the home owner and for business to convert away from oil to natural gas, to wood, to electricity and to solar heat. There will even be legislation in this session to ensure that the auto makers meet special standards in order that drivers can experience better gas mileage.

• (2130)

As we work through the first three or four years of this decade, we will adjust to a reduced use of oil in our lifestyles. This reduced use will be the result, we hope, of conservation and conversion from oil to natural gas. Right now in the province of Alberta the consumption of oil in residential, commercial and industrial applications is some 5 per cent. The target of the government is a 10 per cent maximum use of oil in commercial, industrial and residential use during the course of this decade. If we could reach that target, we could save 375,000 barrels of oil a day. Part of the strategy for moving away from the heavy use of oil is to bring the consumption of oil in residential, commercial and industrial uses down to that target of only 10 per cent. The province of Alberta is already at the 5 per cent level. Surely we in the rest of the country can move toward that and save our country literally millions of barrels of oil every year and at the same time avoid the tremendous cost of constructing tar sands and heavy oil plants.

The message is very clear. In the National Energy Program we have a period of three or four years to get off oil, but the price is definitely going up.

The price of oil will quadruple. If crude oil costs $16.75 today, it will cost about $70 a barrel by the end of this decade. Hopefully we will adjust our consumption of it dramatically during the first three or four years when the price does not increase so steeply.

Likewise, the moderate increase in the price of oil during the three or four years of the National Energy Program is important to our economy generally because there is a recession in the United States. There is no growth in our economy. If we impose dramatically high energy prices on the Canadian economy at this time, we will see our country go into a recession. We will see higher unemployment, higher inflation and so forth, so I think that aspect of the National Energy Program with respect to a moderate increase in the price of oil during the first three or four years is important because we still have a large number of young people coming into the labour force. This will be especially the case during the next three or four years. Surely the jobs created for hundreds of thousands of young people during the last six years since the OPEC crisis of 1973-74 would not have come about in such a dramatic way in Canada if we had not sheltered the Canadian economy from the fifteenfold increase in the world price of oil which has shellshocked every western economy.

During the late 1960s and the 1970s the Canadian labour force grew by 50 per cent, from some 6.7 million people to about 11 million today. Responding to the rapidly increasing number of people coming out of schools and the increased participation by women in the labour force we experienced the highest rate of job creation in the western industrialized world. The German economy and other economies are mentioned by members in the opposition, but if we look at that period during which Canada experienced a 50 per cent rate of growth in the labour force, we find that countries like West Germany actually experienced decreases in their labour forces. They did not have to keep their economies growing as fast as we did during that period. During the period from 1973 to 1980 I do not believe the Canadian economy actually did go into a recession whereas most other economies did. Part of that was due to the fact that we were able to moderate increases in energy prices.

Even in the price of food and in the price of diesel fuel proposed in the budget of last December 11 compared with the situation under the National Energy Program we see a dramatic difference. For an agricultural producer, whether he is in western Canada, Ontario, Quebec or the maritimes, using some 6,000 gallons of diesel fuel a year, the average difference in cost of diesel fuel over the next four-year period will be some $2,000 per year. This represents either a considerable hardship for the agricultural producer who has to take that out of his profit, or a considerable cost to be passed on to the consumer. That is another reason we suggest a moderate increase in the price of energy during the next three or four years or the first half of this decade.

That same pricing problem would have affected municipalities, which would have had to pay higher excise taxes and higher energy costs under the previous budget. The same would have applied to loggers, northerners and others using diesel fuel.

Doubtless the opposition will be very opposed to one provision in Bill C-48, under which there would be a carried interest

to the federal government of 25 per cent with respect to federal lands. I am sure their animosity will grow when opposition members see that that provision might be exercised by Petro-Canada on behalf of the people of this country. Those of us who were here in 1975 remember how hard the Tories opposed the establishment of the national petroleum corporation. They forecast doom and gloom for the industry if we were to establish such a corporation. Dozens and dozens of meetings were held in the Standing Committee on National Resources and Public Works. Hon. members opposite said that a national petroleum corporation was not needed, that it was too costly, that it would be harmful to the existing industry and that it would only deflect public attention away from our supply needs. There were better ways, in their opinion, to reach the goals set out in the Petro-Canada bill.

I invite hon. members to look at the comments made at the second reading stage of the Petro-Canada bill in the spring of 1975. Let us just consider this "demon" which the Tories seemed to see coming over the horizon in the spring of 1975 and compare it with what has actually happened in the first five short years of the life of this corporation. As is provided in this bill, some 25 per cent of the interest in new wells operated on Canada lands in the north and the east coast offshore will probably be held by Petro-Canada.

PetroCan is the largest Canadian petroleum corporation, and it is the only Canadian corporation in the big ten. All the rest are foreign owned. If the Tories had had their way at the time of the Petro-Canada bill, there would not be a single Canadian company among the big ten petroleum companies in Canada.

Petro-Canada is a fully integrated oil company which produces, refines and markets. Its assets approach some $4 billion today. It is the only Canadian company which has a stake—a 25 per cent interest, by the way—in the Hibernia oil discovery off Newfoundland. The hon. member for St. John's West was talking about that oil discovery. Petro-Canada is owned by the Canadian people, and its assets and benefits belong to the Canadian people. Surely that is worth while and desirable.

● (2140)

Besides, it is good that PetroCan will have access to information about wells so that it can judge accordingly and make the best stake in the east coast offshore which, after all, has a great potential for future energy discoveries. It is good to have a petroleum corporation which has a large piece of the action there. Likewise, the Sable Island discovery of natural gas which we hope to see proven in the coming year, has great potential. PetroCan has taken a very active part in that venture. I think it is safe to say that the interest it has shown and the capital investment which PetroCan has put into that project have moved up the discovery by a few years at least. If that discovery is proven, the impact on Nova Scotia and on all the maritime provinces will be tremendous in the years ahead. From being an energy deficient area in terms of natural gas, it will become a source of natural gas. Likewise, in the Arctic islands, PetroCan and Panarctic have one of the largest investments of any Canadian-owned corporations. The initiative which Petro-Canada is taking in the Arctic islands project costing some $2 billion to ship liquefied natural gas from the eastern Arctic by tanker is a tremendous research and development project. Not only will it provide us with an efficient transportation system from the Arctic islands, moving up incrementally as markets are developed, but they tell me that the spinoff technology for transportation of other valuable minerals in the Arctic will equally be of value. This benefit will accrue to all Canadians through PetroCan, a corporation which the official opposition dramatically and vehemently opposed. I think they opposed it with even more vehemence than the hon. member for St. John's West (Mr. Crosbie) showed when he opposed the national energy program tonight.

During the 1975 debate, speaker after speaker was vehement in his opposition to PetroCan. I am just suggesting some of the things which PetroCan has been able to do in a matter of only five years. It has a major stake as a partner in the Syncrude project. It is also doing research in heavy oils and the tar sands. As I said earlier, it will take an active part in upgrading the facility for residual oil in Montreal, gathering it together and processing it at a great saving compared to the cost of a tar sands plant. It will be participating in a heavy oil upgrading plant in Saskatchewan, probably taking a 50 per cent interest in that project which is estimated to cost at least $1 billion, giving us much more access to heavy oils in the Lloydminster area and other parts of the province. This represents a tremendous resource for the country, but we have to unlock the technology to make it happen. PetroCan is there working on behalf of all Canadians.

I think the most important thing about PetroCan is that it is an integrated oil company operating in all spheres of exploration, production and marketing. The revenues and the profits which are generated in the western basin from conventional oil are being spent on exploration and development in the risky areas of the far north and the east coast offshore. That is in marked contrast to the contortions the official opposition went through when they were the government. They were going to sell Petro-Canada although they knew Canadians did not want that. So they backed off. Then they proposed to sell just the parts which made money and keep the parts which did not make money. I knew, and so did the president of the Treasury Board in the previous cabinet, that that proposal would never see the light of day. Finally, they decided to keep some of it, to sell some of it and to give some of it away. And ultimately they did not have to make any decision because the government was defeated.

I think Canadians across the entire country support to concept of Petro-Canada. They want to see projects such as the Arctic islands project go forward. In contrast to what the official opposition said in 1975, Petro-Canada has operated very well with the private sector. As a matter of fact, practically every one of their projects that I can think of operates on a joint ventures basis. What I find interesting, Mr. Speaker, is that one gets the impression that the private sector likes to have PetroCan taking part in its projects. If you look at the

Sable Island drilling, if you look at the activity in the far north and the experience of Panarctic, you find that the private sector seems to work very well with PetroCan. I cannot cite the exact number, but I know that a large number of projects is being undertaken by PetroCan together with Nova, a major petroleum corporation in Alberta, possibly involving one of the various pipeline projects in which they are engaged. Opposition members said they would never be able to do that. So I think their vehemence against the national energy program now may be like their vehemence against PetroCan in 1975. As the program is developed and the bills go through the House and through the committee, I believe we will see their attitude change. There may be differences of opinion as to the actual price of a barrel of oil in any one year, but I think the broad outlines of this bill and the program are good because we are moving toward greater Canadianization, not just because it sounds nice but because we know that if the value of the reserves in western Canada now is a hundred billion dollars, by the end of this decade the price of oil will quadruple and the value of those reserves will be $400 billion. We know that if they continue to be mainly American owned, as they are now, to the extent of 71 per cent and 82 per cent being controlled by foreign companies, which are mainly U.S. companies, then we will have to pay dividends and interest to the United States, whereas if they are owned mainly by Canadians, those dividends will accrue to Canada and thus the balance of payments problem will be lessened.

So I think there is a great potential for this program. Bill C-48 will play a very important part in that development because Canadian lands in the north and off the east coast have a great potential. Therefore, I hope the bill will be passed on second reading and sent to the committee where a detailed study can be made of the complicated technical aspects of the bill. I hope members of the House will send this bill to committee.

• (2150)

Mr. Thomas Siddon (Richmond-South Delta): Mr. Speaker, in my remarks this evening and hopefully tomorrow I would like to expand on this concept of Canadian ownership which the party opposite tends to use so loosely, as if Canadian ownership, state ownership or citizen ownership are all one and the same thing. Indeed, they are not one and the same thing. I would also like to say to the hon. member who has just resumed his seat that although we all respect that there is a place for Petro-Canada and a role for it in the future of Canada's energy development it is not a panacea. It has become a security blanket for the Liberal party, a promise as to how they will resolve all Canada's problems in the energy field in the future. I think the next few years will prove that recourse to Petro-Canada as a solution for all these problems will have been a wrong one.

It is most appropriate that we now have the opportunity to debate Bill C-48, because it gives us on this side of the House another opportunity to expand on the inherent dangers of the government's budget of October 28 and the implementation of the Petroleum Administration Act a few weeks ago. I believe these are actions which will have tremendous negative effects on energy development in this country and our potential to achieve energy self-sufficiency by the end of this decade. It is important, after some ten years of promises from the opposite side of the House, that the Minister of Energy, Mines and Resources (Mr. Lalonde) has finally chosen to introduce legislation which will provide a new regime for the management of petroleum production on the so-called Canada lands, that is, the lands which we expect will bear large amounts of hydrocarbon energy in the frontier and offshore areas of Canada, the territories, the Arctic islands, the Beaufort Sea and off the Atlantic and Pacific coasts. However, the means to be used to this end give cause for serious concern. Indeed, on my part they give cause for alarm.

There must, indeed, be serious guidance from the Government of Canada in order to hasten the development of petroleum resources in these hard to reach and difficult to develop areas of our hinterland. But any policy of a government which does not hasten the development and accelerate the development of these resources will, in the long run, be detrimental to our national interests. This leads to what I consider to be the most important deficiency of Bill C-48. I believe we are now faced with a proposal which in all likelihood will inhibit rather than accelerate Canada's quest for oil self-sufficiency. I think that is the nub of the argument which my colleagues in the Conservative party have been offering. I would like to expand upon that point of view in my comments.

Mr. Munro (Esquimalt-Saanich): They are not listening over there.

Mr. Siddon: They will have a little while to listen to me yet.

The long delay in providing an appropriate substitute for the Canadian oil and gas lands regulations is reprehensible indeed. But at least we now have a proposal to debate. I hope it will be a lengthy debate. It is my hope that the merits and pitfalls of this legislation will be scrutinized thoroughly in this House, as set out by my colleague, the hon. member for Etobicoke Centre (Mr. Wilson), and others who have followed him. I hope these pitfalls will also be scrutinized thoroughly at the committee stage before this bill is enacted in final form.

Mr. Speaker, I believe the committee should be calling expert witnesses from the petroleum industry and from the provincial governments, people who have decades of experience in managing petroleum resources. This is experience which the bureaucrats and politicians opposite lack—lack in spades. I believe that a number of important amendments would be required to this legislation if we in this party are to support it.

In a nutshell, four essential elements are lacking in this legislation and in the over-all energy program of the government. What we find is a lack of trust, a lack of co-operation, a lack of consultation and a lack of realism. With respect to trust, I believe that a trust has been violated by the way in which this bill proposes to deal with the privately-owned petroleum companies of Canada. It is all well and good for the Minister of Energy, Mines and Resources to say that the government is merely taking back something which it gratui-

tously gave by way of development incentives and depletion allowances to the industry over the years. But the means by which those interests are being reclaimed by the government are totally dishonest and immoral, as my colleague from Etobicoke Centre pointed out. The government's approach represents the breaking of a firm contract and as such it is an aspect of lack of trustworthiness which must make private industries in this country, not just the petroleum industry, shudder each night with anticipation of where this trend toward nationalization is leading our country.

Second, Mr. Speaker, there is little indication either in the government's energy program, the budget or this bill that the government has taken a co-operative approach with the industry in coming to grips with some of the quantitative questions which underlie the philosophy of this bill. I refer to a couple of quotes from the budget document. In the first paragraph on page nine of the October 28 budget speech the Minister of Finance (Mr. MacEachen) said:

> In the absence of changes in the fiscal regime, rising prices for oil and gas would generate inappropriate balance between governments.

Further down that page, in the fourth paragraph, the Minister of Finance said:

> The federal taxes reflect the capacity of the oil and gas industry to pay and bring its contributions more closely into line with what other industries are required to pay.

I submit the government has presented not one tot of evidence which shows that profits are excessive in relation to the risk which is required to develop petroleum resources in this country. It is most untimely and improper of this government to take a position of distrust toward the petroleum industries of Canada and, indeed, to refuse to co-operate with them in seeking their guidance and consulting with them as to their operating economics before producing a piece of legislation such as this bill.

Third, Mr. Speaker, in the area of consultation, it seems a travesty to me that experts within the industry are held in an atmosphere of mistrust rather than in an atmosphere of confidence as being able to provide insights, knowledge and experience, which government bureaucrats in Ottawa definitely lack.

This leads to another of my concerns, the lack of realism on the part of the government opposite and its bureaucratic socialistic advisers—lack of realism in the department, because they do not sit down and total the figures and consider that in the national interests of developing our much-needed high risk resources in the offshore and frontier areas, we must have competition and reward risk with a proper return on investment.

May I call it ten o'clock, Mr. Speaker? I would like to resume my remarks tomorrow.

• (2200)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

RESEARCH AND DEVELOPMENT—JOB-CREATION PROGRAMS—POLICY OF DEPARTMENT

Mr. Bob Corbett (Fundy-Royal): Mr. Speaker, on December 10 in response to a question to the Prime Minister (Mr. Trudeau) concerning the Minister of the Environment (Mr. Roberts), who also serves as the Minister of State for Science and Technology, the parliamentary secretary pointed out a few things which are not usual in this House. I am not sure who will respond this evening, as I do not see either the Minister of the Environment or his parliamentary secretary in the chamber, but I would like to relate to the House exactly what did take place.

I quoted from a news release dated November 17 put out by the Department of the Environment which stated in part:

> Mr. Roberts pointed out that Canada faces a similar energy dilemma to that of the United States. "We, like our neighbours to the south, have to achieve energy self-sufficiency," he said. "We too are looking for alternatives to our dependence on foreign oil which will involve increasing our use of domestic coal. However, we are going to develop these alternatives in an environmentally sound manner. The political will to do this in Canada is strong and we must demonstrate this to the United States".

Subsequent to that, I moved a motion under Standing Order 43 which in effect supported the Minister of the Environment's statement of November 17. I asked this House and members of the opposition to support the minister in his statement that we have an environmentally sound program developed for the future of the nation. My motion asked the House to express unanimous support for the principle stated, when referring to Canada's increasing use of domestic coal in an environmentally sound manner, that the political will to do this in Canada is strong and that we must demonstrate this. Those were the words of the Minister of the Environment.

I was asking for unanimous support for the minister by having this principle adopted. The motion was put according to the provisions of Standing Order 43 and was turned down. However, it was not turned down by any members on this side of the House, but by members of the government and supporters of the Liberal government, the Minister of the Environment's own colleagues. I find it rather astounding, that a minister responsible for two very important portfolios would be repudiated by his own colleague. That is a shame because in this particular instance what the minister was attempting to do was in the best interests of the nation.

It is unfortunate that the minister does not have the support of his colleagues. It is incredible that a minister of the Crown would continue to occupy a seat on the front benches of the Government of Canada without the support of his caucus

colleagues. How on earth can we hope to survive as a nation if the government cannot get its act together? What can Canadians expect when ministers of the Crown do not receive the support of their caucus colleagues?

Contradictions of this nature can only call for the resignation of the minister in question, certainly if not from both portfolios, then from the portfolio in which he does not have the support of his caucus colleagues. I put this to the parliamentary secretary and stated that I hoped that the Prime Minister would adopt the suggestion which had been earlier stated by the hon. member for Scarborough East (Mr. Gilchrist), that of splitting this particular ministry. The hon. member and I wanted this in order to ensure that jobs are created in this country and in order that the Prime Minister might make certain that both these departments, under new ministers and new direction, are funded properly. The parliamentary secretary's response to that was:

Madam Speaker, we will.

● (2205)

That is the candidness I spoke of when I first raised the issue. The parliamentary secretary has stated that the government intends to create two new ministries as distinct from the current situation, so that one minister would be looking after science and technology and another would be looking after the Department of the Environment.

Canadians, and certainly members on this side of the House, would like to know who these new ministers will be, what the new funding programs are to be and what new programs the government intends to put in place to create these new jobs for Canadians so that Canada will have the opportunity to continue its growth and we can look forward to a brighter and more prosperous future than we have had in the past.

Mr. Doug Frith (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, I am sure the hon. member opposite is aware that my departmental responsibilities lies in the area of health and welfare and I am sure he is having some difficulty understanding the concern the health and welfare department has in his question this evening.

Part of the question the hon. member has raised deals in an indirect way with health and welfare when he talks about the problems Canada has experienced in terms of pollutants which will be added to our atmosphere from the conversion program announced in the budget document of October 29, 1980. The hon. member says he feels the Minister of the Environment (Mr. Roberts) should resign because he does not have the support of members on this side of the House. We are in full agreement with what the Minister of the Environment has attempted to do over the past 12 months. The Minister of the Environment has been in the forefront of the battle with the United States, vis-à-vis the effects of acid rain on our environment. He has visited Washington, D.C. and we are now in the process of negotiation with the U.S. government. We are hopeful that in future negotiations over the next three months with the new administration in the United States we will be able to come up with a global program for North America which will deal with the acid rain problem. It is no surprise to me that the actions of the minister, who has been in the forefront of this battle on acid rain, come directly into question with respect to the measures placed in the October 28 announcement in the budget.

I want to reiterate in response to earlier questions which the hon. member has raised that the government is committed to ensuring that any coal conversions which we encourage and foster will require the observance of strict environmental control. In that respect we have a total commitment on behalf of this government. The conversion program, which is so instrumental to reducing eastern Canada's dependency on oil will, first, decrease our dependence on imported oil and, second, result in immeasurable economic benefits for Atlantic Canada. That is why the government in the energy package of October 28 attached prime importance to the extension of the natural gas pipeline from Quebec City through to the maritimes, which will take that region off oil dependency. Second, the budget document itself contains a major program to use the coal which is available in Atlantic Canada to produce electricity. This will create jobs in Atlantic Canada for the industry, as well, in terms of the technology and the construction of the pipeline and the conversion of the existing plants to coal-fired plants, it will create jobs for others who live in that region. This will not be done at the expense of the environment.

Mr. Deputy Speaker: Order, please. I regret to interrupt the parliamentary secretary but I must inform him that his time has expired.

ENERGY—INQUIRY RESPECTING CONTINGENCY PLANS TO ASSIST UNEMPLOYED OIL WELL DRILLERS

Mr. Bill Wright (Calgary North): Mr. Speaker, last Friday I asked a question of the Minister of Energy, Mines and Resources (Mr. Lalonde) about the large number of jobs related to the drilling industry which will be lost in Alberta.

● (2210)

The drilling industry said approximately 180 rigs were fast coming to a halt in terms of drilling and this would affect the jobs of 10,800 people. His simple reply was that he did not have an oil agreement with Alberta yet and, therefore, he could not do anything.

Last Monday I asked a similar question of the Minister of Employment and Immigration (Mr. Axworthy). I reminded him that he had been present at a meeting last Friday where the drilling association told him the figures were even worse than I had quoted—that 200 rigs were coming to a halt, most were leaving the country and the job loss would total up to 12,000 in Alberta. What I did not say to the minister, though he had been told, was that the figure could be three times as bad in Ontario. All he could tell me was that job registrations in Alberta were down from last year. Of course they were.

Alberta is a prosperous province. These people have not yet registered. This has only happened since the budget. The rigs

are gradually coming to a halt. Their contracts are not being renewed. Of course these people have not registered for jobs.

The point is, the minister knew this but did not state it in his answer. He had been given a briefing by the drilling industry where they laid it on the line to him, telling him how desperate it was going to be in Alberta. However, both the Minister of Energy, Mines and Resources and the Minister of Employment and Immigration are ignoring what is happeing in western Canada as well as in eastern Canada.

Opposition members on this side are united in their condemnation of the government's National Energy Policy. We consider it a deliberate raid on western interests, and the government should reopen negotiations with Alberta and the other producing provinces. There is no question but that this policy is detrimental to the Canadian economy. The proposed oil and gas pricing schedule was unilaterally arrived at and will lead to further confrontation and division with the producing provinces.

Why are all the members on this side opposed to the national energy policy? Why do the members on this side not believe what they are told? There is a document which spells it out very clearly. It is at page 8478 of *Hansard* for December 6, 1973. I quote from that:

> My immediate task is to place before the House proposals which will set the basis for a new national oil policy. The objective of that policy, to be reached before the end of this decade, is Canadian self-sufficiency in oil and oil products.

That statement was made by the present Prime Minister (Mr. Trudeau). That is why we do not believe him and that is why the only solution for Canada as a whole is the resignation of that man.

It is not only this party which is against the national oil policy. What are the provinces saying? British Columbia will lose approximately $1.2 billion between now and 1983 and they estimate some problems in selling this higher priced gas to the United States. The B.C. finance minister has called the National Energy Policy proposals a blatant money grab and power grab by Ottawa. The Alberta treasurer called the national energy policy a massive discrimination against the province of Alberta and an attempted takeover of the ownership of the depleting resources owned by the people of Alberta.

● (2215)

Premier Blakeney of Saskatchewan indicated that he was unhappy with the 8 per cent production tax on oil and gas and also the gas export tax. Ontario treasurer Frank Miller stated that taxing the Canadian people to buy the existing oil industry is a misallocation of resources and a complete waste of time. Premier Lévesque of Quebec condemned the unilateral nature of the federal government move in respect of oil and gas policy. In the maritimes the Premier of P.E.I. stated that the national energy policy will not benefit the people of P.E.I. Lastly, Premier Peckford of Newfoundland called the National Energy Program stupid.

The chairman of Dome Petroleum, Jack Gallagher, referred to the federal energy policies as shortsighted, ignorant and contrary to the nation's energy needs.

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

[*Translation*]

Mr. Dennis Dawson (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, I should like to point out that the hon. member touched upon several points in his speech on the energy program of the government. In the three minutes allowed me, I could without a doubt defend that energy policy and refute his stand because it is to be expected that the provinces which wanted to derive maximum benefits from the energy resources of the Canadian government should resent the fact that the federal government is assuming its responsibilities in attempting, as it is doing, to share this wealth around.

But I shall limit myself, Mr. Speaker, to that aspect dealing with job creation and unemployment both of which are directly and indirectly related to the energy program of the government.

[*English*]

While industry estimates of the total downturn in oil well drilling activity for 1980-81 now run as high as 40 per cent, the impact this will have on employment in western Canada is not yet clear. For example, of the 587 rigs in Canada as of December 9, 1980, 458 were drilling. This compares to the 436 that were drilling in December, 1979, out of a total of 510 rigs in Canada at that time.

At the present time our Canada employment centres in Alberta, where most of the rigs are located, report some employment enquiries from oil rig workers, but no apparent trend is apparent at this stage. This situation is being monitored on a monthly basis and it is expected that any unemployment impact will be more accurately reflected in our records in the coming months. This will be followed closely by the department.

Given the high demand for labour in Alberta, it is anticipated that alternative employment will be available to any oil rig workers who are laid off. There will not, of course, be a perfect match of skills and benefits. We shall be trying to do our best in that regard. However, the regular programs and services of the commission which will be immediately available to these workers are considered fully adequate to meet the demands anticipated.

In so far as the downstream effects on suppliers in central Canada are concerned, and the effects in eastern Canada, I expect they will be fully compensated by the megaproject we are developing with the government in the west. That may well be the prebuilt pipeline in Alberta and I am sure it will certainly compensate for those ill effects.

HAZARDOUS SUBSTANCES—SHIPMENT OF VITAVAX PESTICIDE TO NEPAL AND INDIA

Mr. Simon de Jong (Regina East): Thank you, Mr. Speaker. I wish to deal with the answer to a question I received on

November 26 concerning the export of some tonnes of a chemical called vitavax to Nepal, a shipment that occurred earlier this year through CIDA.

● (2220)

I was concerned when I raised the matter in the House, considering that a product with a similar name, vitavax, was under investigation in Manitoba because of the death of a Manitoba farmer. While the question was addressed to the Secretary of State for External Affairs (Mr. MacGuigan) or his parliamentary secretary, the answer I received was given by the Minister of National Health and Welfare (Miss Bégin), and I was somewhat surprised that the Minister of National Health and Welfare answered that question. The minister misinterpreted my remarks, and I never did receive an adequate answer to the questions I posed. The minister assumed that the death of the Manitoba farmer was related to the product which was being shipped to Nepal which she assumed contained lindane. Lindane is a chemical which is at present under review in the United States. This review was recommended by the scientific panel of the American Environmental Protection Agency which has advised severely restricting use of that chemical. I understand that the chemical which was shipped to Nepal did not contain lindane. However, it did contain two other chemicals about which very little is known. Spokespersons from the company itself, Uniroyal, have indicated that very little is known. The two active ingredients of vitavax 200, the product which was shipped to Nepal, contains thiram and carbothiin. Very little is known about either of those two active ingredients.

My concern essentially is that we are shipping from western developed countries to underdeveloped countries technology which has not been adequately tested here. Perhaps we are using underdeveloped countries almost as a testing field.

I understand that this product vitavax 200 is not registered either in Canada or in the United States. When we telephoned CIDA to request further information, CIDA suggested to us over the telephone that vitavax 200 was approved by the American Environmental Protection Agency. A telephone call to that agency confirmed that vitavax 200 is not registered in the United States, and that the agency is not aware of it. vitavax is on the Canadian list of chemicals which were tested by International Biotest Laboratories. There exists no conclusive proof that this product is safe for extended human use. It has been on the IBT list, and the government has not indicated as yet that it has reviewed the available data about that chemical. There is nothing which indicates that this chemical is not harmful to the user and to the consumer.

An American toxicologist was brought here by the company, Uniroyal, to testify in the inquest which continues in Manitoba. This toxicologist suggested that the man did not die from lindane poisoning. In fact, he might not have died from lindane poisoning. He might have died as a result of poisoning by other ingredients in the product called vitavax RS flowable. I understand that Uniroyal has not made available to the inquest the exact chemical composition of that product. The company has been hiding behind the notion that it is a trade secret, and I find this somewhat objectionable. I was really concerned that the minister should jump so quickly to a conclusion with respect to the testimony of this one toxicologist as opposed to the testimony of the attending physician, and the coroner in Manitoba reached other conclusions.

I was particularly surprised and appalled at the minister's attempt to answer my second question. There have been some problems with respect to the product vitavax in the west. There are repeated cases in which the germination of seeds treated by vitavax is very low.

● (2225)

In fact, I pointed out in my question that the Saskatchewan wheat board has over 500,000 pounds of rapeseed, treated with a product called vitavax, that has a germination rate of only 10 per cent. In other words, of all the seeds that are planted, only 10 per cent sprout. This is a very serious problem, and there are, I understand some court cases in Saskatchewan where farmers are suing the company Uniroyal for passing on to them seeds which germinate only up to 10 per cent. If this is also a problem with the product we are shipping to Nepal, I think it is very serious for a country like Nepal. If only 10 per cent of the seeds they plant will come up, in a country that is so low in food and so desperately needs food as does Nepal, this could be indeed a very serious matter. I received no answer whatsoever to the concern I expressed about the germination rate of the product which we have sent to Nepal. It is as though the minister had totally ignored my question and went on rambling—and I emphasize the word rambling—about her opinions of what is happening in the inquest following the farmer's death in Manitoba.

I am amazed at the reaction of the government. I was asking for some honest technical answers. I think these are legitimate concerns. For the government to suggest that I am needlessly frightening people, that I am being paternalistic to the people of Nepal, are red herrings. The government should take a good, hard look to see what it is doing, particularly when it exports technology from this country which has not been satisfactorily tested and ships it to underdeveloped countries—

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

Mr. Doug Frith (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, I will try to deal as best I can with the question the hon. member for Regina East (Mr. de Jong) has raised, to which the Department of External Affairs feels it can reply, and then, if I have time in the three minutes allowed me, I should like to address some of the other points he has raised with respect to the health question of vitavax 200.

Vitavax 200 is one of 20 different formulations of the chemical and does not contain the ingredient lindane around which the inquest into the death of the Manitoba farmer has centred. However, that is not to say that vitavax 200 is not a chemical which should be handled properly with the necessary

precautions. The bulk of the chemical in Nepal is used in one of several modern government seed treatment plants to coat wheat seed for the government's national seed program. Approximately two tons of the six to eight ton annual requirement is repackaged into small five gram packets by the manufacturer's agent in Katmandu for distribution under the government's program to individual farmers. vitavax 200 is not registered or licensed for use in Canada although it is produced here for export. This is because of the different seed, climatic and soil conditions in Canada for which other vitavax formulations are more suitable, and formulations similar to vitavax 200 are marketed here. However, my information from the department is that vitavax 200 is licensed and registered for use in the United States and exported throughout the world.

As an agricultural chemical developed and produced in Canada, vitavax has made a significant contribution to the control of cereal crop diseases and increased production.

Field trials of seed treatment chemicals were begun in Nepal in 1966, and following field testing of several variants of vitavax in 1974, Nepal procured its first requirements of vitavax 200 in 1975 and 1976 on a commercial basis. Pleased with the good results and increased production which has been reported between 10 per cent to 20 per cent, Nepal requested the chemical from Canada in late 1977 and it was approved in early 1978. This chemical is considered vital to Nepal's seed treatment and wheat production.

The hon. member for Regina East spoke earlier about the problem we have had with the treatment of some vitavax formulations with respect to the production of certain seed variants in western Canada. I want to point out that the incident he raised earlier was in connection with a small sampling of rapeseed which had been treated with vitavax RS flowable. And yet vitavax 200 is used in Nepal for wheat.

Mr. Speaker, it seems that my time has expired. I thank you for allowing me time to make the response I have been able to give so far.

[*Translation*]

Mr. Deputy Speaker: Order. The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 2 p.m.

At 10.30 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Wednesday, December 17, 1980

The House met at 2 p.m.

● (1405)

ROUTINE PROCEEDINGS

[*English*]

HEALTH CARE

LEGAL AND MORAL OBLIGATIONS OF GOVERNMENT RESPECTING MEDICARE—MOTION UNDER S.O. 43

Mr. Bruce Halliday (Oxford): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. To ensure the viability and the quality of the health care system in Canada, I move, seconded by the hon. member for St. John's East (Mr. McGrath):

That the government guarantee to live up to its legal and moral obligations to medicare under the Established Programs Financing Act.

Madam Speaker: Presentation of this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

MINING

ELLIOT LAKE URANIUM MINERS—RESPONSIBILITY FOR SAFETY VESTED IN ATOMIC ENERGY CONTROL BOARD—MOTION UNDER S.O. 43

Mr. Bill Yurko (Edmonton East): Madam Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43. In light of the Ontario legislature select committee report which specifically states that the federal government has failed to protect the miners and environment of Elliot Lake, I move, seconded by the hon. member for Saskatoon West (Mr. Hnatyshyn):

That this House undertake immediately to consolidate all federal regulatory responsibility for uranium mining and processing in Canada under the Atomic Energy Control Board, and that the Board be requested to deal immediately with all safety and environmental deficiencies at Elliot Lake in consultation with the province of Ontario.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

ADMINISTRATION OF JUSTICE

MENTALLY HANDICAPPED—CASE OF EMERSON BONNAR—MOTION UNDER S.O. 43

Mr. Neil Young (Beaches): Madam Speaker, I rise under the provisions of Standing Order 43. Over 800 Canadians, many of them mentally retarded individuals, are being detained in institutions for long periods subsequent to being charged with committing a crime. Being found not fit to stand trial or not guilty on account of insanity, they are committed to those institutions under the Lieutenant Governor warrant provisions of the Criminal Code for indefinite periods.

One person who has never had benefit of a trial is Emerson Bonnar of New Brunswick, who has been detained since 1964, at which time he was charged with attempting to steal a handbag. I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That this House request the Minister of Justice to investigate immediately the case of Emerson Bonnar with a view to securing his release from this cruel and unusual treatment, and that the minister bring before this House legislative proposals based on the recommendations of the 1976 report of the Law Reform Commission of Canada so that mentally handicapped and mentally disabled Canadians charged with an offence are entitled to a fair trial before the law.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

INCOME TAX

PER DIEM MEALS ALLOWANCE FOR COMMERCIAL TRAVELLERS—MOTION UNDER S.O. 43

Mr. Stan Darling (Parry Sound-Muskoka): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity, in particular to the commercial travellers in this country. In light of the fact that commercial travellers are allowed to claim only $15 per day for meals—without vouchers—for income tax purposes while public servants are allowed to claim $21 per day, I move, seconded by the hon. member for Medicine Hat (Mr. Hargrave):

That commercial travellers be allowed to claim the same amount per day as public servants for meals (without vouchers) for income tax purposes.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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PUBLIC SERVICE

CALL FOR LEGISLATION RESPECTING UNION BARGAINING—MOTION UNDER S.O. 43

Mr. Otto Jelinek (Halton): Madam Speaker, I rise under the provisions of Standing Order 43. In view of the fact that the fragmentation of union power within each essential service sector contributes dramatically not only to airline strikes, as presently seems to be the case with Air Canada, but affects other essential services like the Post Office and so on, and because of this government's inaction in this regard causing an unprecedented 55,041,600 man-days lost as a result of strikes and walk-outs since the Finkelman report was tabled in 1974, which report recommended, among other things, sector bargaining, I suggest the time is long overdue to take some specific action other than to just hope, as the Minister of Transport (Mr. Pepin) said yesterday. That, of course, is not enough. Therefore I move, seconded by the hon. member for Lisgar (Mr. Murta):

● (1410)

That the President of the Treasury Board be instructed to introduce forthwith legislation requiring union groups in a single public service sector to bargain with the government on a joint basis only, in order to avoid situations such as the pending Air Canada strike, and in the meantime take all necessary and immediate precautions that will assure the hundreds of thousands of Canadians strike-free air travel during the forthcoming holiday season.

Mr. Pepin: Flight attendants are not civil servants.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

FORESTRY

FUNDING OF FOREST MANAGEMENT PROGRAM—MOTION UNDER S.O. 43

Mr. Vince Dantzer (Okanagan North): Madam Speaker, I rise under the provisions of Standing Order 43. Forest resources are being depleted faster than they can be replaced in north Okanagan, and indeed throughout British Columbia. Since this government annually collects more than $500 million from the forest industry in British Columbia and yet reinvests what amounts to only one cent for each of those dollars, and because this appears to be a further example of Ottawa's concept of sharing—that is, taking from the west and giving nothing in return—I move, seconded by the hon. member for Okanagan-Similkameen (Mr. King):

That this government recognize the contribution of over one million Canadians who owe their livelihood to the forest industry and act immediately to return some of the plunder to western Canada to fund, in co-operation with the province, the establishment and maintenance of an effective forest management program.

Madam Speaker: For presentation, such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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CANADIAN NATIONAL RAILWAYS

CN EXPRESS OFFICE CLOSURES—MOTION UNDER S.O. 43

Mr. Les Benjamin (Regina West): Madam Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43. It concerns the abandonment of CN Express service by Canadian National Railways. In view of the fact that the hon. member for Restigouche (Mr. Harquail) told a public meeting in Campbellton on Sunday that the Liberal caucus is 100 per cent behind saving CN Express, but the Minister of Transport (Mr. Pepin) is refusing to use existing federal authority to make CN and CP live up to their commitments to provide express service, I move, seconded by the hon. member for Churchill (Mr. Murphy):

That the Minister of Transport tell the House either that he is no longer a member of the Liberal caucus or that he is going to do something to stop CN from abandoning its express service.

Madam Speaker: For presentation, such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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INDUSTRY

SITE FOR PROPOSED DE HAVILLAND AIRCRAFT FACILITY—MOTION UNDER S.O. 43

Mr. Walter McLean (Waterloo): Madam Speaker, I rise under the provisions of Standing Order 43. There was an announcement that the government will decide shortly on a site for the expansion of the de Havilland Aircraft facility in order to assemble the Dash-8 aircraft. Since the government's objective is to create jobs outside of metropolitan areas, and since there is a pool of skilled labour available in the Kitchener-Waterloo, Cambridge and Guelph area due to lay-offs by suppliers to the automotive industry, and there is a receptive community there, I move, seconded by the hon. member for Cambridge (Mr. Speyer):

That this House direct the government to instruct de Havilland officers to meet with elected business and labour leaders in the Waterloo region fully to explore the feasibility of this expansion at Waterloo-Wellington airport.

Madam Speaker: For presentation, such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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THE MINISTRY

CALL FOR RESIGNATION OF MINISTER—MOTION UNDER S.O. 43

Mr. Bob Corbett (Fundy-Royal): Madam Speaker, I rise under the provisions of Standing Order 43. Atlantic Canada has the highest unemployment and the lowest per capita income in the nation. When asked what he intended to do about it, the Minister of Finance (Mr. MacEachen) responded with the curt answer: "Read the budget". When asked what he planned to do to help his neighbours and fellow maritimers to put meat and potatoes on their tables and feed their families, the minister showed his disdain, contempt, arrogance and certainly his lack of concern by not even giving Atlantic Canadians the courtesy of a one-word reply: "Nothing". Rather, he sat and sulked. Therefore I move, seconded by the hon. member for York-Sunbury (Mr. Howie):

That in view of the minister's shameful performance and his callous attitude toward his fellow Atlantic Canadians, he resign immediately.

Mr. Baker (Nepean-Carleton): He is the "incredible sulk."

Madam Speaker: For presentation, such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

NATIONAL ENERGY PROGRAM

PREDICTED LOSS OF JOBS AND INVESTMENT

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, my question is for the Prime Minister. It concerns Canadian jobs and Canadian investment that are being unnecessarily lost as a result of this government's policies. The Prime Minister will know that Canadian-owned drilling rigs in an industry which is 80 to 90 per cent owned by the people of this country are lining up at the Canada-U.S. border to leave this country. He will know that a survey by *The Calgary*

Herald estimates that some 376 Canadian drilling rigs will move to the United States, causing at least 22,500 Canadians to lose their jobs. The drilling association says that this flight of jobs and investment from Canada is a direct result of the government's energy policy.

● (1415)

Will the Prime Minister tell the House whether his government is considering any change in that policy to stop this loss of jobs and Canadian investment?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the Minister of Energy, Mines and Resources and his officials have been meeting with various representatives of the industry. We have been asking them to give us their figures indicating what degree of loss, if any, they pretend will happen as a result of the national energy policy.

Some hon. Members: Pretend?

Mr. Trudeau: We have been having these meetings. Our figures show that predictions by the industry that they will suffer drastic losses are not justified. This is a matter which can be established by statistical analysis and by facts. We are still expecting from several of them the submission of their failures and the magnitude of drilling which had been projected and so on. When we have these figures, we will be able to see if in fact the new national energy policy does have these dire consequences, which they are naturally talking about because nobody likes to pay increased taxes. If our figures are correct, and we believe they are until they are contradicted with contrary submissions, the petroleum industry and the drilling section of it, and the exploration section of it in particular, will be in a position to have ample cash flow and funds to continue their policy.

I repeat, this is a matter which is trying to be established by the minister and his officials. If we have the co-operation of the industry, which many of the members of it are giving now, we will be able to see if any adjustments are necessary; but as of this date we have no evidence that such adjustments are necessary.

Mr. Clark: Madam Speaker, it might be hard to see that evidence from Saudi Arabia. However, it is very evident when one is in western Canada.

Some hon. Members: Hear, hear!

Mr. Clark: The Prime Minister talks of pretence. The fact is that at least 66 drilling rigs have already left. If he wants to find more, he can go to Coutts—that is the town in Alberta, not his assistant—and look at the line-up of other rigs standing there ready to leave.

Let me deal with another dimension to this problem because it is not simply in western Canada that jobs are being lost; they are being lost right across this country. I received information this morning that in the rubber industry in southwestern Ontario, if present economic and energy policies continue, there will be a job loss of some 300 to 400 jobs in that industry

alone in Kitchener-Waterloo and throughout southwestern Ontario. That will also occur in the automotive industry, in the service sector and in other Ontario and Quebec industries which count on the oil industry as a customer.

Does the Government of Canada intend any changes to protect the industries of Ontario and Quebec which are being damaged right now, to protect the jobs of central Canadians that are now being lost as a result of the energy policy of the Liberal government?

Mr. Trudeau: Naturally, Madam Speaker, the policy proposed by the government in the budget will attempt to take more money from the industry than it has been giving in the past to the Government of Canada. As hon. members know, in the past the take from that industry was shared, with 45 per cent going to the government of the province of Alberta, 45 per cent to the industry and only 10 per cent to the Government of Canada.

Some hon. Members: Not true.

Mr. Trudeau: We told the government of Alberta that we intended to reduce its take from 45 to 43 per cent. Naturally, nobody likes to receive less money. But we have also told the industry, and we were supported in this by the Premier of Alberta, that the industry itself would have to pay a larger share. Naturally the industry is unhappy and is screaming about it.

● (1420)

The difference is, Madam Speaker, that we are not necessarily falling for the line that they are putting out, as the Leader of the Opposition is apparently doing. He is already, and is always, prepared to cave in to any suggestion by anyone but the federal government that they are right and that the government is wrong. The figures we have show that as of now there are no drastic changes in the situation. I have some figures here indicating that of 587 drill rigs in Canada as of December 9, just last week, 458 were still drilling. If you compare that with a year ago, as one hon. member opposite asks me, there were 436 drilling in December, 1979, at the time of the Tory budget, out of a total of 510 rigs in Canada.

An hon. Member: What about next year?

Mr. Trudeau: The hon. member from Toronto keeps asking about next year. I am showing that at the present time there is no drastic departure of rigs or stopping of drilling and there is no drastic increase in the number of people at unemployment offices in Alberta from that industry asking for new jobs.

An hon. Member: You must be in the Sahara. Get your head out of the sand.

Mr. Trudeau: Hon. members talk about the Sahara desert. I do not think they have ever been there. I have not been there myself in recent years, but it seems to me to be the kind of dryness that is bringing their own minds to rot.

Some hon. Members: Oh, oh!

Mr. Clark: Madam Speaker, if the Prime Minister believes that no rigs are leaving, he believes there is no snow on the ground in Ottawa.

Some hon. Members: Hear, hear!

Mr. Clark: He should free himself from his own propaganda and realize that the problem here is not with the provincial governments and not with the multinationals. The companies which are being driven to leave Canada are small Canadian-owned companies, exempted from the taxes in our budget precisely to keep them here in Canada, but having to face a tax as high from the Liberal party as the multinationals face. They are faced with the choice of going bankrupt or going south, so they are going south and going in large numbers. The Prime Minister apparently does not care about that loss of jobs and that loss of investment.

INQUIRY RESPECTING POSSIBLE REPERCUSSIONS OF PROGRAM IN UNITED STATES

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, let me address a supplementary question to the Secretary of State for External Affairs, who will be aware of the provisions regarding reciprocal discrimination of GATT, of OECD and of the United States mineral lands and mining act. Has the Government of Canada yet received, formally or informally—and I emphasize "formally or informally"—any indication that the Canadian energy package is causing the United States to consider actions which might lead to an even greater loss of jobs in Canada in industries other than simply the petroleum and related industries, or which might affect Canada's bargaining position on the fisheries treaty, on the Garrison project, on the "Buy American" program or on any other question?

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, to the best of my knowledge, and I think it is fairly complete on this matter, we have not received any kind of representations from the U.S. government, and we believe our action is fully in accord with our international undertakings. I might say it was within this atmosphere that the U. S. Congress has just allowed us the convention tax exemption which we have been seeking for so long.

Some hon. Members: Hear, hear!

SHUTDOWN OF DRILLING RIGS IN SASKATCHEWAN

Mr. Bill McKnight (Kindersley-Lloydminster): Madam Speaker, I should like to address my question to the Prime Minister. Is he aware that his 8 per cent wellhead tax, which in real fact will be much higher, will cause the shutdown of low-producing wells in western Canada, which will cause the manufacturing industry of service equipment to come to a complete stop? If he wants a specific example, Zoron Krac Manufacturing in Kindersley has shut down a contract of 11 service rigs at over $1 million and laid off 14 workers. What is he going to do about it now?

● (1425)

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, unfortunately I have not been given notice of this question, so I cannot comment on this particular point. The point I was making in answer to the question by the hon. member's leader is not that there were no rigs leaving. The point I was making was that there is not a fundamental difference between the situation this December, as of last week, and 12 months ago. I have conceded that the national energy policy obviously does expect the Canadian government and the Canadian people to receive more money from the industry.

In so far as the particular case pointed out by the hon. member is concerned, I can look into that. I said, once again in answer to the hon. member's leader, that we are looking at all these problems case by case and testing our national energy policy as it would apply to particular industries and particular corporations. If we have their co-operation, as we have in the case of some of them, it is possible that we will be able to take corrective measures.

Mr. McKnight: Madam Speaker, if the Prime Minister does not care about the 15 workers in Kindersley, Saskatchewan, maybe he cares about the workers in Ontario and Quebec—

An hon. Member: He did not say that.

Mr. McKnight: —who are going to be done out of their jobs in the auto manufacturing and heavy truck manufacturing industry because of the policies of his government, which are arrogant and inflexible toward the energy area of my part of my country, and also the Prime Minister's country. The Prime Minister is causing unemployment in Ontario and Quebec, not just in western Canada.

What is the Prime Minister going to do about the potentially unemployed of Ontario and Quebec, if he does not care about the unemployed in Kindersley, Saskatchewan?

Mr. Trudeau: Madam Speaker, I fail to see how the hon. member can draw from my answer the conclusion that I do not care about the unemployed in Saskatchewan. On the contrary, I indicated that if he had given me notice of his question I would perhaps have been able to look at that particular case and, with the assistance of the Minister of Employment and Immigration and the Minister of Energy, Mines and Resources, indicate if there is anything we can do about that particular case.

For this, we must, first of all, have the co-operation of the industry itself and, second, we cannot assume that any threat by any taxpayer to leave if his taxes are increased is necessarily based on fact. It is certain that all taxpayers—and the petroleum industry is no exception—do not like to pay a higher share of their profits to any government.

The point I am making to the hon. member is that we have to see if our energy policy is good not only for the particular industry about which the hon. member seems to indicate concern, but also if it is good for the taxpayers and consumers of Canada. This is the main concern we have expressed in our national energy policy.

* * *

FINANCE

RISING INTEREST RATES—GOVERNMENT POSITION

Mr. Edward Broadbent (Oshawa): Madam Speaker, I have a question for the Prime Minister. Contrary to what he promised during the election campaign, the Minister of Finance made it clear yesterday that the Canadian interest rate policy will remain inextricably linked to that of the United States. Today a number of major banks in the United States predicted that the prime rate in their country will rise to 25 per cent, an astronomical figure. If this government continues its policy of linking our rate to the American rate, that will mean mortgage rates going up beyond 20 per cent. It will mean that businessmen will suffer. It will mean an increase in debt loads on farmers. Is there any limit which the Government of Canada will set for itself, or will it inextricably follow the United States to the economic disaster which it is establishing and import that disaster to Canada?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, if the hon. member concludes from the answer given yesterday by the Minister of Finance that our policies are inextricably linked to those of the United States, I suggest he return to *Hansard* and read the answer given by the minister. Because the minister said exactly the contrary yesterday. He said that our policies were not set by the United States. He said that the Canadian government was following its own policy, but that naturally the money markets in the world do have an influence on each other. That is not saying that we are linking our policies to those in the United States; rather, it is saying that all the money markets in the world will be inevitably influenced by each other unless a particular country chooses to embark upon exchange controls.

● (1430)

Mr. Broadbent: Madam Speaker, the Prime Minister promised an independent rate during the campaign. Yesterday, the Minister of Finance said that the rates between Canada and the United States are inextricably linked. If that is not saying that we do not have an independent policy, I do not know what one would have to say to make that assertion.

Considering that the Minister of Finance has already acknowledged that his budget forecasts are wrong, that we now have more than one million unemployed—and the Minister of Finance has acknowledged that that number will go up—and that interest rates again are shooting up in both countries, will the Prime Minister recognize that the budget which was brought down a while ago is now completely out of date, will he acknowledge that we have an economic crisis, and will be promise a new budget will be brought down in the new year when Parliament returns?

Mr. Trudeau: Madam Speaker, I am not sure whether I can convince the hon. member, but there is a difference between being influenced by the monetary situation in the markets of the world, particularly the market in New York which is so important to Canada, and linking our monetary and fiscal policy directly to that of the United States.

I appeal to the hon. member to read again what the minister said yesterday in reply, because he will see that what the minister said is that unless we want to have exchange controls—and the minister has made the point that he is not looking in that direction—any budget made in Canada will necessarily be affected by the economy of the United States, which in turn will have an effect on the Canadian economy. No new budget brought down in January, as suggested by the Leader of the NDP, no matter how perfect, even if it had the approval of the hon. member for Broadview-Greenwood and were countersigned by the hon. member for Winnipeg North Centre, could be absolutely detached from any impact of the American economy, without going the route of exchange controls and a host of other controls. So the hon. member should understand that when he returns, day after day, to the same question and gets, day after day, the same answer which he refuses to understand.

Mr. Broadbent: Madam Speaker, for a minute the Prime Minister was getting near to accepting some good ideas, but I notice that finally he reverted to his old answer. The Prime Minister also knows that there are a number of economists, who are unaffiliated with any political party in Canada, who say we can have an independent interest rate policy which does not entail exchange controls, and the Prime Minister should admit that.

Since in the past few weeks the government has ruled out a fair prices commission, has ruled out income tax cuts for low and middle-income Canadians and has ruled out special programs to assist home owners with mortgages, can the Prime Minister announce one program, one policy, which the government will bring in before Christmas and which recognizes the fact that we have an economic crisis in this country?

Mr. Trudeau: As the Minister of Finance has repeatedly pointed out to the leader of the NDP and to the members of his party, every suggestion they put forward—and this may be true of the economists he pretends he is quoting—entails new spending and frequently vastly increased spending by the federal government. It is our view that increasing the deficit by new spending at this time, which would involve borrowing or higher taxes, which the hon. member also rejects, would lead to higher inflation and to higher interest rates, which is precisely what the hon. member is lamenting.

HEALTH CARE

MEDICARE—REQUEST FOR COMMITMENT THAT FUNDING NOT CUT BACK

Hon. James A. McGrath (St. John's East): Madam Speaker, I have a question for the Minister of National Health and Welfare. In view of the threat in the budget to cut back on federal funding of social programs, which can only mean the Canada Assistance Plan and funding for medicare, and in light of the failure of the minister to deal in any substantive way or in any way whatsoever with the recommendations contained in the Hall report, thereby creating an air of uncertainty around federal funding under medicare, prompting the provincial ministers meeting in Toronto yesterday to call upon the federal government to make a commitment, I now ask the minister whether she is prepared to give a commitment to the House and to the provinces today that there will be no cutback of federal funding for medicare?

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, the hon. member has made several mistakes in his question, if I may suggest. First of all, he alleged inaction with regard to Justice Hall's report to restore medicare to its full integrity. His allegation is unwarranted. I have begged the provincial ministers to let me know if the immediate implementation of the recommendation of Mr. Justice Hall to the federal government to ban extra billing and to give the medical profession a fair process of negotiation would at all restore medicare. I have asked them to let me know what we can do to strengthen their hand to carry out their responsibility. Their answer was no to that question. They asked me to wait and to consult with them fully, which I promised to do.

I believe that we will not want to disrupt the services to the public given under medicare, and that is why I know that the provincial ministers will come to the same conclusions as are contained in the analysis of Mr. Justice Hall, namely, that there are problems in certain parts of the system and that we must address these problems.

I also read the press release of the provincial health ministers which was put out yesterday. I am very pleased that they recognized the role of the federal government in medicare. They know very well that moneys are being paid fully every month, that the program is up for renegotiation, and I hope that we will strengthen the conditions and their control in these renegotiations. That has nothing to do with cuts.

Mr. McGrath: Madam Speaker, I note that the minister avoided very carefully making any commitment on the part of the federal government. The ministers of the provinces did let her know yesterday because the press release said:

> If the federal government follows through on those plans when the current arrangements come up for renegotiation next year, provincial medical insurance programs will face severe restraint, the joint statement warned.

That language could not be clearer. In light of the fact that she is about to enter into negotiations and the provinces must be prepared to make budgetary plans, given the fiscal situation of the country today, especially in the poorer provinces, is the

minister prepared to give an unqualified commitment on the part of the government that there will be adequate funding over the next five-year period to cover inflation and improvements in the medical insurance program? Can she give the general assurance right now to the provinces so that they can get on with their planning?

Miss Bégin: The analysis of Mr. Justice Hall is very clear as to the funding of the medicare system in Canada. If the hon. member would take the trouble to read the report carefully, he will see that Mr. Justice Hall does not consider that there is underfunding by the federal government. On the other hand, the CMA issued a press release only a few days ago which speaks of underfunding in some of the provinces which led to the erosion of medicare. That is the analysis on which we base our work.

I said just now in my previous reply that we are not talking of any cuts. The hon. member makes a mistake if he thinks that only CAP and medicare are social programs in the broad sense. We are reviewing our programs with a view to focusing on those most in need. It is obvious, and we have repeated it often, that no cuts are being made to medicare in any way, shape or form, but in the renegotiation we will want more control and compliance with the conditions.

* * *

● (1440)

NATIONAL ENERGY PROGRAM

NEGOTIATIONS WITH ALBERTA—REPORTED FLEXIBILITY IN OIL PRICING PROPOSALS

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, yesterday the Minister of Energy, Mines and Resources suggested that I should speak directly to the Prime Minister on the question of oil negotiations, so I will address my question to him today. Yesterday his minister indicated some slight flexibility on the whole question of oil pricing in connection with the energy deadlock between the province of Alberta and Ottawa. Since the Minister of Finance previously indicated absolutely no flexibility on this subject, my question for the Prime Minister is: which minister is speaking for the government? Is a price increase of $6 per barrel under consideration, as seemed to be indicated by the Minister of Energy, Mines and Resources yesterday, or is there a further increase of $6.50 to $7.50, including the petroleum compensation charge, as indicated by his former colleague, Donald Macdonald, in a speech yesterday?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I doubt whether Mr. Macdonald is privy to the kind of negotiation which the federal government would be prepared to embark upon with the government of Alberta. My understanding is that there have been meetings between deputy ministers and officials in the relative departments, but at the ministerial level the Minister of Energy, Mines and Resources merely indicated that we were prepared to resume talks, as I believe I indicated two or three days after the budget.

That is still our position. We are ready to discuss various aspects of the new energy policy, as I indicated in answer to an earlier question, both with the industry and with the province. However, what must be understood is that in its fundamentals, in the attempt we are making in that new energy policy to get a larger share of petroleum revenue for the federal government, and to ensure this share is employed throughout Canada to develop self-reliance in energy, particularly in the petroleum industry, the policy will not be changed. These are principles upon which the government fought an election campaign, obtained the support of the people, and these are the principles with which we intend to push forward.

An hon. Member: You are dividing the country.

Mr. Wilson: Madam Speaker, I understand from that answer that the flexibility on the question of price, as indicated by the Minister of Energy, Mines and Resources, is not under consideration and that the minister was offside in the statement he made to me yesterday when he indicated there was some possibility the government would accept a price increase of up to $1.50 per barrel.

My supplementary question is directed to the Prime Minister. In the event the government decides, to use the Prime Minister's own words, to cave in to the industry, would he make a firm commitment to the House today that any increase in price over and above the price indicated in the energy program would be accompanied by some form of support to low and middle-income earners? I am thinking of something similar to the energy tax credit included in the budget of the hon. member for St. John's West.

Mr. Crosbie: Hear, hear!

Mr. Trudeau: Madam Speaker, just responding a moment to the preamble of the hon. member, I should say no, he is not justified in drawing that conclusion. I indicated that the minister and the government were prepared to embark upon new negotiations. I did not exclude or include any particular area of negotiation. I do not see why the hon. member says that there is a contradiction between what the minister said yesterday on prices and what I said today.

As for his second point or his question concerning support to the Canadian consumer, I repeat what has been pointed out by the Minister of Finance, that compared to the previous government's budget and energy policy, which did not even have the agreement and accord of the Premier of Alberta—

Mr. Hnatyshyn: Wrong.

Mr. Crosbie: Wrong again.

Some hon. Members: Table it.

Mr. Trudeau: I think this is a matter of disagreement on fact. If an agreement has been reached, I wish the party opposite would establish it by tabling that agreement, or at

least would contradict the position taken at that time by Premier Lougheed that there had been no agreement.

An hon. Member: Ask Merv Leitch.

Mr. Trudeau: The failure of the Clark government to reach an agreement with Alberta is something which I understand Albertans themselves are trying to forget. But those are the facts as we know them. If there has been an agreement, I wish the Leader of the Opposition would establish that agreement by tabling the text.

Mr. Clark: The tax credit, Pierre, which helps the poor.

* * *

HOUSING

SUGGESTED LOW-INTEREST BANK MORTGAGES FOR YOUNG CANADIANS

Mrs. Margaret Mitchell (Vancouver East): Madam Speaker, in the absence of the Minister of Finance, I should like to direct my question to the Prime Minister. Last week the Minister of Finance stated that he wanted to see how the burden of high interest rates will be "expressed on affected groups". Canadian banks last year made over $1 billion in profits as a direct result of the escalating "made-in-America" interest rate policy of the government, and surely the Prime Minister knows that the group most affected is young people who will never own homes under this policy. Will the right hon. gentleman now take positive action and instruct his minister to ask the banks to put aside $1 billion of their lending portfolio for stable, low-interest mortgages so that young people under the age of 35 will finally have a chance to own homes?

[*Translation*]

Hon. Pierre Bussières (Minister of State, Finance): Madam Speaker, the hon. member is drawing somewhat hasty conclusions about the relationship which might exist between bank profits and fluctuating interest rates. She should know that a close evaluation should be made over a rather long period to draw direct conclusions between this phenomenon and the revenues or profits of banks. Moreover, I would suggest to the hon. member that the difficult period which we are now going through should not provoke any panic and make us to jump to extreme conclusions or try to introduce short-term programs which would have only temporary effects and could even cause problems with the long-term projects proposed in the budget speech.

[*English*]

CALL FOR DIRECT LENDING ROLE BY CMHC FOR RENTAL ACCOMMODATION CONSTRUCTION

Mrs. Margaret Mitchell (Vancouver East): Madam Speaker, certainly the young people of Canada would not see it as a short-term, temporary program; what they want is a chance to purchase homes.

My supplementary question is directed to the Minister of Public Works who is responsible for Canada Mortgage and Housing Corporation. According to the latest CMHC survey, St. John's, Toronto, Regina, Saskatoon, Calgary, Vancouver and Victoria suffer below zero vacancy rates in rental housing. Since the only rental program offered by the government is MURBs—and even CMHC experts admit that high interest rates have discouraged rich investors from using MURBs—will the ministers, instead of apologizing, act now to reinstitute a CMHC direct lending role for rental construction and public housing in the cities I have mentioned where tenants are on the streets or actually sleeping in cars?

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, the announcements of CMHC and the government's addressing of the problem indicate that social housing start increases, which address the same market group, have been in direct response to the question of the tight rental market. That non-profit social housing response is directed toward that very market. I do not believe the hon. member was in the House when I indicated that nearly 1,000 additional units were redirected to the city in British Columbia with the lowest vacancy rate.

I think the hon. member put her finger on the problem when she identified in two questions, first, her priority for young people owning homes, and second, a priority in the rental area. If I had the $1 billion to which the hon. member referred in her first question, I would probably respond to a number of priorities rather than the identification of the one she just mentioned.

* * *

● (1450)

[*Translation*]

FISHERIES

BIOLOGICAL STUDY OF QUEBEC RIVERS

Mr. Alexandre Cyr (Gaspé): Madam Speaker, my question is for the hon. Minister of Fisheries and Oceans. At the subcommittee on acid rain, Mr. Schmut, chief of the chemical products hazards division of his department, stated that there are five rivers in Nova Scotia where salmon can no longer reproduce. My question is as follows. Is the minister aware of the number of rivers which are threatened in Quebec by high PH levels, and if not, does he intend to make a biological survey of all Quebec rivers in 1981?

Hon. Roméo LeBlanc (Minister of Fisheries and Oceans): Madam Speaker, I do not have the exact figures before me, but there is no doubt that many rivers in eastern Canada are threatened. As a matter of fact, that is why we have considerably increased the funds allocated for research and control

efforts. The problem is less serious in rivers with a large flow, but for smaller rivers, there is no doubt that this problem is becoming alarming.

* * *

[*English*]

SMALL BUSINESS

REQUEST FOR INITIATIVES TO ASSIST ATLANTIC PROVINCES

Hon. J. Robert Howie (York-Sunbury): Madam Speaker, my question is for the Minister of State for Small Businesses. Where high interest rates, high energy costs and severely restricted credit are shattering the resource and service-based economies of the Atlantic provinces, putting small producers and small businesses, which are the backbone of the Atlantic economy, out of business, will the minister tell the House if his government will propose any new initiatives to alleviate this very serious situation and, if so, when?

[*Translation*]

Hon. Charles Lapointe (Minister of State, Small Businesses): Madam Speaker, I believe a few initiatives have already been taken such as, for instance, extending to the end of March the small business development bond programs, and introducing the bill allowing non-incorporated small businesses and small entrepreneurs to deduct the salary of their spouses from their annual earnings. Finally, under the Small Businesses Loans Act small businesses can now borrow up to $100,000 at a rate of interest of 1 per cent over the prime rate. To my mind, Madam Speaker, those measures have been implemented precisely to help small businesses cope with this difficult period caused by high interest rates.

[*English*]

Mr. Howie: Madam Speaker, I thank the minister for his answer. I suggest to him that, while those measures are very important and are certainly respected, they are infinitesimal compared to the problem which exists in the Atlantic provinces. More dramatic measures with a greater economic impact are required. Will the minister take this matter up with his colleagues in an attempt to give us some real action soon?

[*Translation*]

Mr. Lapointe (Charlevoix): Madam Speaker, as I have already had occasion to mention in the House, there is no doubt that we are concerned about high interest rates and their harmful effects on small businesses in Canada. As I have already said, we are in the process of revising completely all means available to small business to finance itself; this revision is being made in co-operation with banks and non-banking financial institutions. We are also in the process of reviewing the activities of the Federal Business Development Bank. I shall endeavour to speed up the study on the financing of small businesses to be able to do something about the concerns of the hon. member and those of all other hon. members in the House.

[*English*]

AGRICULTURE

HIGH INTEREST RATES—MEASURES TO ASSIST FARMERS

Hon. Bill Jarvis (Perth): Madam Speaker, my question is for the Minister of Agriculture, who will know that while we in this House talk in terms of 17 per cent interest rates, the farmers of Canada, when they go to borrow working capital, find themselves faced with rates of 20 per cent and more. He will know further that these rates are impossible and that, rather than borrow to finance the purchase of cattle and hogs to finish and fatten for the Canadian market, our farmers are selling off their feed grains. The minister's constituents and mine are selling off their corn and western producers are selling off their feed grains.

What does the minister propose to do about these prohibitive interest rates in order to permit Canadian farmers from coast to coast to produce food in reasonable quantities at reasonable prices for Canadian consumers?

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, the hon. member gave a story on interest rates and what they should be, but he did not complete his story. The interest rate of the Farm Credit Corporation, for which I am responsible, is 12.75 per cent. It has been at this level for several months and it will stay there for several months more. We may run out of money in that area due to the high demand and, in fact, in some areas we may have run out of money already.

Many farmers belong to farm organizations, such as the marketing boards, and their cost structure and cash flow is such that they do not need to borrow as much money as the hon. member has suggested. The hon. member has mentioned two groups of farmers, the hog producers and the beef producers, who do, but they have not looked after themselves as have other groups of farmers through organizations which have the cash flow. I just had dinner—

An hon. Member: Order.

Some hon. Members: Oh, oh!

Mr. Whelan: —with one of the largest and most successful turkey producers—

An hon. Member: You're the turkey.

Mr. Whelan: —in Canada and North America, a man the hon. member knows very well, and he said that there has never been a time when there has been so much stability in the agricultural economy and it has never been so healthy.

Mr. Jarvis: Madam Speaker, that is either hogwash or cattlewash, whichever the Minister of Agriculture prefers.

Mr. Whelan: Ha, ha!

Mr. Jarvis: Not one hog, heifer or steer is purchased through farm credit financing. It is the chartered banks of Canada to which Canadian farmers look for their financing.

What does the minister propose to do about a situation, current and serious, where Canadian farmers who want to produce meat for Canadians are prevented from doing so by this government's policies or lack thereof, who find themselves forced to sell the feed grain that they would otherwise be feeding their livestock for the Canadian market, and who cannot sow feed because they cannot afford 20 per cent interest rates?

Mr. Whelan: Madam Speaker, the hon. member has omitted the fact that we are giving interest-free loans to farmers for storable crops, as we have never done before, through new programs which we initiated some time ago. The interest-free loans for storable grains such as soybeans and other products which are put on the market also helps the consumer. When the hon. member talks about hogwash, that is about all he is expert on.

Mr. Jarvis: What are you going to do? You are the minister.

Mr. Whelan: The hon. member may not be very closely associated with agriculture. He has made no real suggestion with regard to interest rates and what should be done. He should check farmers' incomes, the stability in the agricultural economy and the products which they are putting on the market at the present time. Turkey producers in Canada are making money on the sale of utility turkeys at 79 cents per pound in 1980, and I challenge the hon. member to find the same situation anywhere else in the world.

* * *

HEALTH CARE

REPORTED REJECTION OF HALL REPORT BY PROVINCES

Mr. Bill Blaikie (Winnipeg-Birds Hill): Madam Speaker, my question is for the Minister of National Health and Welfare, and it deals with the erosion of medicare, a concern which we in the NDP have been voicing for over two years now and which we were concerned about as far back as 1977 when the Established Programs Financing Act was passed in this House over the worried objections of the father of medicare, Mr. Douglas. The minister has been vocal on the subject, but has done nothing concrete to stem this erosion. Instead, she first hid behind the fact that the Hall report had not come out; now she is hiding behind the fact—

An hon. Member: Question.

Mr. Blaikie: The question is coming—that she needs to consult. In view of the fact that the provinces have consulted among themselves without the minister and have decided, with the exception of Saskatchewan, not to endorse the Hall report, what does the minister plan to do to stem the erosion of medicare?

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, I do not know from where the hon. member draws his conclusion because no such communication has been given to me by any health minister of any province. There was quite a difference in the stand which was publicly taken yesterday. I consider it very normal for health ministers to defend their budgets the day before all the provincial finance ministers are meeting here in Ottawa with the federal Minister of Finance. It is very normal that they would be in favour of medicare and require a full budget for medicare.

When the hon. member suggests that we have not done anything, it indicates that he refuses to understand the complexity of the medicare system in Canada. The hon. member wants the usual simplistic answer in black and white, which does not apply here. I have explained more than once that the same Justice Hall report tells us to ban extra billing provincially first and to correct our federal legislation accordingly, to give doctors a fair process of negotiation but not to withhold payments. We are working together, slowly progressing toward an understanding of the medicare erosion.

• (1500)

There are several provincial ministers of health who are new in their portfolio. They were not even ministers when the Hall commission was established by the previous government. These people must go through the process of understanding the problem.

Mr. Blaikie: Madam Speaker, it is a sad day when we come to expect it as normal that provincial ministers of health do not want to do anything about things like extra billing. Perhaps the minister herself does not realize the human reality behind this. The fact is that because extra billing happens in clusters, both geographically and in terms of specialties, there are many Canadian women who cannot find an obstetrician who is not using extra billing.

My question to the minister is this: When will she show some leadership in this country and bring in legislation to stop extra billing?

Some hon. Members: Hear, hear!

Miss Bégin: I suppose there are some types of flambuoyant leadership, but there is the more modest type of daily leadership in the fight for ideas. This is a case where we are trying slowly, but I think surely, to convince Canadians that they have already paid for their full universal free medical care services. They are understanding and they are pushing through the various layers in the system to make sure that is what they get.

The hon. member does not understand the complexity of an institution which we want to keep alive. He does not understand that, because of the explanations we have given to participants on panels, on hot lines, in discussions and replies to letters, the public has now obtained in some provinces

complete withdrawal of financial barriers and degrees of extra billing in Ontario.

Some hon. Members: Hear, hear!

* * *

PRIVILEGE

MR. ROBINSON (BURNABY)—DORCHESTER PENITENTIARY—STATEMENTS MADE BY MR. KAPLAN

Madam Speaker: I would like to give my decision now on a question of privilege which was raised on Monday by the hon. member for Burnaby (Mr. Robinson). The hon. member's question of privilege was based on allegations of misleading information being offered to the House and to one of its committees by the Solicitor General (Mr. Kaplan).

It seems most appropriate that of the three hon. members who also spoke, two were former solicitors general, that is, the member for Notre-Dame-de-Grâce (Mr. Allmand) and the member for Northumberland-Durham (Mr. Lawrence). I am grateful for their contribution to the debate.

While the substance of the matter is of very grave importance, that is to say, the treatment of penitentiary prisoners, I must be guided by the practices and procedures of the House. Allegations of misleading the House affect order in the House rather than the privileges of members, or contempt. However, where an hon. member alleges that the misleading is done deliberately, the member must really "charge" the other member with that offence, because to allege that one hon. member deliberately misled another is, of course, quite unparliamentary. There is no suggestion that the House was deliberately misled in this case.

I suggest what we have before the House in this matter is the following: First, the Solicitor General made statements in the House and in one of its committees regarding certain events which occurred in Dorchester Penitentiary. Second, there was a departmental report relating to these same events. Third, the hon. member for Burnaby alleges that in light of, or in his interpretation of that report the Solicitor General misled the House. Fourth, the Solicitor General denies that he misled the House or one of its committees and he states that his construction of that same report does not lead to that conclusion.

Quite obviously this is really a dispute about facts involved in the unfortunate events in Dorchester Penitentiary, and the interpretation of a report based on these events. It is a matter of order or debate. Certainly, on its face it is not a question of privilege, nor, as a matter of fact, is there a valid point of order.

MR. FRIESEN—RESERVATION OF RIGHT TO RAISE POSSIBLE QUESTION OF PRIVILEGE

Mr. Benno Friesen (Surrey-White Rock-North Delta): Madam Speaker, the hon. member who created the situation which has made me rise to speak to a question of privilege is not here today. I would prefer to wait until that hon. member is here.

* * *

POINT OF ORDER

MR. WHELAN—ADDITIONAL INFORMATION

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, I rise on a point of order. I would not want to leave the House with lack of information. When the hon. member for Perth (Mr. Jarvis) asked me a question, I forgot about the $67 million which was given for drought assistance in the west.

Some hon. Members: Oh, oh!

ROUTINE PROCEEDINGS

[*Translation*]

NORTH-SOUTH RELATIONS

Third report of Special Committee on North-South Relations—Mr. Breau (Gloucester).

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

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GOVERNMENT OF CANADA TAX EXPENDITURE ACCOUNT

TABLING OF DOCUMENT

Hon. Pierre Bussières (Minister of State, Finance): Madam Speaker, pursuant to Standing Order 41(2), I would like to table a report entitled "Tax Expenditure Account".

* * *

WAYS AND MEANS

NOTICE OF MOTION

Hon. Pierre Bussières (Minister of State, Finance): Madam Speaker, in accordance with Standing Order 60(1), I am tabling a notice of ways and means motion respecting taxation of oil revenues.

• (1510)

[*English*]

CRIMINAL CODE

AMENDMENT TO PROTECT INNOCENT HUMAN LIFE

Mr. Don Blenkarn (Mississauga South) moved for leave to introduce Bill C-623, to amend the Criminal Code (protection of innocent human life).

Some hon. Members: Explain.

Mr. Blenkarn: Madam Speaker, this bill would provide that abortion cannot take place unless there is a danger to the life of the mother, and not just the health, and that a person be appointed by provincial authority to hospital therapeutic abortion committees for the sole purpose of being an ombudsman for the unborn child.

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

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today Nos.: 1,367, 1,514, 1,690, 1,691, 1,719, 1,821, and 1,826.

[*Text*]

ADMIRAL ROBERT FALLS

Question No. 1,367—**Mr. Cossitt:**

1. What is the annual salary, to the nearest dollar, received by Admiral Robert Falls from the Canadian Armed Forces?

2. What is the annual salary, to the nearest dollar, received by Admiral Falls as special adviser to the Prime Minister on defence matters?

3. How many times since his appointment have he and the Prime Minister been in touch with each other, directly or indirectly, on matters of defence?

4. For what reason was it necessary to appoint Admiral Falls as special defence adviser to the Prime Minister rather than making use of one of the senior officials of the Canadian Armed Forces?

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): 1 and 2. $60,900—$79,300.

3 and 4. See reply to question No. 1,641 answered December 9, 1980.

COMPUTERS

Question No. 1,514—**Mr. Herbert:**

Does any problem arise within a department or between departments attributable to the use in various geographical regions of computers that are not compatible?

Mr. Peter Stollery (Parliamentary Secretary to Secretary of State and Minister of Communications): In so far as the Department of Communications is concerned, the answer to the above question is as follows: Though there are many actual and potential incompatibilities between computers, particularly when they are of different manufacture and different generations, no problems raise within or between departments that cannot be solved operationally. The major difficulty that does arise occurs when there is a need to transfer or communicate data between computers, and this problem is not confined to government departments or to different geographic regions. The operational solution usually involves standardizing the format of the stored data that would be used by different machines, and then transferring magnetic tapes containing the data between the computers, or obtaining a printed "hard-copy" report and re-entering the data into the other machine. The data transfer could be more efficient. The preferred long-term solution to this data transfer problem is to develop a set of interconnection standards or protocols for electronic communication that will be applicable to all types of networks, computers and terminals. A great deal of work is being done at the international, national, industry and government levels to develop such a solution. In particular studies are under way and solutions being developed by the committees of the International Telecommunications Union and the International Standardization Organization. Canadian manufacturers, telecommunications carriers, government departments and the government electronic data processing standards committee are directly involved in this work. An effective solution to the incompatibility problem, in Canada, will be resolved when solutions are adopted as national standards, and services available to all Canadians are implemented.

"SPECIAL FRIENDS" LETTER

Question No. 1,690—**Mr. Cossitt:**

1. Did the Secretary of State for External Affairs write a letter dated October 20, 1980, to what he referred to therein as "Special Friends" and, if so (a) was the letter written on the letterhead of the Secretary of State for External Affairs? (b) what is the name and address of each person who received the letter?

2. Did the letter advise recipients in part that the Windsor-Walkerville Federal Liberal Association was to hold a meeting on Saturday, November 1 at 110 Tecumseh Road East to select delegates "for the upcoming convention of the Liberal Party of Canada (Ont.) which will be held on the weekend of November 28, 29 and 30 in Toronto" and, if so (a) under what authority was the letterhead of the Secretary of State for External Affairs used to advise persons of Liberal party meetings (b) was postage paid on the letters and, if not, were they sent postage free by the minister?

Hon. Mark MacGuigan (Secretary of State for External Affairs): The letter described in the question was sent out by the Secretary of State for External Affairs on October 20, 1980, and by error it was sent on departmental letterhead. When the Secretary of State for External Affairs saw and signed the original letter, it was on blank paper with no letterhead. It was subsequently reproduced by accident on departmental letterhead. As the letter itself states it was the first such letter and office procedures have now been established to ensure proper handling procedures for the future.

Ninety-nine such letters were sent and the Secretary of State for External Affairs has personally repaid the government for the stationery, envelopes, and postage.

Question No. 1,691—**Mr. Cossitt:**

Did the Secretary of State for External Affairs write a letter dated October 20, 1980, to what he referred to therein as "Special Friends" advising them in part "the government . . . has eased the requirements for claimants of Unemployment Insurance benefits in the auto industry, a condition which applies only to Windsor" and, if so (a) what is this special treatment being received by Windsor (b) is similar treatment being received in regard to UIC by other municipalities where automobiles are being produced such as Oakville and Oshawa and, if not, for what reason?

Hon. Mark MacGuigan (Secretary of State for External Affairs): See reply to question No. 1,690 answered this day.

THE VALLEY OF ARCHES

Question No. 1,719—**Mr. Blenkarn:**

1. What was the cost of installing certain spring steel structures on the west side of the Airport Parkway, described as art by the Minister of Public Works, entitled "The Valley of Arches"?

2. Who is the person in the government who decided this effort by Mr. Louis Stokes was art in the first place?

3. Did Mr. Stokes receive a grant from the Canada Council and, if so, what was the amount?

4. What was the total cost to the NCC or the government generally for this art work?

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): I am informed by the Canada Council and the National Capital Commission as follows:

1. The installation cost of Valley of the Arches along the Airport Parkway was $1,800.

2. The work was selected by the National Capital Commission's advisory committee whose members are regarded as experts on Canadian art, and approved by the executive committee of the commission on the basis of their advice.

3. Mr. Stokes has never received a grant from the Canada Council.

4. $9,032 for a period of three years.

DND—LARGE CALIBRE AMMUNITION CASES

Question No. 1,821—**Mr. McKinnon:**

Did the Department of National Defence place a $23,900,000 contract with Canadian Arsenals Ltd. for large calibre ammunition cases and, if so (a) for what calibre (b) how many cases are being purchased?

Hon. J.-J. Blais (Minister of Supply and Services): 1. The contract referred to by the hon. member was awarded by the Department of Supply and Services on behalf of the Department of National Defence.

(a)			(b)	
1.	M14—105 MM (II)	(105 MM cases for field artillery howitzer shells)	1.	126,250
2.	RW175—76 MM	(3 inch-calibre cases for shells fired from AVGP main gun)	2.	183,370
3.	3″/50	(3 inch-calibre cases for shells fired from naval medium calibre pieces)	3.	28,810
4.	C4 105 MM (T)	(4 inch-calibre cases for shells fired from the Leopard tank main gun)	4.	190,445
Total:				528,875

DND—CONTRACT FOR ELECTRON TUBES

Question No. 1,826—**Mr. McKinnon:**

Did the Department of National Defence place a $534,423 contract with Philips Electronics Ltd., file number 5PE.2759265 for electron tubes and, if so, in what location are the tubes being manufactured?

Hon. J.-J. Blais (Minister of Supply and Services): Yes. In a Philips plant in Sweden.

* * *

[*Translation*]

QUESTION PASSED AS ORDER FOR RETURN

Mr. D. M. Collenette (Parliamentary Secretary to President of Privy Council): Madam Speaker, if question No. 738 could be made an order for return, that return would be tabled immediately.

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

Madam Speaker: The questions enumerated by the hon. parliamentary secretary have been answered. Is it the pleasure of the House that question No. 738 be deemed to have been made an order for return?

Some hon. Members: Agreed.

[*Text*]

IMMIGRATION APPLICANTS

Question No. 738—**Mr. Siddon:**

1. How many applicants were granted admittance to Canada under paragraph 11(3)(*a*) of the Immigration Regulations who did not qualify in (a) 1976 (b) 1977 (c) 1978 (d) 1979 and from which countries did they originate?

2. How many applicants were refused admittance to Canada under paragraph 11(3)(*b*) of the Immigration Regulations, who did qualify in (a) 1976 (b) 1977 (c) 1978 (d) 1979 and from which countries did they originate?

3. How many immigration officers are empowered to use paragraphs 11(3)(*a*) and (*b*) of the regulations and where are they located?

4. How many foreign visitors have applied for landed immigrant status while in Canada and how many applications were (a) granted (b) refused and from which countries did they originate?

Return tabled.

[*Translation*]

MOTIONS FOR PAPERS

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, would you kindly call notices of motions for production of papers Nos. 8 and 28?

[*Text*]

COPIES AND CORRESPONDENCE ABOUT CUTBACKS IN MEDICAL SERVICES TO NATIVE PEOPLE

Motion No. 8—**Mr. Orlikow:**

That an order of the House do issue for copies of all papers, letters and telegrams received by the Prime Minister, the Minister of National Health and Welfare and the Minister of Indian Affairs and Northern Development regarding the announced cutbacks in medical services to native peoples.

[*Translation*]

Mr. Collenette: Madam Speaker, several of the papers requested by the hon. member contain personal and private information provided confidentially to the government under the explicit condition that the private lives of the senders will be respected. In addition, those papers are generally so voluminous that the resources necessary in time and manpower to table them would make their cost really prohibitive. I therefore ask the hon. member, Madam Speaker, to withdraw his motion.

Madam Speaker: Is the notice of motion withdrawn?

Mr. Orlikow: Agreed.

Motion withdrawn.

[*Text*]

TABLING OF CORRESPONDENCE BETWEEN THE DEPARTMENT OF FISHERIES AND OCEANS AND BRITISH COLUMBIA HYDRO

Motion No. 28—**Mr. Fulton:**

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House before January 31, 1981, copies of all correspondence, telegrams or other documents exchanged between the Department of Fisheries and Oceans and British Columbia Hydro relating to joint funding and proposed dams in British Columbia including the names of the 20 salmon streams slated for damming.

[*Translation*]

Mr. Collenette: Madam Speaker, there has been no letter, telegram nor any other document exchanged between the Department of Fisheries and Oceans and British Columbia Hydro in connection with joint financing and proposed dams in British Columbia nor any selection of 20 salmon streams slated for fishery development of damming. The proposed hydroelectric development was included in an internal government paper solely prepared for study purposes.

I therefore ask the hon. member to withdraw his motion.

[*English*]

Mr. Jim Fulton (Skeena): Madam Speaker, I ask, that motion No. 28 be transferred for debate.

[*Translation*]

Madam Speaker: Transferred for debate.

Mr. Collenette: I ask, Madam Speaker, that the remaining motions for papers be allowed to stand.

Madam Speaker: Shall the remaining notices of motions for papers be allowed to stand?

[*English*]

Mr. Beatty: Madam Speaker, two weeks ago today the parliamentary secretary indicated in response to my notice of motion for the production of papers No. 24 that it was acceptable to the government. When I spoke to the parliamentary secretary following that, he indicated to me that the document was not ready to the tabled at that point, although my notice of motion has been dropped from the order paper as a result of the agreement by the government to table the document. The parliamentary secretary indicated at that time that the government wanted to get a French translation of the document, which was the contract between the government and the Canadian Media Corporation, which is to act as an agency of record on behalf of the government.

The parliamentary secretary indicated that he had hoped to be able to make this document available by Monday and, as the House is adjourning for a Christmas recess on Friday, I wonder whether I can obtain the assurance from the parliamentary secretary that indeed that contract will be available to me and other members of the House before the adjournment for the Christmas recess.

Mr. Collenette: Madam Speaker, the facts as outlined by the hon. member are correct, and I shall try to get the copy for him. We have made the commitment that this motion is acceptable to the government. It is a question of paper work, and I must admit that I am sorry that the translation is taking a little longer than necessary, but I will try to obtain it by Friday.

Madam Speaker: Shall the remaining motions stand?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*)

CANADA OIL AND GAS ACT

MEASURE RESPECTING OIL AND GAS INTERESTS

The House resumed, from Tuesday, December 16, 1980, consideration of the motion of Mr. Lalonde that Bill C-48, to regulate oil and gas interests in Canada lands and to amend the Oil and Gas Production and Conservation Act, be read the second time and referred to the Standing Committee on National Resources and Public Works.

Mr. Thomas Siddon (Richmond-South Delta): Madam Speaker, when the House rose last evening at 10 p.m. my remarks were just getting warmed up with respect to the bill which is before this House, Bill C-48. I had indicated that there were a number of defects in this bill, on which I propose to expand further this afternoon. These defects are in four areas, in particular. This bill reflects a lack of trust in the private sector petroleum producing industries in Canada, a lack of consultation, a lack of co-operation, and an absolute lack of realism with respect to the challenges which lie ahead for this country in achieving the very important goal of oil self-sufficiency within the balance of this century.

In particular, the government's actions in relation to this bill and its so-called energy program and budgetary policies are destroying our quest for self-sufficiency in oil, and I would like to expand upon my reasons for making that assertion.

In the offshore and frontier areas of Canada it is anticipated that there will be something in excess of 100 billion barrels of oil and corresponding very massive quantities of natural gas. The oil alone in current dollars would have a value of something in excess of $3 trillion. That is a magnitude which is almost impossible for any of us to comprehend, but the bill before this House provides the foundations upon which those resources, worth something in the order of $3 trillion, will be managed and administered for many years, and perhaps decades to come.

An astonishing feature of this bill is that there is no technical content, and there is no consideration given to the economic criteria which bear upon the producibility of various deposits, whether they be in the high Arctic, off the coast of Newfoundland, or in the Mackenzie Delta.

There are no technical criteria, and the minister is given no tools under this legislation with which to ensure that we achieve optimum rates of production from these deposits. I refer not merely to maximum production but to optimum rates of production in accordance with our national goals. In fact the bill, being titled "an act to regulate oil and gas interests in Canada lands and to amend the Oil and Gas Production and Conservation Act", leads me to astonishment that the tools are not provided to the minister in the quest for these very important goals. There are no tools to ensure that we conserve that resource and use it wisely, or that we develop those areas which are most cost effective and most desirable to develop first. There are no means for consulting with industry experts or provincial government experts, who have decades of experience in managing oil and gas resources.

● (1520)

There is no statutory requirement for ministerial advisory boards or groups. It is an empty shell in that regard, in that the government will not consult expertise before making many important decisions. The bill does, however, set out penalties and procedures for dealing with cases where there is a clear lack of compliance with government rules.

Coupled with this lack of technical and economic guidance are vast areas of ministerial discretion. Many clauses in the bill grant discretion to a minister who is not required to consult. For example, I quote from clause 14:

> The Minister may select any proposal submitted under this section for the purpose of negotiating an exploration agreement and in making the selection may take into account any factors he considers appropriate in the public interest but is not bound to select any proposal submitted.

There is a huge loophole in that type of power being granted to a minister. Similar areas of ministerial discretion are reflected in clauses 12, 14, 44, 46, 48, and in ten or 20 other clauses granting the minister tremendous powers of discretion. When the minister has these powers which are not guided by proper and thorough technical and economic advice, there is the potential for political abuse, indeed the potential for patronage and political favouritism, and for incompetence by the minister, such as the case with the present Minister of Energy, Mines and Resources (Mr. Lalonde) who is totally unschooled and not versed in the realities of the oil and gas producing industry. He is a lawyer, and there is no requirement in this bill for him to consult industry experts before making decisions.

This same minister will have power to allocate an interest held by a corporation which is perhaps not reaching the 50 per cent Canadian ownership requirement; to allocate that shortfall to some other company which is Canadian owned to the tune of 75 per cent or more. One wonders whether that minister could make millionaires of certain industrial interests in this country which happen to be friends of the political party in power. For example, there are several very well-known corporations with which some front bench members are affiliated or have connections. They could become the oil companies of the future by stealing the resources of existing interests and using them to their own personal advantage. That is one of the principal inherent dangers in these immense powers of discretion which are granted to the minister responsible, the Minister of Energy, Mines and Resources. Coupled with those deficiencies, we have to address the punitive financial factors inherent in this bill, punitive compounded taxation which is driving industries and capital from Canada, as we heard once again in today's question period.

In the conventional oil and gas area, the industries of Alberta, Saskatchewan and British Columbia are now to be subjected not only to a 9 per cent federal excise tax on gasoline, an 8 per cent producer tax on gas and oil, a new natural gas tax on export and domestic consumption, an oil export tax and import compensation charge, but also a Canadian ownership charge. There is also the compounding effect of provincial taxes both at the producer and consumer end of the chain. That is the burden of taxation that the conventional oil industry has to contend with in this country.

Under the provisions of this bill, that imposition upon the industry is compounded. There is also written into this bill a requirement for a 25 per cent back-in privilege of Crown ownership in any industry which chooses to seek, explore, and develop hydrocarbon resources in Canada lands. There is that 25 per cent back-in privilege, or an outright confiscation of 25 per cent of the ownership of the production rights of those

resources, under the confiscation powers granted to the minister by this bill.

In addition, there is a 10 per cent base royalty on gross value of production of oil and gas in these lands, plus a 40 per cent progressive incremental royalty on additional earnings after costs have been deducted. Those costs include the 8 per cent producer tax, federal excise tax, natural gas tax if natural gas is being produced, plus federal income tax. Those industries are being taxed to death in a way that is totally unrelated to the realistic demands for a reasonable rate of return on capital to be invested in these industries. This form of socialism is killing the petroleum industry. We increasingly see evidence of that as each day passes.

These unconscionable levels of taxation and state intervention are going to lead to a very bleak future for all Canadians. The spin-off effect of this is severely impairing our whole economy.

As we approach the end of this century, oil and gas are becoming increasingly elusive. They are increasingly hard to find. One only finds scarce resources by prospecting, and prospecting has always been a very competitive business. It requires healthy competition and adequate rewards to risk-taking. These are essential prerequisites if we are ever to achieve self-sufficiency in oil supply. The price has to be right to reward that risk-taking. Exploration must be encouraged. The high costs of exploration in Arctic ice, on the Grand Banks of Newfoundland and elsewhere, and of this very sophisticated technology must in the final analysis be borne by the consumer.

What is Canada faced with today? What are the economic consequences of the policies of this government? I want to say a few words about how that is linked to the world situation. Again yesterday we had an announcement of increases in the price of oil by OPEC countries. That will make it more attractive for investment capital to go to other parts of the world where that price can be realized and a fair rate of return earned on investment in those sorts of ventures.

We are faced with escalating interest rates. The consequences of that, which result from Canada's dependency on imported oil, and the consequences for our national debt are horrendous. This must be coupled with the fact that our oil imports will be paid for with our collapsing dollar. It is now worth 82 cents. I believe that some time in January it will drop to 80 cents if this government does not take immediate action. Oil and gas stocks are declining in Canada. In spite of the denial by the Prime Minister (Mr. Trudeau) that investment capital, drilling rigs and jobs are leaving this country, this is what Canada faces.

If the interest rate is 20 per cent in the United States, that is because there is a shortage of investment capital and of oil. Intense exploration is under way within the continental United States for hydrocarbon resources which are dearly needed to replace their dependency on high cost imported oil. If investment, in searching for those resources, brings a return of 20 per cent in the United States, there is no way that investment capital is going to stay in this country, even though we may have many more vast deposits and potential in the long-range future.

All of these factors are signs of movement in the wrong direction. We in Canada are doing something wrong. It cannot be denied, nor can it be blamed upon the Americans. I wish to refer to a graph found in the report released this past week by the Economic Council of Canada, entitled "A Climate of Uncertainty".

In chart 1-1 on page 8 of that report it is clear that growth in Canada's output or gross domestic product has been in a state of decline since 1967. In the period 1977-79, the growth rate was 3 per cent. When we compare with the other major industrialized countries shown on that chart, we find that since 1976 the United States has had an economic resurgence, as have Japan, France, West Germany, Italy, and the United Kingdom. They all reached a low point in growth rate from 1974 to 1976, as a consequence of the 1973 oil embargo. However, Canada's growth rate did not bottom out. We are still on the decline. In spite of all the accusations by the Minister of Finance (Mr. MacEachen) and others, about the Americans and the fact that their economy is the source of our problems in Canada, the facts are quite clear. We have a different kind of regime in this country, a socialistic, isolationist regime which does not understand how a free enterprise economy must work and how a government must conduct itself in support of that economy. We cannot blame the Americans for this serious economic difficulty we are having to face in the next few years.

● (1530)

I want to come to the question of Canadian ownership because this is a very central theme to Bill C-48. The desire to achieve increased Canadian ownership of our petroleum industry, indeed, of all our industry, ought to be an important objective of this nation. Therefore, it is with no reluctance that I give my total support to the objectives of clause 19 and other references in this bill which suggest we should try to achieve at least 50 per cent Canadian ownership of our oil and gas industries in all parts of Canada, including the Canada lands.

I want for a moment, however, to address this question of ownership. Who will own these resources, the people of Canada or the Government of Canada? We hear a lot of talk from the other side of the House to the effect that the government paid 95 per cent of the cost of developing projects like Hibernia, therefore it is only "just" the government should reclaim that, under the presumption that the government is the people. In fact the government is but the servant of the people. Nothing the government spends is earned unless the people earn it. Let us not forget that! We hear too much talk of this great generous government which is doing all these great things for the people.

We know by the provisions of Bill C-48 that the government wants to take an interest or a 25 per cent share of the carried interest in all exploration rights and permits approved under the provisions of this act. When those exploration efforts bear fruit, the government will automatically claim a 25 per cent

working interest as a condition of approval for commercial production.

I want to ask where the money is to come from to pay for that interest. We hear of federal grants up to 80 per cent of the exploration costs, if that particular industry has achieved at least 50 per cent Canadian ownership, but where is the money to come from? And by what right is the government to be involved in every commercial effort, in every company exploring for oil in our offshore and frontier areas? That destroys the spirit of competition. No one in this House is today opposing a 25 per cent exploration initiative by Petro-Canada or any other government agency, working in competition with private companies or consortia, but by what right does the federal government feel it should take a share, a piece of the action in all these initiatives, even those which are totally or largely Canadian owned? That destroys the spirit of competition.

It seems to me we should be providing incentives for ordinary Canadians to invest in share equity in these petroleum companies. We should provide those incentives as a means of inducing Canadian participation, rather than imposing the government upon the board rooms and policy decisions of private companies.

Why won't Canadians support high risk ventures? Why can they not be enthusiastic about taking the risks involved in looking for oil 100 miles offshore under 400 feet of water, in the midst of icebergs and the like? Why will Canadians not participate? First of all, the return on investment is too low. Profits are not adequate to provide an attractive return, when you have to pay capital gains tax on the marginal return you do receive. Capital gains tax in this country has been a disincentive to investment in high risk ventures.

In order to finance the major portion of the federal government's debt, Canada Savings Bonds are outbidding the private sector for investment capital. Some $40 billion or $50 billion are recycled in order to offset the accumulated debts of this government, in the form of Canada Savings Bonds. Canadians like that guaranteed assurance of 10 per cent, 11 per cent or 12 per cent from CSBs. They will not take the risk. Then we tell oil industry investors that it is not proper if they want to make a profit in the order of 8 per cent on their investments. We are kidding ourselves.

The financial resources, in the final analysis, if we want Canadian ownership, have to come from the people and from nowhere else. But instead, we have people in this country who put their money into secured term deposits, if they do not buy Canada Savings Bonds. We have a lot of money in the residential housing market. How are we going to find oil, with all our money in housing, and how did it get there? One of the reasons there is so much capital money tied up in housing today is because, after 1971 that became the only form of investment which was exempt from capital gains tax. Where did people begin to speculate? They began to speculate in housing and there was a tremendous drain on the available capital to pursue other higher risk initiatives.

I am not for the moment advocating that we now impose a capital gains tax on housing. I think the converse is true; we should eliminate capital gains tax, and we should provide special investment incentives and special tax credits to people who will put their money into high risk oil and gas exploration initiatives. That is how we will achieve Canadian ownership.

Another great area of capital waste is in the area of public service pension funds. There are some $20 billion now accumulated in these funds, but merely accumulated on paper because the government has spent it all, to do all these grand and glorious things like printing bilingual games, converting Canada to metric, doing all those things that the people, particularly in my part of the country, reject, and over which they are in a rage. They were frills, and non-essential to our economic security and prosperity.

The government takes this $20 billion of pension money, writes it into a book, and then spends it. In fact the employees of the RCMP, the Public Service of Canada, and the Department of National Defence should be in a position to know that those funds are secured by some form of equity investment. Why are those funds not invested in oil and gas, in a dedicated way, rather than squandered by the Government of Canada? Why are the union pension funds not being invested in Canada in oil and gas, and why are incentives not provided for that to occur, instead of having those funds invested in the United States and elsewhere? Why are the Heritage funds of Alberta and Saskatchewan, and the heritage fund that we should begin to accumulate in the north, why are these not invested in trust in the name of the people who own those resources which are being exploited? They should be selectively invested to secure our long-range energy potential.

This bill and the budget provide little in the way of tax incentives to get capital flowing in a different direction, to get people's money out of their pockets and into those high risk areas that will guarantee our economic prosperity in the future. The government says it will finance these initiatives, but it will merely continue to compound our national deficit. Where will the government get the money?

We only have to look in the budget to see that Petro-Canada will be empowered to go to New York, to West Germany and anywhere else, to borrow money. What is the interest rate in the United States today? We pretend in this country that it is better to borrow from foreign sources, where there is no risk required on the part of those lenders, so that the government can have a flag on the side of some Crown corporation and pretend to be doing all the good things Canadians want. The government prefers to borrow, rather than to encourage the people to invest their own money in Canada, taking the risk in Canada and producing jobs in Canada. To say that foreign investment is bad, but foreign borrowing is good, is really at the ludicrous heart of the dilemma this country faces. Yet it is a typical philosophy of the government opposite which must be changed.

Foreign borrowing that makes us ever-increasingly dependent on the whims of those people who lend to us is going to put this country to its knees. Canadian foreign borrowing in the

period since 1976 has exceeded that of any other country in the world, and the annual reports of the World Bank show that. Canada has borrowed more money, not per capita, but more money in total than any other nation in the world to finance the extravagances of this government opposite, and that is a travesty!

Why does Canada have such a good credit rating? Why are we able to go out around the world and borrow all this money? This may be embarrassing to some members opposite, but it is a true fact that the equity against which that money is being borrowed is the natural resources of this country, particularly the resources of western Canada, the north and the offshore areas of our country. To finance the lifestyle to which we have become accustomed, we are selling out the future of our country, our children's future and their children's future, because we are borrowing far beyond our means to pay. But when the piper calls the tune we will pay, brothers and sisters. I tell you, do not ever think otherwise.

● (1540)

There is another clause in this bill which puts important stress on ensuring Canadian content in these drilling and exploration ventures in the frontier and offshore lands. Clause 10(3) gives the minister power to ensure Canadian content. That is a very high-sounding objective. But I ask why is Petro-Canada going to Japan to buy a drilling platform which could have been produced here in Canada? Why is the Minister of Public Works (Mr. Cosgrove) going to Holland to contract with dredging companies to dredge the Miramichi canal, probably Roberts Bank, and to dredge in the high Arctic? Why are we going to Holland, and why are we going to South America and elsewhere to furnish the lavish Petro-Canada office in Calgary? Where is the Canadian content in that, Mr. Speaker? It is high time this government woke up to what is going on in this country, and it is high time that the government woke up to why the people in my part of the country are in such a rage with the absolute incompetence of this government.

I shall now speak about the concept of resource ownership to destroy some of the NDP and socialistic myths as to who owns these resources. The provinces, as a condition of confederation, own those resources under setion 92 and section 109 of the British North America Act. That is a matter of legality. It cannot be changed unless we change the constitution. The NDP and the Grits seem to accept these guarantees, but only with great reluctance. I suspect they would like to roll back the clock and revert certain provinces to territorial status. As Mr. Lougheed indicated the other night, that will not happen, if Canada is to remain united.

One wonders why, under section 51 of the government's constitutional resolution, the guarantees under section 91 of the British North America Act, which gave the power to provinces over certain listed areas of jurisdiction in section 92, why is that guarantee to be removed? What is the motive further down the stream? Will we have a national referendum whereby Ontario and Quebec will be faced with a referendum question empowering the federal government to take control of wellheads or take possession of offshore and high Arctic resources? Will we have that kind of a referendum question in this country? If we do, we will not have a country left after it is over.

The provinces were granted the right to resource ownership because these resources are the building blocks of regional economies. The revenues from those resources from the time of confederation have been used as a tool to build roads, schools, communities, and services, and to create employment opportunities in those great reaches of the country which the Ottawa bureaucrats cannot understand, because they do not know much about what lies beyond the Ottawa city limits. These bureaucrats are 2,000 or 3,000 miles away. There can be a much more efficient use made of the capital accruing from those resources, if those revenues are administered on a local basis. That is at the heart of our confederation. Therefore it is an accepted principle and I hope it remains in perpetuity that the provinces own their resources.

What about the offshore areas of Atlantic and Pacific Canada? Why cannot the coastal provinces and the far-flung regions of Canada develop their regional strengths? Why cannot Newfoundland anticipate having not merely control or a share of the return from those offshore resources but also ownership of them? Why cannot the province of Nova Scotia or British Columbia anticipate ownership of those resources?

Bill C-48 attempts to confirm the federal claim to ownership of offshore resources on the east and west coast. This is wrong. The proceeds from those resources, given the generosity of all Canadians, will in any event be recycled through the Canadian economy and will be shared with all Canadians. But the control cannot be centralized in Ottawa and entrusted into the hands of a political system and ministerial powers of discretion which are wide open to political abuse and discrimination.

This brings me to the question of the Canada lands in the north. I know that my colleague, the hon. member for Western Arctic (Mr. Nickerson), has made that aspect very clear but I want to reiterate what he said yesterday. The resources in the offshore areas and in the Mackenzie Delta in the north in the long run should be expected to become the owned resources of those areas, when they achieve provincial status. The federal government should not merely look at this as a land to be raped, as I have heard members opposite claim, including the Minister of Agriculture (Mr. Whelan) who spoke on this subject a week or two ago. Those resources should be held in trust. The earnings from those resources should be used for the benefit of all Canadians, but through the mechanism of a heritage fund.

This heritage fund should bear interest and be reinvested in development of those resources. But the basic heritage should remain for those people who will populate the north in the years to come, when we come to realize the great future and potential which lies in that part of Canada.

Let us not kid around about it. What we are talking about here is nationalization of the oil and gas industry in those frontier lands and offshore areas of Canada. It was ironic that

the Minister of Energy, Mines and Resources in his speech the other night quoted Edmund Burke, who was a small "c" conservative of some two centuries ago. The minister quoted the following statement made by Mr. Burke:

If we command our wealth, we shall be rich and free; if our wealth commands us, we are poor indeed.

What is the point of being free in a country if your wealth is commanded by a centralist government in Ottawa which takes away the individual spirit to compete, to drive, and to advance in accordance with our own sense of priorities and goals?

The Minister of Energy, Mines and Resources had it all wrong when he quoted that phrase. Burke was suggesting that a country's wealth should be entrusted to individuals to be used for the good of all, but that individuals should enjoy the right of ownership, just as provinces enjoy the right of ownership. If we take the position that the federal government should own all, or should own 25 per cent of the interest in every oil and gas producing company, then we are taking that right of freedom away from individuals and we are heading down the road toward becoming a communist society.

Miss Aideen Nicholson (Trinity): Mr. Speaker, this bill before us, the proposed Canada oil and gas act, is a key element in Canada's National Energy Program. It is a bill which evokes strong feelings. There are deep differences of opinion between those of us who think in terms of a National Energy Program and those who think in terms of a regional oil program. There are different aims to be reconciled between the producer and the consumer. This is a bill which needs to be approached with cool heads and considerable good will, rather than with rhetoric.

In introducing the bill the minister said that he would be prepared to consider amendments at committee stage. It is a technical bill which should be carefully studied at the committee stage, and since it will be some weeks before the committee hearings start, there will be time for interested parties to prepare briefs and submissions, which I know will be examined in detail by the standing committee.

There were three main objectives listed in "The National Energy Program", first, security of supply and eventually energy independence; second, the opportunity for Canadians to participate in energy industries, especially oil and gas; third, fairness in pricing and in the sharing of revenues among governments and industry.

There were a number of measures announced to achieve these objectives. Five of these were: first, energy substitution away from heating oil to natural gas, electricity and other energy sources with federal grants to encourage this process. The goal is to reduce residential, commercial and industrial use of oil to 10 per cent of those sectors' total energy use by 1990.

● (1550)

Second, energy conservation measures will be further expanded, including acceleration of home insulation programs to ensure that 70 per cent of Canadian homes will be upgraded by 1987.

Third, renewable energy technologies will be further stimulated through research and demonstration programs and supported by a new alternative energy Crown corporation called Enertech Canada, so their contribution to the total Canadian energy demand will be doubled to 6 per cent by 1990.

Fourth, Canadianization of the petroleum industry which is now dominated by foreign interests will be actively pursued through programs designed to achieve at least 50 per cent Canadian ownership by 1990, Canadian control of a significant number of larger oil and gas firms and an early increase in the share of the oil and gas sector owned by the people of Canada.

Fifth, direct incentive payments for oil and gas exploration and development will supplement reduced depletion allowances and will be structured to favour investment by Canadian companies and individuals anywhere in Canada, with added incentives for exploration on Canada lands in the north and offshore.

Since those measures were announced on budget night there has been a considerable degree of progress. The extension of the natural gas pipeline system to the maritimes is now before the National Energy Board. The renewable energy Crown corporation, Enertech, has been established in Winnipeg, and negotiations are well along with the provinces about off oil energy substitution grants to consumers.

The Canada Oil and Gas Act sets the legislative framework for energy development in the Canada lands. The Canada lands, the lands making up Canada's frontiers, those vast expanses covering a total area almost twice as large as that of the ten provinces combined, comprise some 2.5 million square miles in the offshore and 1.5 million square miles in the Yukon and Northwest Territories. They represent Canada's greatest hope for significant new reserves of conventional petroleum.

In introducing the bill on December 11, the minister summarized the measures in the bill in seven points. He said: "First, there will be . . . work requirements through negotiated exploration agreements which include firm drilling commitments. Second, the bill reserves to the Crown a 25 per cent share of oil and gas rights in the Canada lands, to be exercised through Petro-Canada or some other designated Crown corporation. Third, there will be a minimum requirement of 50 per cent Canadian ownership, through the private or public sector, of production from the Canada lands. Fourth, there will be requirements for "employment of Canadians, and use of Canadian goods and services, in oil and gas activities carried out on the Canada lands." Fifth, there will be "ministerial authority to order production to commence and be delivered to Canadian markets, in quantities and at prices specified in the order." Sixth, there will be a greater degree of control "in the timing, direction, rate, and level of exploration, development and production by various means," which might include "drilling and production orders, earlier release of proprietary information, prior approval of transfers and assignment of rights." Seventh, to "ensure that Canadians receive a fair return for

their oil and gas resources" there will be "a basic royalty of 10 per cent, with an additional royalty of 40 per cent of the net profits of a field . . . The emphasis in all leases and agreements will be on active development.

Even though, as was pointed out in "The National Energy Program", Canada may not need its northern resources for domestic markets until the 1990s," most people would agree that "we should press ahead with exploration so that Canadians will know that a secure source of oil and gas is available . . . for the future—"

The emphasis on early assessment of the oil and gas potential of Canada's frontier regions, however, also includes recognition of the fact that the ecology of the north is fragile and there are measures to protect the environment and fisheries and to fund environmental studies.

This bill does provide indeed a large amount of government control, and one can understand to some extent some of the concerns expressed by the opposition. However, it has not been done without notice. It is now ten years since the industry was informed that the regime for the disposition for oil and gas rights in the frontier regions, the offshore and the territories, would be extensively revised. A bill was introduced earlier, the Canada oil and gas act, but it died on the order paper in 1978. The new act is needed, both from the industry standpoint and from the regulatory standpoint. From the point of view of the industry, there are certain advantages in having clear and firm guidelines. Granted that the industry at the moment is not satisfied with what is being proposed, but there is room for presentation of their point of view in committee. Regulations will be important, and it is important that they should not only be fair but that they should be seen to be fair.

Words like "nationalization" have been used in this debate so far to imply that the government is prepared to act in a very harsh way. The word "confiscation" has also been used, but the whole tradition of Canada's dealings with the oil industry has in fact been based on negotiation and on attempts to conciliate. As a matter of fact I notice that our socialist friends consider that the Liberal government has been too easy with the oil companies.

Why are we talking now about more Canadianization? Well, for one thing not enough research and development is now carried out in Canada. Profits and capital are flowing out of the country. No other country tolerates as much foreign control of its resources. Norway automatically gets 51 per cent of profits. In Mexico, the total resource picture is a nationalized one. The British national oil corporation has first claim on 51 per cent of oil production at market price.

One must ask whether Canada's interests are best served from New York, London, or Houston. Of every dollar that we now spend on energy, 82 cents go to foreign-controlled companies and 18 cents go to Canadian-controlled firms. I was a member of this House in 1975 when we had similarly heated discussions about Petro-Canada. Many members opposite predicted dire things if Petro-Canada were established. But, in fact, we have found that Petro-Canada has been able to work constructively and amicably with the private sector, and has delivered distinct advantages to Canada.

● (1600)

Finally, I should like to talk briefly about the place of the energy policy in industrial strategy. This is of particular importance to me as a member representing an urban constituency in an industrialized area. Surely the province of Alberta, which is interested in increasing secondary manufacturing, must have some similar concerns.

Last February during an election speech in Toronto, the Prime Minister (Mr. Trudeau) promised that if he formed the government again he would capitalize on Canada's energy base in order to build a world competitive industrial sector. The Canadianization measures which are a large part of the National Energy Program will not only increase the percentage of Canada's oil and gas industry owned by Canadians from 25 per cent to 50 per cent within this decade, but must also have some major secondary benefits for Canada's over-all industrial development.

As we retain in our own country a larger share of the profits of the oil and gas industry for our own use, and as our oil and gas sector comes under Canadian control, the traditional linkages between multinational petroleum companies and their foreign suppliers of machinery, technology and equipment, can be changed to the benefit of Canadian business and jobs. In the new legal framework proposed in the bill there are provisions to guarantee that a high level of Canadian goods and services is employed. Applicants for exploration and production rights will have to demonstrate how their operations will bring industrial and employment benefits to Canadians. This will be monitored by the Department of Energy, Mines and Resources and the Department of Industry, Trade and Commerce in order to provide maximum employment and industrial benefits.

Some members opposite have expressed a fear of this amount of government control, but what is the alternative? The alternative would be control by multinationals which have no commitment to Canada and no particular interest in advancing Canada's aims. I am not one of those persons who greatly believe in extensive government controls. Certainly I would like to see these controls put in place with limits, with appeal procedures, and in ways which make it very clear that they are fair, but I think that we cannot quarrel with the aims.

Once again I should like to quote from the February 12 speech of the Prime Minister as follows:

> We need to use Canada's resource base as the fundamental building block of a vigorous industrial sector and to revitalize Canada's industrial capacity so that our industrial sector is better able to create jobs at home and be competitive abroad.

Mr. Nickerson: Mr. Speaker, I rise on a point of order. I should like to draw Mr. Speaker's attention to paragraph 309 of the latest edition of Beauchesne's Parliamentary Rules and Forms. Therein it is indicated quite explicitly that it is a rule of both Houses of Parliament that a member must address the House orally and not read from a written, previously prepared

speech. Of course there are certain exceptions respecting statements by ministers, members giving their maiden speeches, or members speaking in a language other than their own. I respectfully suggest that none of those exceptions was the case as the previous speaker gave her presentation.

The Acting Speaker (Mr. Ethier): The remarks of the hon. member are well taken. I think it is a custom that all members do not read speeches, but they can refer to notes during their speeches. This is a common practice in the House. Perhaps the hon. member has noticed something which the Chair has not noticed, but I only saw the hon. member quoting from notes. I could not say that the hon. member was reading her speech, therefore I did not interrupt the proceedings at that time.

Miss Nicholson: Mr. Speaker, I had notes to which I was referring. The hon. member is most welcome to look at them. If he can find a speech written there, he will have done more than I, because I did not have a written speech.

Mr. Harvie Andre (Calgary Centre): Mr. Speaker, I welcome the opportunity to speak on Bill C-48, the supposed culmination of what is now 10.5 years of effort by diligent, able, intelligent, knowledgeable public servants and their ministers who have been working on this problem.

As indicated by the previous speaker and other spokesmen on the other side, the purpose of this bill is to give Canadians, specifically the Canadian government, more control over the oil and gas industry particularly in regard to the Canada lands. One must ask why for goodness sake, given the record, would any sane individual want to give that bunch of incompetents more say.

We must consider the history. The oil and gas regulations pertaining to the Canada lands, north of sixty and offshore, were withdrawn by the Liberal government, by the minister of the day, J. J. Greene, in April, 1970, or 10.5 years ago, with a promise that they would be replaced immediately by a more up-to-date version which would be more appropriate to the modern era. For three years we waited with bated breath while the government struggled internally to come up with the promised national energy policy. The current Senator Austin from British Columbia, was the deputy minister who assured us through his mouthpiece, the then minister, that it was coming.

Finally in July, 1973, an energy policy for Canada was produced. It was a marvellous document representing three years of tremendous labour by the government. It was abandoned six weeks later when the government took unilateral action in response to political pressure from its bedmates, the NDP, on September 4, 1973. Then they went back to the drawing board, struggled, and so on, and produced what ultimately was in the budget of 1974 of the Hon. John Turner, the minister of finance; the Hon. Donald Macdonald, the minister of energy; and assistant deputy minister of finance, Mickey Cowen, who is now the deputy minister of energy. It was a budget which brought the oil and gas industry to its knees. Hundreds of rigs, thousands of Canadian citizens, and billions of dollars departed because of the energy policy which arose out of the budget of May, 1974. However, it produced the necessary majority Liberal government, which was its intent; never mind that it did dramatic and drastic harm to Canada.

Then they laboured mightily again. The minister of energy, Mr. Macdonald, having been chastened for the disaster he and his friend, John Turner, perpetrated on the country in 1974, produced a new energy strategy for Canada. Ultimately the document was tabled by Alastair Gillespie, and it was called "A New Energy Strategy for Canada—Policies for Self-Reliance". Finally, six years after the old policy was withdrawn, the new one was introduced. The new document said that we must move to world prices, that we cannot live in a never-never world of trying to have prices that are some fraction of world prices, that we must have equitable revenue sharing, and so on and so forth. However, it never did produce any legislation. We were still without any oil and gas regulations for Canada lands.

• (1610)

What it did, though, based on the philosophy within this document, was that it resulted in an agreement with the producing provinces, and consequently there were two years or three years of stability in federal-provincial relations with regard to energy, substantial growth in the industry and, in fact, a country working toward self-sufficiency. But the temptation to abuse and misuse the regional nature of this country and again stomp on the producing provinces was too much. So the Hon. Alastair Gillespie broke a written agreement which had been arrived at as the result of consultations which occurred when this document was produced.

Still there were no oil and gas regulations for Canada lands. Finally, in August, 1977, there were some tentative oil and gas regulations brought down, seven years and three months after the original set of regulations had been withdrawn. These regulations were put to the industry to determine if there was any interest within the industry to operate under them, and they failed dismally. The industry said that it was not interested. Finally, the federal government produced Bill C-20 in 1978, the proposed Canada Oil and Gas Act. The government was convinced that Bill C-20 was the cat's meow, that it would do the trick.

In June, 1979, the government opened up for bids some northern land and said that it would welcome companies which asked for exploration permits on those northern acreages. One company replied and requested a permit for a small portion of the total available land. That company was Dome Petroleum and the land was close to its existing acreages which it had held for many years. No company was interested in taking on the obligations of maintaining an exploration permit in the north based on the rules outlined in Bill C-20.

Apparently that was not enough of a message for the government because, I believe, just two or three months ago it again opened up some acreage for exploration permits in Canada lands and the number of companies which replied was

precisely zero—not one single oil and gas company, Canadian owned, foreign owned or any other type, was interested in exploring under the rules of Bill C-20. As a result, the government produced "The National Energy Program" from which Bill C-48 originates and which we are discussing today.

Bill C-48 is the same as Bill C-20, except it is worse. It contains all the negative portions of Bill C-20 which have already been rejected on two occasions by people who are expert in this area, plus some additional, totally offensive provisions under the guise of Canadianization, which is the Liberal-NDP way of nationalization. "The National Energy Program" document is one of the most dishonest, deceitful documents of which I have heard and certainly read produced by any government in this country or, so far as I am aware, by any democratic country in the world.

The National Energy Program document is full of inaccuracies, distortions, information which has no bearing on the truth, and projections which were fished out of nowhere and designed to back up a philosophy and a policy that are clearly untenable. I could use up my entire 40 minutes outlining the errors and inaccuracies in this document. It was drafted by officials and a minister who are either dishonest or incompetent. I do not think these people were deliberately dishonest, but that it is merely a case of incompetence. I do not say a lack of intelligence. I would like to think that it is not from lack of motivation, although I am not so sure. Perhaps it is the fact that they just do not know and they do not know that they do not know. The sad part, though, is that they think they know.

For example, I take the topic of revenues as outlined in the document. The central thrust of the budget and the energy program is to have a more equitable revenue-sharing program. The Prime Minister (Mr. Trudeau) once again today in question period repeated the totally erroneous, totally inaccurate percentages and information that existing oil and gas revenues are shared on the ratio of 10 per cent for the federal government, 45 per cent for the provincial government, and 45 per cent for the industry. Those figures are wrong and inaccurate.

I do not blame the Prime Minister because what does he know? He knows how to dance the moozmaad, but he relies on the advice of his officials. Presumably it is the same officials who advise the Minister of Energy, Mines and Resources (Mr. Lalonde), who produced the disaster of 1974 which brought the oil and gas industry to its knees, and who are giving the same advice today. They are doing it again. I wonder how many times we will have to go down that path before someone says, "Bring me somebody who knows something about the industry".

The Minister of Fisheries, I understand, is sending an assistant deputy minister to British Columbia in order to learn about the west coast fisheries. That is about the most sensible thing this government has done. Why does it not put an assistant deputy minister in Calgary so it can learn about the oil and gas industry, if it is so determined to take over the industry? If the government is so determined to take over the industry, for goodness sake it should learn about the industry and obtain some advice from people who know.

The employees of the Department of Energy, Mines and Resources are intelligent and are motivated in terms of public service but, believe me, they do not know what they are doing. They are causing this country incredible harm. Of course, the Minister of Energy cannot be expected to know that. I am sorry that the Minister of Agriculture (Mr. Whelan) has left. I noticed that he was muttering yesterday about the percentage of oil revenues taken by the State of Texas. He said that it is only 20 per cent as compared to 45 per cent in Alberta, and he made some other international comparisons which indicated that we in Canada are not nearly as equitable in the field of energy as in the United States. Once again the Minister of Agriculture was repeating figures which were given to him by the Minister of Energy which were given to him by his officials who produced this inaccurate document, so it is not surprising that he repeats these inaccuracies.

The fact is that today the state of Texas collects more dollars per barrel of oil produced than the province of Alberta. Moreover, the state of Texas does not own the oil because in the United States land surface rights and land mineral rights go together. Therefore, the owner of the farm and ranch also owns the minerals underneath the land. That is not the case in parts of Canada. In Alberta 85 per cent of the oil and gas-producing properties have mineral rights which are owned by the province. The surface rights may be owned by the farmer, logger or somebody else, but the mineral rights beneath the land belong to the Crown. Therefore, when the provinces of Alberta, British Columbia and Saskatchewan collect oil and gas revenues, they collect revenues in two capacities, one as the owner, and one as the operator of the government.

● (1620)

By way of analogy, if the Minister of Agriculture were here he would appreciate the differences between what you earn on land which you lease and what you earn on land which you own. There are two levels of earnings. One, as a farmer you should expect a return on the money you invest by way of seed, plowing, labour, fertilizing and so on. Second, you should expect a rate of return by virtue of the fact you own the land. That is the situation in 85 per cent of Alberta. They are the owners as well as the government. They are the owner through the Crown or Her Majesty in right of Alberta. That is never acknowledged in looking at these numbers and making these international comparisons.

So if you look at the state of Texas and add up what the government collects, plus what the owner of the land collects, you get a net back which is much larger than the province of Alberta gets. Yet that does not prevent the Minister of Agriculture from saying, as he did all around the country, including Olds, Alberta, "Gee, we have to change the system because, after all, even in the state of Texas they do not collect as much as they do here in Canada. We need more equitable revenue sharing".

I have not even dealt with the fact that the government has, in essence, taken half the price of oil, the difference between

$17.75 and $40, the going world price, and distributed that to the consumer. It is exactly the same as if it collected a tax and then had a subsidy. Ministers chose not to do it because then it would end up in the accounts of Canada, in the "Blue Book," and the public would look at it and they might ask questions. Instead, they caused the same thing to happen through the Petroleum Administration Act, but then they do not have to acknowledge receipt of those revenues. They can then say, "We are only getting 10 per cent; we need more." That is plain deceit, plain dishonesty, and not the kind of posturing which will lead this country to work together in a unified way for the benefit of all Canadians.

As long as the Government of Canada feels it must make war on the provinces and on the private sector it will, as people in wartime do, cook the books and adjust the facts to suit its argument. We will then continue to live in interesting times, the kind of times mentioned in that old Chinese curse, "May you live in interesting times."

Mr. Speaker, this Bill C-48 will be a disaster for Canada if it goes through intact. I acknowledge the minister did say he would consider amendments at committee stage. I hope he means that and that he was not genuflecting in the usual way. I have had experiences with ministers of this government saying they want to be flexible and then finding out such statements are intended more for public consumption than a statement of their intention.

One of the most disturbing aspects of this bill is the amount of discretion allowed the government. There are 86 sections in the act, 32 of which provide for ministerial or cabinet discretion—32. That is almost half of the clauses in this bill which provide for discretion. That does not fit any definition of democratic government that I know. That is a kind of executive dictatorship. What the bill says is that we, the House of Commons, should grant to the minister in 27 of the clauses, and to the cabinet in four of the clauses, the discretion to do whatever suits them. Why are we here? Why is there a Parliament? Where is there a legislative assembly? We could end all of this nonsense, this time-consuming business of having debates, discussions, committees and what not if we would just pass one clause which reads, "The governor in council shall do whatever it wants." That is the most simple thing you could do. The public might wise up to that.

It is easier if you can sneak things through in bills like this, especially if you disguise it as some sort of Canadianization, some sort of attempt to bring under control these ugly multinationals, those parochial premiers, and those awful people in the oil and gas industry.

Let us look at some of the clauses. Clause 12 reads:

> The minister may enter into an exploration agreement without a notice calling for the submission of proposals where he does not consider it to be in the public interest to give such notice—

The minister may, whenever he chooses, enter into exploration agreements. So if company XYZ made a good, healthy contribution to the Liberal party last year and the company president is a good guy and well known for his connections in the party, and he has been helpful to some friend, well, why not? They could say that under the authority granted by clause 12 they can look after the president of XYZ. He is a nice guy, and why not? It is legal, and we know from this Prime Minister that if it is legal it must be moral. His moral code is the criminal code and nothing more. So if we made it legal we have made it legal for the minister to do that. Mr. Speaker, do you think that is a hypothetical case? It is not hypothetical.

I know of an oil company whose president is a staunch Liberal, who, prior to the promulgation of the manuals and regulations by the Conservative government in 1961 did get a land position in Canada's Arctic through his political connections. This has made that man a millionaire.

Clause 14 reads:

> The minister may select any proposal submitted under this section for the purpose of negotiating an exploration agreement and in making the selection may take into account any factors he considers appropriate in the public interest—

In other words, he can do whatever he wants.

Clauses 22, 23, 26 and 27 grant ministerial discretion. He can do whatever he wants. The same is true with clauses 30, 31, 36, 37, 38, sections 1, 2, 3, 8, and on and on it goes.

Clauses 44 and 45 are the ones which are the real dandies. Clause 44 reads:

> Where the minister is satisfied that a significant discovery has been made on Canada lands, he may, by order, make a declaration of significant discovery in respect of those lands—

So if the minister is satisfied there is an oil and gas discovery he may declare it is a significant discovery. So what then? If you look at clause 45 you will see why. It reads:

> The minister, at any time after making a declaration of significant discovery, may order the drilling of a well or wells on the relevant Canada lands in accordance with such directions as may be included in the order, to commence within one year after the making of the order—

In other words, the minister sitting here in Ottawa being advised by the same people who wrote this bill may declare a significant discovery and order a company to drill a well. He can do that with no regard given to the matter that the company may have committed its exploration budgets to exploration in the offshore, Alberta, Saskatchewan, Manitoba or British Columbia. It does not matter that it may not be the choice of the company geologist, who is expert enough to have made the discovery in the first place, to drill a well. No matter what the circumstances are, the minister can order that a well be drilled.

Mr. Speaker, I ask you to imagine a situation, granted it is a hypothetical one, but one which is very real in the minds of people in the oil and gas industry in Calgary who are looking at potential investments. Imagine the situation in which your company has a piece of land and next door to it is Petro-Canada. Petro-Canada will be in the Arctic, not just as a 25 per cent participant with you but as an independent operator. So, Petro-Canada can have not only 25 per cent of your action, they can have 100 per cent of the action next door, on another piece of land. Petro-Canada and you share the same geology underneath and Petro-Canada says: "Gee, I would like to

know what is going on down there but it will cost me about $5 million or $10 million to drill that hole." Petro-Canada would ask why it does not have its neighbour drill the hole. The minister will ask that neighbour to drill the hole. He can, under clause 45, and Petro-Canada gets about $10 million worth of free information.

● (1630)

If hon. members do not think that will happen, I remind the House of the fact that the vice-president of Petro-Canada was seconded to Ottawa to draft part of the budget and "The National Energy Program". If hon. members do not think that kind of conflict will occur, I suggest they live in a never-never land.

Under clause 46 the minister may, by order subject to clause 56, make a declaration of commercial discovery. Under clause 48 the minister may require any interest holder to commence production of its well notwithstanding what the company involved may feel in terms of its priorities or its financial situation. The clauses go on until we come to clause 55, which says that if the minister has reason to believe—just reason to believe—that an interest holder is failing or has failed to meet any requirement of this legislation—which means if any company fails to obey these arbitrary powers of the minister—the minister can take away his permit and cancel his interest.

So far there has been a total of $5 billion invested in Canada's Arctic offshore. A particular company may be one of those which has invested $20 million, $30 million, $50 million or $100 million, but the minister can come along and say that he wants that company to drill a hole in a certain place. The company might say that it already has its funds committed for the particular year involved. It may be drilling in British Columbia or Saskatchewan and may not feel that to drill where the minister directs would be in the interest of the company.

The company may feel it could find more oil in Saskatchewan than on the property indicated by the minister. The minister can say, "That's too bad," take away the company's licence and say, "You have just lost your investment of $100 million". And there is no appeal to the courts. The minister has that kind of authority, and there is no appeal. Surely hon. members opposite have some sense of justice and fairness and I ask them if it is moral to vest in a minister the power literally to take away investments without recourse. Accumulatively these investments amount to $5 billion. Colonel Quaddafi can put in place those types of regulations, but surely that should not be so in Canada. Surely we have not arrived at the point in Canada where we sit by and allow that kind of executive authority and that kind of executive dictatorship.

If the morality of this matter does not bother anybody, then let us think about it pragmatically. Let us remember that we are not talking about nationality. A minister could do this to a Canadian company as easily as he could to a foreign multinational. Companies make investment decisions based on money required, risk, and rate of return. One of the factors in risk—and this is increasingly so in today's world—is political risk. Heretofore Canada has a triple A rating in terms of political risk. Anybody making an investment in this country did not feel that he faced the threat of confiscation, nationalization, retroactive punitive aciton or arbitrary discretion on the part of bureaucrats which would cause him to lose a part or all of his investment. Suddenly, as a result of this bill, we put Canada down among those other countries where political risk is a very real thing.

I am sure some hon. members opposite have been reading articles in magazines, as I have, which tell of a new consulting business. It is called assessing political risk for these multinational companies. These consultants try to assess the political risk in countries like Brazil, Indonesia, Tanzania and so forth. Now they will be making their money assessing political risk in Canada. We have the great distinction of joining countries in which there is significant political risk with respect to making investments.

If there is any doubt about these arbitrary clauses which give the minister such discretionary power, the fact that it might be used and the fact that Canada's government is heading in the direction along the lines of the Colonel Quaddafis of the world, we need look no further than the provision in this bill which provides for 25 per cent retroactive seizure of the assets of companies which have explored on Canada lands. My colleague, the hon. member for Etobicoke Centre (Mr. Wilson), pointed out the other day that $5 billion has been spent on exploration on Canada lands. With this little bill the government has come along and seized $1.25 billion of that without compensation. I have done as much research as I can in this respect, and there is not a democratic country in the world of which I am aware which has seized private assets without compensation.

With the apparent blessing of the some 145 Canadians sitting on the benches opposite we are now taking the step of acknowledging and accepting the seizure of privately-owned assets without compensation. I really wonder about the morality of that. I am afraid that hon. members opposite will be justifying this with some of the arguments used by the minister. For example, the minister said in his speech as reported at page 5670 of *Hansard* for December 11, and I quote:

> In any event, I would be hard pressed to name any area of the world today where a more favourable exploration situation could be found, both from the standpoint of geological promise and investment climate.
>
> In the United Kingdom, for instance, and I will not talk about the recent 20 per cent tax which the U.K. government has imposed on the oil and gas industry in England, one would encounter a far more severe taxation system involving, in fact, four levels of taxation of petroleum production. In addition, there is one U.K. state enterprise empowered to purchase up to 51 per cent of all oil production, and another one with a monopoly with respect to all gas production.

If we believed that, we would say that we are not as bad as the United Kingdom, that the United Kingdom is obviously exploring in the North Sea and that therefore perhaps this is not so bad. I do not know if the minister is just badly advised or distorting the facts, but the real facts are that in the United Kingdom there is a state company, British National Oil Company, which comes in for 51 per cent. However, a private company drilling in the North Sea gets 175 per cent of its

capital back before any taxes are collected. This British National Oil Company was created in 1975 and, yes, indeed, from 1975 onward it has been a 51 per cent partner after that private company gets its 175 per cent back. However, there is no participation in leases made before 1975. These was no retroactivity with respect to the British National Oil Company. Only in Canada do we have retroactivity where the state comes in for 25 per cent retroactively with no compensation. That happens only in Canada, not in the United Kingdom, as the minister stated in this House or implied in this House in an attempt to justify this immoral act.

Not only is the government not being honest with the Canadian public and with its own backbenchers, in terms of comparing what we have done with what has been done in the rest of the world, but it has not even informed other members of the government. For example, the Department of External Affairs was quite shocked when it saw the document the same night the rest of the country did on October 28, as was the Department of Industry, Trade and Commerce, because we will be hit with retaliation for our intention to seize 25 per cent of privately-owned assets. If we have not received it yet, we will very soon be receiving a very stiff note from the United States pointing out that it has an act called the mineral lands mining act of 1920 which states that if Americans are treated in one fashion in a foreign country, then nationals of that country will be treated the same way in the United States.

● (1640)

I quote from the act of 1920:

> Deposits of . . . oil, or . . . gas and lands containing such deposits owned by the United States, . . . shall be subject to disposition in the form and manner provided by this chapter to citizens of the United States, . . . or to any corporation organized under the laws of the United States, . . . Citizens of another country, the laws, customs or regulations of which deny similar or like privileges to citizens or corporations of this country, shall not by stock ownership, stock holding, or stock control, own any interest in any lease acquired under the provisions of this chapter.

That means a whole lot of Canadians are going to find their assets seized in the United States in retaliation for this seizure of assets in Canada under the provisions of the lands and mining act of 1920, unless the government changes its mind and backs off on this provision, which I think it will have to do.

Also, we are in violation of agreements with the OECD. Member countries are required to notify the OECD within 30 days of the introduction of measures which restrict new investment by foreign-controlled enterprises already established in their territory. We neglected to do that. Therefore, we are in violation of our agreement with OECD. American law compels them to retaliate against Canadian companies in the United States. We are also in violation of the General Agreement on Tariffs and Trade. That is all right, though. We have good friends in the sands of Araby. We can all learn to be the muezzin, and we will be very happy.

Mr. Cullen: Are you still harping on that?

Mr. Andre: I find it absolutely and totally offensive and immoral that the government of my country would act in a way that would win the applause of Colonel Qaddafi.

Mr. Cullen: You are unbelievable!

Mr. Andre: Morality aside, pragmatically I would ask the members of the government to think what they are doing in terms of future investment and Canada's credibility. Think what they are doing to the credibility of this country if they sanction and support this kind of action, the seizure of assets retroactively. It cannot be rationalized, as members opposite have attempted to do, on the basis that because there were tax incentives in the past the Government of Canada has somehow contributed to the exploration and is, therefore, only taking back that which it already paid for. The reality is that the rules under which companies and individuals operated were established. Those were the rules. We cannot now turn around and say those rules which allowed them to make a successful investment are going to be changed, and we are now going to seize part of your assets and become a 25 per cent owner of what you accomplished under those rules.

Talk about credibility! How can anybody trust this government in the future? If a company which received a DREE grant succeeds, it will now be open to having some of its assets seized by this government because of that grant. What is even more offensive is the notion that tax incentives represent a gift from the government to the individual who takes advantage of that incentive.

I do not think of my registered retirement savings plan as a gift from the government to me. I do not view a dollar of taxes not collected as a gift from the government to me. The money does not belong to the government. It belongs to those who earn it. Governments have to collect money to operate those things we decide have to be operated on behalf of all of us, but the fact that they do not collect some money does not turn that money into a gift from the government. To define a tax not collected as a bequeathment is, at least, intellectually dishonest.

I again ask hon. members to think long and hard about the ramifications this will have on our reputation, not just with foreigners but with Canadians. Capital cannot be kept captive. It goes where it is wanted and rewarded. It is not foreign multinationals that are now leaving Canada. All the foreign multinationals are doing is cutting back on their growth plans. All the government has done to them is restrict their growth potential. In some cases it has seized part of their assets, but it is not driving them out of the country. They have no place to go. Imperial Oil cannot go to the United States.

Mr. Cullen: They have a good deal here; that's why they are staying.

Mr. Andre: The hon. member for Sarnia (Mr. Cullen) should be aware of this. The United States is reserved for Exxon, the North Sea is reserved for Esso U.K., and the Middle East is reserved for another Exxon subsidiary. Imperial Oil has nowhere to go. It is stuck here. You cannot drive them

out of the country. They cannot go to any other country, but the Canadians can, and they are going in droves. Louis Rukeseyer, an American analyst, wrote an article in the Houston *Chronicle* entitled "Thank You, Canada". In it he talks about what a great boon to the United States this national energy policy has been.

Skilled geologists, geophysicists and engineers are going to the United States in large numbers. They are taking with them billions of dollars, all kinds of machinery and rigs, and talent. Walking around Denver today is like walking around Calgary five years ago. Several large office buildings are under construction, being built by and filled by Canadians. This government has done more for the economy of Denver than the United States ever has. It has done more for the economy of Denver than it has for the entire eastern half of this country.

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

* * *

[*Translation*]

THE ROYAL ASSENT

The Acting Speaker (Mr. Ethier): I have the honour to inform the House that a communication has been received as follows:

Madam,

I have the honour to inform you that the Honourable Julien Chouinard, Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy Governor General, will proceed to the Senate Chamber today, the 17th day of December, at 5.45 p.m., for the purpose of giving Royal Assent to certain bills.

I have the honour to be,
Madam
Your obedient servant,
Edmond Joly de Lotbinière
Administrative Secretary
to the Governor General

* * *

[*English*]

MESSAGE FROM THE SENATE

The Acting Speaker (Mr. Ethier): I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed Bill C-51, to amend the Clean Air Act, without amendment.

* * *

CANADA OIL AND GAS ACT

MEASURE RESPECTING OIL AND GAS INTERESTS

The House resumed consideration of the motion of Mr. Lalonde that Bill C-48, to regulate oil and gas interests in Canada lands and to amend the Oil and Gas Production and Conservation Act, be read the second time and referred to the Standing Committee on National Resources and Public Works.

Mr. Roy MacLaren (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, it is not my intention to comment on the speech of the hon. member who spoke immediately before me. There will be opportunity to deal with some of his points when the bill is before the committee. However, I should say that it is inappropriate in this House, and not in accordance with the traditions of either this House or of the provincial legislatures, to attack public servants, and especially to do that by name. The policies which are embodied in this bill and more generally in the energy policy are policies of the government. The minister, the cabinet and the government generally are responsible for those policies. We do not need to have public servants named and attacked in the House of Commons.

● (1650)

Speaking to the bill itself, Bill C-48, which we have before us, we are dealing with the development of Canada lands, an area of Canada which is more than twice the size of the ten provinces combined, an area of approximately 1.5 million square miles in the territories and the Arctic, and 2.5 million square miles offshore.

Those areas are essential to the energy future of Canada because they contain, or are thought to contain, much of the oil reserves which will enable Canadians to enjoy an energy security that is unparalleled in the industrial world.

We have before us a bill which recognizes the importance to move more decisively and more rapidly toward the development of those new and additional resources. We have before us a bill which takes into account and further elaborates the previous practices developed during an earlier period of Canada's energy history.

Members will recall that when the question of the development of our offshore and Arctic resources was first brought forward, there was an abundance of cheap energy, an abundance of cheap oil. At that time it did not seem to any Canadian that there was any particular urgency to develop the Canada lands. Those were areas of Canada largely unknown in terms of their energy resources. The practices of the government of the day were to permit the licensing of exploration in those areas in what today would seem to be an unnecessarily leisurely fashion.

More than 20 years ago we had exploration practices in place which would allow the interested companies to take licences which enabled them in effect to sit on the land indefinitely, at very little cost, and with no real commitment to exploration or development. Clearly that situation, as the world energy problems increased, became more and more unsatisfactory. Recognition was given to that unsatisfactory state of affairs by the government through developing, in consultation with industry, a new policy which would have accelerated the rate of exploration and development in the

north and offshore. That concern found expression in Bill C-20 to which reference has been made during this debate.

Some members may recall that under the old system companies applied to the federal government for permission to explore on a block of Canada land and, if an application was approved, an exploration permit with a duration of as much as 12 years was granted. In addition, companies which were entitled subsequently to convert the exploration licence into a development permit or lease had the opportunity to sit on that land for as much as 21 years and, in fact, even renew their opportunity for a period beyond that.

In such circumstances, the public control was limited and scrutiny was weak. Many of the most promising Canada lands, those with the greatest potential for oil and gas development, were effectively alienated from public control and from more vigorous competitors who might have been expected to bring on-stream the resources more rapidly.

Additionally, there was in both the former practices and in Bill C-20 inadequate provision for the protection of a fragile environment both offshore, Atlantic and Pacific, but especially in the high Arctic. There was little in the old act to minimize environmental disruption because that too was not then a subject of great public concern.

Finally, in regard to Bill C-20 and to the practices of two decades or more, there was little recognition given to the situation of small Canadian gas and oil companies. They were few in number at the time and were without any real incentive to participate in the challenging exploration and development possibilities in the Canada lands.

It was as a result of the growing concern that the previous practices were inadequate, that they were not leading to the development which was increasingly recognized as important to Canada's energy future, that the government published a policy statement in May, 1976, which undertook to provide for the governance of oil and gas rights in the frontier lands. That policy statement sought to increase exploration and development, to accelerate the flow of accurate information, of which there was little enough, and to encourage greater Canadian content and participation in the resource development.

The minister of the day noted when referring to Bill C-20, and I would like to quote for a moment from him:

> These changes will update the regulations to provide Canadians with increased control over and participation in frontier exploration—

The minister brought that bill forward at the time to do a number of things: to increase the required levels of exploration work; to reduce statutory land tenure; to increase land rentals; and to provide Petro-Canada with an option for a 25 per cent working interest in special renewal permits or provisional leases and an option to acquire existing Crown lands as well as 25 per cent of lands returning to the Crown.

In addition, Bill C-20 provided for a 10 per cent royalty plus a progressive incremental royalty on field profits. The confidential periods of exploration information were reduced, or would have been reduced by that bill, and the minister would have been empowered to do a variety of other essential things to ensure the more rapid and orderly development of our frontier lands. The minister would have set prices, taken royalties in kind rather than in cash. He could have ordered drilling on permits or leases where no such drilling was going forward. He could have ordered production to begin or production into specific domestic markets. The minister could have, where discovery had been made, set a minimum level of Canadian ownership as a condition of production and indicate the manner in which that level was to be obtained.

● (1700)

I have spent a moment on those aspects of Bill C-20—which died on the order paper some three years ago—because many of the features of the present Bill C-48 have been before the Canadian public, and before this House of Commons for that period of time. Certainly there are additional features in the new legislation, but the broad outlines of Bill C-48 were adumbrated in Bill C-20. They were also subsequently set forth during the election campaign and in our more recent National Energy Program. Our party indicated during the election campaign that if elected we would move to strengthen the role of Petro-Canada and that we would accelerate the drive toward self-sufficiency in petroleum products. For the same reasons that motivated us then, we believe the reform of our oil and gas regime in Canada lands is even more pressing today.

Those who wanted to anticipate the aspects of Bill C-48 pertaining to Canada lands would have done well to refer to the national energy policy where the commitment is made to accelerate the development of our frontier resources and to enable Canadians to participate in that accelerated development to a degree which has not been the case in the past.

Among the most important provisions in Bill C-48 not included in the former Bill C-20 is one relating to the concept of a 25 per cent Crown share, an aspect of the bill to which reference has been made during this debate. That provision replaces one in Bill C-20 which provided for both a 25 per cent back-in option for the Crown and a special Petro-Canada land selection preference. I believe members of the House will be familiar with that former back-in option. However, with regard to the special Petro-Canada land selection preferences, members may recall this took the form of Petro-Canada's right to select up to 25 per cent of all lands reverting to the Crown during the period of seven years. Neither the 25 per cent back-in or the preferential selection rights are included in the bill because they are being replaced by the 25 per cent Crown share concept.

One or two opposition members have suggested that while it would be fair and just to ask companies applying for new permits to abide by these new and, in our view, welcome rules, all existing permits should be exempted. To me that is a little like saying we are going to increase the income tax but only for new taxpayers and that we will exempt all previous taxpayers. I would suggest to you, Mr. Speaker, that that would be an unfair and unjust policy.

As other members on this side of the House have mentioned, Canadians, through Petro-Canada or another Crown agency, will participate through the 25 per cent Crown share in the exciting new prospects that await all Canadians in the development of frontier lands. One member in the opposition has described this as confiscation without compensation. I would suggest that his statement is merely rhetoric without reality. The resources found on Canada lands are 100 per cent Canadian owned since oil and gas underground is 100 per cent Canadian. Surely it is not unreasonable to expect a 25 per cent share above ground when, in return for the 25 per cent Crown share, the government is giving a minimum 25 per cent cash grant for exploration costs to all companies, whether foreign or Canadian. For Canadian companies of at least 75 per cent Canadian ownership, the incentive is especially encouraging. The grant will increase to 80 per cent for every exploration dollar spent. In other words, the federal government will give a company 80 cents on every dollar spent.

The 25 per cent Crown share is nothing new. It recognizes and replaces the earlier practice of securing a 25 per cent back-in for Petro-Canada. By making the legislation applicable to all permit and leaseholders, we are giving expression to the laudable goal of equal and universal treatment. I might add that companies will have between six months and one year to renegotiate their current leases. If that is not sufficient time for a company and the government to reach a satisfactory agreement, then the company can opt for a provisional lease of up to five years. In essence, the 25 per cent Crown share is in fact a long overdue catch-up for the Canadian people. The taxpayers of this country have paid more than their share of the development costs to provide us all with energy security, which all Canadians have a right to expect.

I might further add that in a policy development as necessarily complex as that in the case of the 25 per cent Crown share in the frontier lands, there will be anomalies. It is our intention to explore, as we have already begun to do with some of the companies involved, any potential situations which would give rise to particular hardship, should such hardship arise unintentionally. It is not our purpose here today to speculate on such problems. I am sure that when we are at the committee stage of our proceedings there will be opportunity to hear those most directly involved in the industry and so benefit from their descriptions of anomalies or particular difficulties which may arise as a result of the legislation before us.

With regard to the development of the exploration permits in the north, should Petro-Canada decide that it is in the best interests of Canadians to become actively involved in production prior to the approval of leases for production, then Petro-Canada will, of course, pay its fair share of production costs, just like any other partner.

As part of our commitment to the greater Canadianization of the petroleum industry, we require by this legislation that companies in a production lease must develop a level of Canadian ownership of at least 50 per cent, including, of course, the Crown share which I have just noted.

• (1710)

The principal purpose of the bill is to encourage Canadian private oil companies to form a consortia necessary for offshore and frontier projects, and equally to encourage private foreign oil companies to enable Canadians to take part in their activities in the frontier lands. We seek from those foreign oil companies greater opportunities for Canadians to participate. The bill encourages large multinational corporations to share their experience and expertise with smaller, less experienced Canadian companies which will gain accordingly from their partners' universal experience. We believe that with the incentives which we are offering in this bill, Canadian companies will be better equipped to take a leading role in the development of our frontier resources.

The final aspect of our Canadianization objective is that companies which apply for exploration and development rights will be required to demonstrate how their operations will bring industrial and employment benefits to Canada. I believe that all of us on both sides of the House are conscious of the enormous benefits which will flow to every region of Canada through the further development of the energy sector.

We have been reminded, during the course of this and other debates, of the fact that the energy industry will act as a major motor for our further industrial development. In this bill, members will find a specific requirement for those participating in exploration and development in the Canada lands to seek the supply of goods and services from Canadian companies rather than from foreign or offshore companies. This means more jobs for Canadians and increased demand for Canadian goods and services.

I want to turn for a moment to the Petroleum Incentives Program which plays a major part in the encouragement of Canadian exploration and development in the frontier areas. Under the program, a generous cash allowance or grant for petroleum exploration and development expenditures incurred after December 31, 1980, will be available to all those entering the frontier areas. It is estimated that the incentives involved may amount to $1 billion annually. These incentives are heavily oriented toward Canadians so that we can all, directly or indirectly, participate more in the development of our Canada lands. The incentives also are intended to replace the so-called super-depletion allowance of the past which the previous government had moved toward reducing and shortly thereafter toward eliminating altogether, and which we in this bill are doing as well. We are replacing the super-depletion allowances by the new Petroleum Incentives Program.

Under this program, enterprises which are at least 75 per cent Canadian owned will receive, as I noted, incentives ranging from 80 per cent of exploration costs on Canada lands to 25 per cent for development costs in the provinces.

The program is self-assessing, that is, industry will be able to calculate the incentives on their eligible expenses according to regulations. An applicant, who may be a corporation or an individual, may submit claims as soon as the program has been formally established by legislation. Eligible expenses under the program will be those incurred on oil or gas projects where the

applicant already has an interest or will earn an interest as a result of the expenditures. These and other definitions will be elaborated to provide the industry with the opportunity to discuss the detailed provisions which will flow from Bill C-48 and which are intended to encourage Canadians to negotiate better deals in order to be eligible for maximum incentives.

The program as a whole will be administered by the proposed Petroleum Incentives Board which, I am pleased to say, will have offices both in Calgary and in Ottawa to assist applicants.

I have noted already that the intention of the earlier legislation, Bill C-20, was to help to ensure that companies did not simply sit on resources indefinitely. Under the legislation before us now, those companies will be required to meet more vigorous work or development conditions. The active leadership provided by this legislation will ensure that the projects in our Territories, in the Arctic and offshore will proceed much more quickly than would have been the case under the previous legislation. So, too, will the projects proceed in a more orderly manner as a result of the terms of Bill C-48. The government will be able to direct the rate of exploration, the timing and development and the level of production of oil and gas on Canada lands for the benefit of all Canadians. The minister will have the authority to ensure that leaseholders commence production of oil and gas and continue to produce at specified rates and quantities for the duration of their permits and leases.

Some hon. members have expressed some concern about the possible abuse of ministerial authority because of the discretionary powers which are necessarily entrusted to the minister in the legislation. I would remind the House that any careful reading of the bill will reveal that discretionary powers of the minister can be challenged in the courts and reviewed by the courts. There are appeal mechanisms built into the legislation.

Finally, there are tough new controls provided in the legislation for protecting the environment. Companies will be required to contribute to a fund to provide for the basic knowledge needed to analyse any possible environmental degradation. In addition, should any oil spill occur, the government does not have to prove negligence or fault to secure funds for clean-up or compensation.

These stringent provisions of the legislation provide for the absolute liability of the lead operator of any consortium for any damage caused by any oil spill. I might also add that any development, as is made plain in the legislation, will necessarily reflect the social and environmental concerns and the legitimate aspirations of the native peoples of the north and of the residents of coastal provinces.

In conclusion, I want to note that the legislation before us does provide for more opportunities for Canadians, not only to participate directly or indirectly in the development of our Canada lands, but also more opportunities for Canadians to provide the goods and services to sustain the growth in our petroleum sector. We have no doubt that, given the opportunity, smaller Canadian companies will measure up to the opportunities and challenges embodied in this legislation.

As the minister said, we shall welcome the referral of this bill to the Standing Committee on National Resources and Public Works to review this legislation. We are eager to see the bill come before committee. It will provide an opportunity to hear the comments of those persons active in the industry, of those persons with environmental concerns, or the interests of native people, so that we can proceed expeditiously to develop the great new opportunities which face us all in the Canada lands in the north, in the ocean areas and in the territories.

• (1720)

Some hon. Members: Hear, hear!

Mr. Howard Crosby (Halifax West): Mr. Speaker, Bill C-48, to enact the Canada oil and gas act will govern the exploration and development of the so-called Canada lands. What is equally important is that the bill represents the government's implementation of "The National Energy Program" first revealed on October 28, 1980, on the occasion of the budget speech.

It is claimed that the National Energy Program has two basic goals: first, to develop Canadian energy resources so that energy self-sufficiency will be achieved across Canada, and second, the National Energy Program adopts measures intended to Canadianize the nation's energy industry. At face value these are laudable goals, but closer scrutiny reveals a plan and a policy which, if implemented without regard to the realities of the worldwide energy complex, will at best nationalize and socialize the energy industry.

If that were only my own opinion I would not expect it to be taken too highly, but I notice that an editorial writer in the Halifax *Mail-Star* took much the same position. He commented upon the remarks of the parliamentary secretary, who just spoke in the House, at a press conference when he said that the new bill was an affirmation of the government's view that offshore resources belonged to the people of Canada. The commentator said that this was quite an interesting statement for many reasons. He indicated that, for one thing, it almost sounded like a socialist battlecry. "Workers of the world unite", said the commentator. Also he said, "It seems to me that the legislation means I own a part of the resource just like Russian citizens own their energy resource". He went on to say that certainly the ownership of a resource like oil is really not the question; the question is how the resources of the country can develop these assets to the benefit of Canadians. Finally he went on to say that while he had not yet seen the details of the new legislation, the press reports were very disturbing. He said that the Trudeau government seemed to have viewed its election mandate as support for the nationalization of an industry and the further socialization of the country as a whole. Those were the remarks of a commentator as reported in the Halifax *Mail-Star*.

The other real possibility is that the National Energy Program will bankrupt Canadian-owned energy producers in the oil and gas field and drive away from Canada those non-Canadian Corporations and syndicates which, until now, have

spearheaded energy exploration and development on land, on the frontier and offshore. This possibility could well become a reality under the National Energy Program.

The new Canada oil and gas act must then be examined both on its own merits and in the context of the government-sponsored National Energy Program which may well be designed to nationalize and socialize Canada's energy industry under the guise of Canadianization. If this covert action is taken by the federal authority, it is in the face of a constitutional provision which clearly vests ownership and control of natural resources, the life blood of the energy industry, in the ten provinces of Canada. Yet the Government of Canada has the unmitigated gall to treat legitimate provincial concerns and complaints with scorn and cries of disloyal disregard of our natural purpose. What calumny, what cynicism, what naked lust for political power!

Why does the federal authority trammel provincial rights and regional interests in its grab for power and control? The answer is clear—so that it can finance the national works, undertakings and services which have been installed and established. In the years the Liberal government has held office, all these services have taken hold. We can look at the St. Lawrence Seaway with its $600 million write-off of debt. What about Mirabel airport with its $192 million loss? Also there is the Canadian postal service with its $500 million annual deficit. We must not forget the $500 million bribe to obtain the votes of our senior citizens while contributing little or nothing to their general welfare. The list goes on and on.

Let me talk about energy. This very day the Government of Canada is spending $10 million to subsidize the importation of 400,000 barrels of foreign oil for use in eastern Canada. This very week Saudi Arabia, the major source of our foreign oil, increased the cost of its crude oil to $38.50 per barrel to bring its prices in line with other OPEC nations. That means the Canadian government will spend on an annual basis over $4 billion on oil imports which approaches 10 per cent of all government spending. Canadian consumers should realize that a $1 per barrel increase in crude oil can result in a four-cent increase in the price of gasoline at the pump. Gas produced in Canada from Saudi oil will cost almost eight cents more per gallon when delivered to an automobile at a Canadian service station.

Why is there this massive financial problem? It is because the Liberal government did not establish a national energy program in the early 1970s when it became obvious that dependence on foreign oil would result in disaster, nor did the Liberal government recognize the error of its ways when in late 1978 the revolution in Iran further disrupted international oil supplies. It was not until 1980 that the government came forward with a national energy program and any government commitment to Canadian energy self-sufficiency.

It is no wonder that the National Energy Program announced on October 28, 1980, will have to take from the provinces of Canada and the private sector in order to remedy the financial damage and discord created by the total lack of an effective energy policy in force in the 1970s. Is that what the Prime Minister (Mr. Trudeau) meant when he said, "Welcome to the 1980s". What is the price of this decade of disenchantment for the provinces and the private sector? We have already experienced some very practical aspects and application of private sector disenchantment. Recent announcements indicate a very serious situation in Canada. Today it was disclosed that 60 or more oil-drilling rigs have left Canada to drill elsewhere, with a resultant loss of more than 2,000 Canadian jobs. There are more drilling operators and oil rigs posed to leave Canada for greater opportunities elsewhere.

I have before me a report which indicates the Ottawa Association of Oil Well Drilling Contractors said recently that a survey of its members indicated that some 70 drilling rigs now in Canada are committed to leave the country by June 30. That figure was based upon a December survey. I have another report before me indicating that troubled Canadian oil firms are finding exploration in the United States more attractive. Also it indicates that after five years the western Canadian exploration business seems to have lost its sparkle, and more and more Canadian oil companies are concluding that exploration in the United States looks far more attractive.

The report goes on to indicate that the southward move is well under way and it includes nearly every Canadian-controlled oil company, with the possible exception of the state-owned PetroCan; also the largest multinationals such as Canada's biggest oil company, Imperial Oil, which is 70 per cent-owned by Exxon Corporation, appear to be remaining in Canada, and that by custom such companies do not venture outside Canada. So, that is the strange paradox of Canadian-owned companies leaving Canada for more attractive prospects in the United States and other countries, and the multinationals staying here. What has the Canadianization of the oil industry accomplished for Canadians?

There is another serious difficulty which is caused by this matter, that is, the dispute between federal and provincial authorities over the ownership of offshore oil rights. I will speak more about that later on, but it has resulted in a slowdown in the operations and exploration of the oil fields off the coast of Nova Scotia and in gas exploration off the coast of Newfoundland. We must review this Canadianization and this dispute between the Government of Canada and the provinces on the east coast, with very serious concern.

● (1730)

Let me outline our problems on the east coast with respect to the federal government and its National Energy Program by indicating the extent of the land grab that is represented by this new legislation called the Canada oil and gas act. An editorial writer in the Halifax *Mail-Star* has pointed out that one of the major disappointments of the constitutional talks which have dominated government concern this year is Ottawa's refusal to recognize the maritime provinces' legitimate claims to ownership of the undersea land around them. What makes the matter particularly appalling is that the federal government has summarily ignored a unanimous

request from the other ten partners in confederation, the provinces, that the territory be formally recognized as the property of the provinces by the sea.

What makes this question particularly galling for maritimers is that the federal government intends to ask parliamentary approval, which it has now done, for constitutional change which it deems necessary to redress the grievances of one part of Canada. Toward one of the most manifest examples of injustice in Canada's history, however, Ottawa over the years has demonstrated no concern whatever.

The editorial writer referred to the big giveaway of land in the first half of the century to Ontario and the western provinces, and the big take-away of land in the second half of the century. He referred to legislation like this bill which, in effect, expropriates the offshore lands and mineral rights which are contained therein from the eastern coast provinces and particularly from the maritimes. The writer went on to say that he believed that the maritime members of parliament have an obligation to insist that the national government abandon its negative attitude toward the offshore claim and recognize the merits of the case which, as I have said, is supported by all the provincial governments.

In trying to detail and document this land-grab by the federal government I will review very briefly some of the modern legislation which has been passed by this House with respect to offshore interests. In 1964 the Parliament of Canada enacted the Territorial Sea and Fishing Zones Act of Canada. That act was very modest in its intent. It simply established an offshore zone that ran to three miles for certain purposes, and to 12 miles for other purposes. It caused no great concern to anybody.

Later in 1968 Parliament enacted the Oil and Gas Production and Conservation Act. That act applied to the oil and gas in the Yukon Territory and the Northwest Territories. Clearly these lands of Canada were under the control of the federal Government of Canada. It again caused no concern. But subsequently the Parliament of Canada, acting, of course, under the authority and carrying out the intentions of the Government of Canada, amended the Oil and Gas Production and Conservation Act and said that the act applied in respect of oil and gas to any of the areas which it then described as those submarine areas adjacent to the coast of Canada to a water depth of 200 metres or beyond that limit to where that depth of the super-adjacent waters admits the exploitation of natural resources of the seabed and subsoil thereof.

That was the beginning of the federal land grab, the extension of the provision of the Oil and Gas Production and Conservation Act, which formally applied simply to the Yukon Territory and the Northwest Territories, to the submarine lands off the coast of the maritime provinces and the province of British Columbia.

That provision was prompted by a ruling of the Supreme Court of Canada on a case between the federal government and the government of British Columbia involving offshore mineral rights. The case was decided in favour of the Government of Canada and that, I assume, was what prompted that legislation.

Now the federal government is asking the Parliament of Canada to enact quite a different provision in Bill C-48 as part of the new Canada oil and gas act. That piece of legislation not only applies the provisions of the act to the offshore and submarine lands, but it claims that those lands are the property of Canada. That is where the expression "Canada lands" assumes much more significance than in the past. If the Parliament of Canada enacts Bill C-48, it will be saying that those lands off the coast of the province of Nova Scotia, historically claimed by the province of Nova Scotia, will be and are the property of Canada. That is a matter of grave and great dispute and one which will not be let go very simply by the passage of a bill by this Parliament, when Nova Scotia has traditionally laid claim to those lands for years.

I would like to cite an experience I once had. It stems from my employment in the department of the attorney general of the province of Nova Scotia back in 1957. I can recall very vividly in 1958 being asked, as a legislative draftsman, to prepare a statute which involved the exploitation of the seabed adjoining the southwestern shore of Nova Scotia for the purpose of extracting seaweeds, including Irish moss and kelp. I had occasion at that time to correspond with the Department of Justice of the Government of Canada with respect to its attitude to Nova Scotia enacting legislation to control these submarine seaweeds.

At that point in time there was absolutely no objection from the law officers of the Crown to Nova Scotia enacting such legislation to control the harvesting of seaweeds off the coast of Nova Scotia. In fact in 1958 legislation was passed to institute the sea plants harvesting act, which claimed for Nova Scotia the right to deal with those seaweeds off the coast of the province on the basis that the province owned the land and had authority to deal with matter growing on the land.

This attitude on the part of Nova Scotia extends from traditional involvement in the coal mines which run under the submarine lands off the coast of Cape Breton. For years Nova Scotia had, by legislation, controlled the operation of the coal mines, which in some cases extend six or more miles out under the seabed and, with the development of new mines recently, may now extend even further. To my knowledge the Government of Canada has never challenged Nova Scotia's right to legislate in that area, and that legislation is based upon the claim of ownership.

Clearly, under the British North America Act, Nova Scotia has no other claim to enact legislation of that kind apart from its claim to ownership. Let me review very briefly Nova Scotia's claim to ownership of offshore lands. Nova Scotia has always been a seaward-looking province. Fishing, shipbuilding, and ocean trading were the province's lifeblood from the start. More recently the province has become a centre for ocean-related manufacturing and technology. Now there are strong indications that offshore resources will make Nova Scotia an oil and gas producing province as well.

The origins of Nova Scotia's claim to the offshore go back to the sixteen hundreds. The first colonists were utterly dependent on the bounty of the ocean for food and transportation, and for that reason King James I in 1621 granted the Royal Charter of Nova Scotia to Sir William Alexander which included as part of the territory of Nova Scotia a band of sea stretching about 120 miles southward from the coast. This band easily encompasses Sable Island and much of the Georges Bank and the Scotian Shelf. I would point out that it is the Scotian Shelf which is of great interest in terms of oil and gas exploration. These boundaries were observed for many years, despite numerous conquests and treaty settlements.

● (1740)

Without reviewing all the details of the Treaty of Utrecht of 1713, and without going into all of the historic data related to published maps and charts, I would like to say that the boundaries were redescribed in a major settlement between England and France—the Treaty of Paris of 1763. That description remained fairly constant through the various royal commissions of the nineteenth century, until confederation. The southern boundary was the Atlantic Ocean from Cape Breton to Sable Island, including all other islands within 40 leagues of the coast, with all the rights, members and appurtenances whatever thereto belonging.

Before confederation Nova Scotia exercised its offshore responsibilities and passed many laws regulating piracy, navigation, shipwrecks, and criminal activity at sea. The British North America Act of 1867 provided that Nova Scotia's limits would be exactly the same after confederation as before. These historical references might well cause the Supreme Court of Canada to decide the question of offshore mineral ownership in favour of Nova Scotia because, Mr. Speaker, in the reference to the Supreme Court of Canada made in relation to the British Columbia offshore lands and minerals, the court found no evidence of any kind that the boundaries of British Columbia ever extended west of the Pacific Ocean, or that British Columbia ever exercised legislative jurisdiction offshore. But Nova Scotia, as I have indicated, has quite a different claim based on historical facts.

I would like to say very quickly that legal confrontation is not the route for settling offshore jurisdictional questions. Provincial-federal agreement is an alternative which most favour. Instead of relying wholly on events predating 1867, a negotiated settlement recognizing the needs and means of Canada and the province of Nova Scotia in the 1980s seems a more sensible way to resolve any matters in dispute.

Mr. Speaker, how can this dispute be resolved? Please bear in mind the tremendous effect this dispute can have on reassessing and retrograding the kind of offshore exploration that ought to be taking place right now off the coast of Nova Scotia and off the coast of Newfoundland. In that respect I refer to a November 20 article in *The Globe and Mail* in which a spokesman for the Mobil Oil Company, which is one of the principal companies involved in the exploration of the Hibernia oilfield, was reported as saying that the federal-provincial dispute could hinder production and exploration on that site. It is said in the article that a production plan for the promising Hibernia oil site in the Atlantic Ocean, off Newfoundland, is now being drawn up but a bitter dispute could cloud the actual start of production. Of course they are referring there to the dispute between the Government of Canada and the government of the province of Newfoundland with respect to the ownership of the submarine lands, which are the site of the Hibernia drilling operations. Mobil Oil has threatened to slow down or stop its operation if the dispute is not settled.

A more recent piece in the same newspaper of December 17, 1980, says that Ottawa, meaning the Government of Canada, has vowed to support the firms which are involved in the Hibernia exploration in any dispute with the government of the province of Newfoundland. I see the hon. members from Newfoundland wince when they hear about this, because what the Government of Canada is saying is that we will use the strength and authority of the Government of Canada to beat down a claim of the government of Newfoundland regardless of the legitimacy of that claim. I say that is not the way in the 1980s to resolve disputes of this kind between governments. It is not the way to resolve disputes, simply to use the power and might of the federal authority against a province like Nova Scotia or Newfoundland without regard to the needs and means of those provinces, and without regard to the historical facts which make up their claim.

How can we then resolve the dispute between the provinces which are interested in offshore development like Newfoundland and Nova Scotia, and the Government of Canada? There is a simple way to do it, Mr. Speaker, and that is to pass legislation in this House extending the boundaries of the province of Nova Scotia and the province of Newfoundland and any other provinces which claim offshore and submarine lands, extend the boundaries of those provinces to include those lands. This is a completely opposite course to that which the government has taken in the introduction of Bill C-48, which extends not the boundaries of the provinces but the boundaries of Canada. In defining Canada lands clause 2 says that included are:

> (*b*) those submarine areas adjacent to the coast of Canada and extending throughout the natural prolongation of the land territory of Canada to the outer edge of the continental margin or to a distance of two hundred nautical miles from the base lines from which the breadth of the territorial sea of Canada is measured, whichever is the greater;

Mr. Speaker, I have introduced in this House a private member's bill which does exactly the same thing for the province of Nova Scotia. But it does it legitimately by extending the boundaries of the province of Nova Scotia, and not in this illegitimate course of action which the government has chosen to follow, by simply extending the boundaries of Canada without the consent and concurrence of the province of Nova Scotia, or any other province.

There is another, second method, to settling the dispute between the provincial governments and the Government of Canada with respect to offshore ownership, and that is a reference to the Supreme Court of Canada. I was quite

pleasantly surprised to see in "The National Energy Program", introduced in the budget on October 28, 1980, a reference to just that problem and an admission on the part of the Government of Canada in that document called "The National Energy Program" that the federal-provincial dispute could retard the development of offshore lands. I thought, Mr. Speaker, that the Government of Canada had finally agreed to refer this matter to the Supreme Court of Canada and have it resolved, at least at the legal authority level. But I have since found out that that is not the case. The Government of Canada has no intention of referring the dispute to the Supreme Court of Canada for resolution, and the statement in "The National Energy Program" is only intended to mean that if somebody else wants to go to the trouble of bringing the matter before the courts the federal government will not object. We all know the federal government has no right to object in any event. So it is giving us nothing in this gratuitous statement with respect to reference.

Now, Mr. Speaker, I think because of the way that the National Energy Program and this Bill C-48, will reflect on offshore development, and on the provinces which claim offshore resources, we will see the matter go before the courts very soon. It may have, in the case of Nova Scotia, different results than the Government of Canada might have contemplated, particularly when the historical facts relating to the long history of Nova Scotia, its long involvement with offshore activities and offshore mineral exploration, fisheries, aquaculture, and all those things by which Nova Scotia exercised jurisdiction offshore, are brought out. All of these things may add up to a very strong case before the court and the result may come as a surprise to the Government of Canada.

The third and most effective way to resolve the dispute is by agreement, as I have already indicated. The federal government in 1978 proposed an agreement in which it said that the federal government would own and have control over offshore resources through ownership in land, as well as through jurisdiction under the British North America Act, but would return to the provinces involved 75 per cent of the revenues derived from the ownership of offshore resources. The federal government, of course, retains the other 25 per cent. This appeared to be a sensible agreement, but I am sure it was not the ratio which was offered that gave rise to the concern on the part of the provinces. It was what the federal government intended to do with respect to the development of those offshore resources. Would our federal government exercise its control so as to retard development, perhaps in the interests of some other part of Canada? Would it contribute funds and services of the kind which are required to accelerate development? The provinces involved simply could not leave this whole matter to the control and concern of the Government of Canada. So the agreement failed in 1978 when the Liberal government in Nova Scotia was defeated for just those kinds of reasons, that it was dabbling with the rights of the province of Nova Scotia in a manner unacceptable to most of the people. Any hope of an agreement based on a 75-25 split of revenues was abandoned.

So we are left with the problem. The problem must be resolved, Mr. Speaker. It cannot be resolved by simply bringing before this House a bill which in effect expropriates the interest of the seacoast provinces, and particularly Nova Scotia, in their offshore resources.

● (1750)

Let me speak more generally of Nova Scotia's energy problem, which is very much related to offshore resource development. In Nova Scotia we are still dependent to a large extent on foreign oil, not only for our transportation fuels but also for heating homes and for other purposes. Part of this problem would be resolved, of course, by the discovery off our coast of gas or oil resources, but in order to take full advantage of those kinds of possibilities we must have certain things in place, and work on those projects must start now.

First and foremost is the natural gas pipeline now extended to the city of Quebec by virtue of permission granted by the National Energy Board, but not extended to the province of Nova Scotia by virtue of a refusal to grant permission by the National Energy Board. The Minister of Energy, Mines and Resources (Mr. Lalonde) has said in the House that an extension of the natural gas pipeline is a matter of national priority and, if the current application before the National Energy Board is refused or delayed, he will introduce a bill in this House to ensure that the natural gas pipeline will be extended to the east coast. To the extent that we can rely on government undertakings—and I sincerely hope we can—that part of the problem is resolved.

The next hope for the future in Nova Scotia is the development of a petroleum-based industry, and that involves the location of a liquid natural gas terminal on the Strait of Canso. This project, too, would be related to the natural gas pipeline and, more important, to the Arctic pilot project which involves the transportation of natural gas from the Arctic to a point on the east coast. Again the matter of the Arctic pilot project is before the National Energy Board, and that board, so we are told, will decide the appropriate location for a liquid natural gas terminal as between the Strait of Canso and Gros Cacouna on the St. Lawrence River.

Let met just say in passing that the Minister of Finance (Mr. MacEachen), as a representative from Nova Scotia, has assured Nova Scotians that this decision respecting the location of a liquid natural gas terminal will be made on the merits of the two locations on the Strait of Canso and on the St. Lawrence River. There are some who would doubt that. We in Nova Scotia take him at his word when he says that decision will be made on the merits.

I remind the Minister of Finance that his colleague, the Minister of Energy, Mines and Resources, on November 26, 1980, in Montreal, said something which might be differently construed when he said that things looked very favourable for Gros Cacouna. I think the Minister of Finance might take a look at what his colleague said because he has made it clear that the National Energy Board is a quasi-judicial body which operates on the basis of facts and information before it, and

not on political considerations. One would wonder and question how the Minister of Energy, Mines and Resources would know at this point that things are very favourable for a location at Gros Cacouna. When he has time available to him I hope the Minister of Finance will make that inquiry and tell the members of the public, who are very much concerned about this matter and very much relieved by his public announcements, that the decision will be made on its merits.

There is one other project which is very much a part of Nova Scotia's energy future and it is dependent upon the support of the Government of Canada. And that is the development of the Donkin Coal Mine. This matter has been before both the government of Nova Scotia and the federal government for years now. Report after report has been filed. But so much of the resolution of our energy problem in Nova Scotia is dependent upon the development of the Donkin coal mine that we would be in very difficult straits if any change in policy were adopted by the Government of Canada and the necessary aid was denied, because the conversion of our oil-fired electrical energy plants to coal is an essential element of the solution to our energy problem in the future.

There are several other matters I would like to draw to the attention of this House with respect to Bill C-48. One in particular involves the provision with respect to oil spills. As hon. members know, legislation was previously enacted under which the Government of Canada established a fund.

An hon. Member: Black Rod is here.

Mr. Knowles: The Tories have no respect for the Crown.

Mr. Crosby: Madam Speaker, would you prefer that I call it six o'clock?

Madam Speaker: There is a message, so we should deal with that.

Mr. Crosby: Madam Speaker, do you wish me to carry on?

As I was saying, the provisions of Bill C-48 respecting—

Mr. Taylor: Black Rod is coming in.

THE ROYAL ASSENT

[*Translation*]

A message was delivered by the Gentleman Usher of the Black Rod, as follows:

Madam Speaker, the Honourable the Deputy Governor General desires the immediate attendance of this honourable House in the chamber of the honourable Senate.

Accordingly, Madam Speaker with the House went up to the Senate chamber.

• (1800)

And being returned:

Madam Speaker informed the House that when the House went up to the Senate chamber, the Deputy Governor General had been pleased to give, in Her Majesty's name, the royal assent to the following bills:

Bill C-44, an act to amend the Small Loans Act and to provide for its repeal and to amend the Criminal Code—Chapter 43.

Bill S-2, an act to implement conventions between Canada and Spain, Canada and the Republic of Austria, Canada and Italy, Canada and the Republic of Korea, Canada and the Socialist Republic of Romania and Canada and the Republic of Indonesia and agreements between Canada and Malaysia, Canada and Jamaica and Canada and Barbados and a convention between Canada and the United Kingdom of Great Britain and Northern Ireland for the avoidance of double taxation with respect to income tax—Chapter 44.

Bill C-51, an act to amend the Clean Air Act—Chapter 45.

Bill S-12, an act respecting the Canadian Merchant Service Guild.

Bill S-18, an act to amend and repeal an act to incorporate General Security Insurance Company of Canada.

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[*English*]

BUSINESS OF THE HOUSE

Mr. Knowles: I rise on a point of order, Madam Speaker. Could we be told what the business is for tomorrow?

Mr. Turner: Madam Speaker, it is my understanding that we will be back on Bill C-48. If there is any change, it will be announced tomorrow at the House leaders' meeting.

[*Translation*]

Madam Speaker: It being past six o'clock, this House stands adjourned until tomorrow at two o'clock p.m., pursuant to Standing Order 2(1).

At 6.08 p.m., the House adjourned, without question put, pursuant to Standing Order.

END OF VOLUME V